

# Nationwide Destination Freedom+<sup>SM</sup>

Prospectus dated May 1, 2018

An Individual Flexible Premium Deferred Variable Annuity Contract Issued by Nationwide Life Insurance Company Through its Nationwide Variable Account - 4

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**Prospectus supplement dated December 10, 2018  
to the following prospectus(es):**

BOA IV, Nationwide Destination B (2.0), Nationwide Destination B NY (2.0), Nationwide Destination Navigator (2.0), Nationwide Destination Navigator NY (2.0), Nationwide Destination All American Gold (2.0), Nationwide Destination All American Gold NY (2.0), Nationwide Destination Architect 2.0, Nationwide Destination Freedom+ Variable Annuity, BOA CVUL Future, BAE Future Corporate FPVUL, Next Generation Corporate Variable Universal Life, Future Executive VUL, Nationwide YourLife Protection VUL - New York, Nationwide YourLife Accumulation VUL - New York, Nationwide YourLife Survivorship VUL - New York , Nationwide YourLife Protection VUL, Marathon Performance VUL, Nationwide YourLife Accumulation VUL, Nationwide YourLife Survivorship VUL, BOA America's VISION Annuity , BOA America's FUTURE Annuity II , Nationwide Destination All American Gold, Compass All American Gold, Key All American Gold, M&T All American Gold, Wells Fargo Gold Variable Annuity, BOA Achiever Annuity, America's Horizon Annuity, BOA Future Venue Annuity, Nationwide Heritage Annuity, BOA Elite Venue Annuity, Nationwide Destination B , Nationwide Destination L , BOA America's Future Annuity, Key Future, NEA Valuebuilder Future, America's Future Horizon Annuity, BOA V, NEA Valuebuilder Select, BOA FPVUL, BOA TNG, BOA ChoiceLife FPVUL, BOA The Next Generation II FPVUL, NLIC Options Plus, NLIC Options Premier, Nationwide Destination C, Nationwide Destination EV (2.0), Nationwide Destination EV NY (2.0), Nationwide Destination L (2.0), Nationwide Destination L NY (2.0), America's marketFLEX II Annuity, America's marketFlex Edge Annuity, and America's marketFLEX Advisor Annuity dated May 1, 2018

America's marketFLEX Annuity and BOA America's Exclusive Annuity II dated May 1, 2016

BOA America's Income Annuity dated May 1, 2014

BOA Choice Venue Annuity II, Nationwide Income Architect Annuity, Nationwide Destination EV, Nationwide Destination Navigator, Nationwide Destination Navigator (New York), BOA Choice Venue Annuity, BOA Choice Annuity, Key Choice, and Paine Webber Choice Annuity dated May 1, 2013

Schwab Income Choice Variable Annuity dated May 1, 2012

Schwab Custom Solutions Variable Annuity dated May 1, 2010

BOA Last Survivorship II, BOA ChoiceLife Survivorship, BOA ChoiceLife Survivorship II, Next Generation Survivorship Life, BOA Protection Survivorship Life, and Marathon VUL dated May 1, 2009

NLIC Survivor Options Premier, NLIC Survivor Options Elite, NLAIC Survivor Options Premier, NLAIC Options Premier, Nationwide Enterprise The Best of America Annuity, BOA TruAccord Variable Annuity, BOA MSPVL, BOA MSPVL II, BOA Protection FPVUL, BOA ChoiceLife Protection FPVUL, Nationwide Options Select - New York, BOA CVUL Future, BOA CVUL, INVESCO PCVUL, Newport PCVUL, and Nationwide Options Select dated May 1, 2008

BOA Exclusive dated May 1, 2004

ElitePRO LTD and ElitePRO Classic dated May 1, 2003

NLAIC Options VL, BOA InvestCare, BOA SPVL, and BOA Last Survivor FPVUL dated May 1, 2002

NLIC Survivor Options Plus, NLIC Special Product, and NLAIC Survivor Options VL dated May 1, 2000

**This supplement updates certain information contained in your prospectus. Please read it and keep it with your prospectus for future reference.**

- On December 5, 2018, at a meeting of the Board of Trustees (the "Board") of Nationwide Variable Insurance Trust (the "Trust"), the Board approved the termination of Logan Circle Partners, L.P. as the subadviser to the Nationwide Variable Insurance Trust – NVIT Multi Sector Bond Fund (the "Fund") and approved the appointment of Amundi Pioneer Institutional Asset Management, Inc. as the Fund's new subadviser.
- The Fund is renamed "Amundi NVIT Multi Sector Bond Fund" and all references in the prospectus to the Fund's former name are replaced accordingly.
- These changes are anticipated to take effect before the end of January 2019.

**Prospectus supplement dated September 14, 2018**

**to the following prospectus(es):**

Soloist, BOA IV, BOA America's Vision Annuity, BOA America's Future Annuity II, BOA Achiever Annuity, America's Horizon Annuity, BOA Future Venue Annuity, Nationwide Heritage Annuity, BOA Elite Venue Annuity, Nationwide Destination All American Gold, Compass All American Gold, Key All American Gold, M&T All American Gold, Wells Fargo Gold Variable Annuity, Nationwide Destination All American Gold 2.0, Nationwide Destination All American Gold NY 2.0, Nationwide Destination B, Nationwide Destination B 2.0, Nationwide Destination B NY 2.0, Nationwide Destination C, Nationwide Destination EV 2.0, Nationwide Destination EV NY 2.0, Nationwide Destination L, Nationwide Destination L 2.0, Nationwide Destination L NY 2.0, Nationwide Destination Navigator 2.0, Nationwide Destination Navigator NY 2.0, America's marketFLEX Advisor Annuity, America's marketFLEX II Annuity, America's marketFLEX Edge Annuity, Nationwide Destination Freedom+, BOA All American Annuity, Sun Trust All American, M&T All American, Compass All American, BOA America's Future Annuity, Key Future, NEA Valuebuilder Future, America's Future Horizon Annuity, BOA V, NEA Valuebuilder Select, BOA FPVUL, BOA Next Generation FPVUL, BOA ChoiceLife FPVUL, BOA Next Generation II FPVUL, Nationwide YourLife Protection VUL - New York, Nationwide YourLife Accumulation VUL - New York, Nationwide YourLife Survivorship VUL - New York, NLIC Options Plus, NLIC Options Premier, Nationwide YourLife Protection VUL - NLAIC, Marathon Performance VUL, Nationwide YourLife Accumulation VUL - NLAIC, and Nationwide YourLife Survivorship VUL dated May 1, 2018

America's marketFLEX Annuity and BOA America's Exclusive Annuity II dated May 1, 2016

BOA America's Income Annuity and BOA Advisor Variable Annuity dated May 1, 2014

BOA Choice Venue Annuity II, Nationwide Income Architect Annuity, Nationwide Destination EV, Nationwide Destination Navigator, Nationwide Destination Navigator (New York), BOA Choice Annuity, and Key Choice dated May 1, 2013

Schwab Income Choice Variable Annuity dated May 1, 2012

Schwab Custom Solutions Variable Annuity dated May 1, 2010

BOA Last Survivorship II, BOA ChoiceLife Survivorship, Next Generation Survivorship Life, BOA ChoiceLife Survivorship II, BOA Protection Survivorship Life, BOA ChoiceLife Protection, and Marathon VUL (NLAIC) dated May 1, 2009

Successor, Nationwide Enterprise The Best of America Annuity, BOA TruAccord Variable Annuity, BOA MSPVL, BOA MSPVL II (BOA MSPVL Future), BOA Protection FPVUL, BOA ChoiceLife Protection FPVUL, Nationwide Options Select - New York, Survivor Options Premier (NLIC), Survivor Options Elite (NLIC), Nationwide Options Select AO, Survivor Options Premier (NLAIC), and Options Premier (NLAIC) dated May 1, 2008

America's Vision Plus Annuity, America's Vision Annuity, and BOA Exclusive Annuity dated May 1, 2004

ElitePRO LTD and ElitePRO Classic dated May 1, 2003

BOA SPVL, BOA Last Survivor FPVUL, and Multi-Flex FPVUL dated May 1, 2002

**This supplement updates certain information contained in your prospectus. Please read it and keep it with your prospectus for future reference.**

On September 12, 2018, at a meeting of the Board of Trustees (the "Board") of Nationwide Variable Insurance Trust (the "Trust"), the Board approved the termination of Invesco Advisers, Inc. and American Century Investments Management, Inc. as the subadvisers to the Nationwide Variable Insurance Trust – NVIT Multi-Manager International Growth Fund (the "Fund") and approved the appointment of Allianz Global Investors U.S. LLC and WCM Investment Management as the Fund's new subadvisers. These changes are anticipated to take effect before the end of October 2018.

**Prospectus supplement dated July 2, 2018  
to the following prospectus(es):**

Nationwide Destination Freedom+ dated May 1, 2018

**This supplement updates certain information contained in your prospectus. Please read it and keep it with your prospectus for future reference.**

**The following disclosure changes are made to the prospectus:**

- (1) The prospectus offers the following underlying mutual fund(s) as investment option(s). Effective July 30, 2018, the name of the investment option(s) are updated as indicated below:

CURRENT NAME	UPDATED NAME
PIMCO Variable Insurance Trust - Foreign Bond Portfolio (U.S. Dollar-Hedged): Advisor Class	PIMCO Variable Insurance Trust - International Bond Portfolio (U.S. Dollar-Hedged): Advisor Class
PIMCO Variable Insurance Trust - Foreign Bond Portfolio (unhedged): Advisor Class	PIMCO Variable Insurance Trust - International Bond Portfolio (unhedged): Advisor Class
PIMCO Variable Insurance Trust - Unconstrained Bond Portfolio: Advisor Class	PIMCO Variable Insurance Trust - Dynamic Bond Portfolio: Advisor Class

**Prospectus supplement dated June 28, 2018**  
**to the following prospectus(es):**

Nationwide Destination EV NY 2.0, Nationwide Destination B 2.0, Nationwide Destination B NY 2.0, Nationwide Destination L NY 2.0, Nationwide Destination All American Gold 2.0, Nationwide Destination All American Gold NY 2.0, Nationwide Destination Navigator 2.0, Nationwide Destination Navigator NY 2.0, Nationwide Destination All American Gold, Compass All American Gold, Key All American Gold, M&T All American Gold, Wells Fargo Gold Variable Annuity, BOA Achiever Annuity, America's Horizon Annuity, Nationwide Destination C, BOA Elite Venue Annuity, BOA Future Venue Annuity, Nationwide Heritage Annuity, Nationwide Destination L, Nationwide Destination B, Nationwide Destination EV 2.0, Nationwide Destination L 2.0, BOA America's Future Annuity II, Nationwide Destination Freedom+, America's marketFLEX II Annuity, America's marketFLEX Edge Annuity, America's marketFLEX Advisor Annuity, BOA All American Annuity, and Sun Trust All American dated May 1, 2018

America's marketFLEX Annuity dated May 1, 2016

BOA Choice Venue Annuity, BOA Choice Venue Annuity II, Nationwide Income Architect Annuity, Nationwide Destination EV, Nationwide Destination Navigator, and Nationwide Destination Navigator (New York) dated May 1, 2013

Schwab Income Choice Variable Annuity dated May 1, 2012

Schwab Custom Solutions Variable Annuity dated May 1, 2010

**This supplement updates certain information contained in your prospectus. Please read it and keep it with your prospectus for future reference.**

- On June 13, 2018, at a meeting of the Board of Trustees (the "Board") of Nationwide Variable Insurance Trust (the "Trust"), the Board approved the termination of Boston Advisors, LLC as the subadviser to the Nationwide Variable Insurance Trust – NVIT Large Cap Growth Fund: Class II (the "Fund") and approved the appointment of BNY Mellon Asset Management North America Corporation as the Fund's new subadviser. This change is anticipated to take effect on or about July 16, 2018 (the "Effective Date").
- As of the Effective Date, the Fund is renamed "Nationwide Variable Insurance Trust – NVIT Dynamic U.S. Growth Fund: Class II." All references in the prospectus to the Fund's former name are replaced accordingly.

# Nationwide Destination Freedom+<sup>SM</sup>

## Individual Flexible Premium Deferred Variable Annuity Contracts

Issued by

## Nationwide Life Insurance Company

through its

## Nationwide Variable Account-4

The date of this prospectus is May 1, 2018.

This prospectus contains basic information about the contracts that should be understood before investing. Read this prospectus carefully and keep it for future reference.

Variable annuities are complex investment products with unique benefits and advantages that may be particularly useful in meeting long-term savings and retirement needs. There are costs and charges associated with these benefits and advantages - costs and charges that are different, or do not exist at all, within other investment products. With help from financial consultants and advisors, investors are encouraged to compare and contrast the costs and benefits of the variable annuity described in this prospectus against those of other investment products, especially other variable annuity and variable life insurance products offered by Nationwide and its affiliates. Nationwide offers a wide array of such products, many with different charges, benefit features, and investment options. This process of comparison and analysis should aid in determining whether the purchase of the contract described in this prospectus is consistent with the purchaser's investment objectives, risk tolerance, investment time horizon, marital status, tax situation, and other personal characteristics and needs.

The Statement of Additional Information (dated May 1, 2018), which contains additional information about the contracts and the Variable Account, has been filed with the SEC and is incorporated herein by reference. The table of contents for the Statement of Additional Information is on page 42. To obtain free copies of the Statement of Additional Information or to make any other service requests, contact Nationwide by one of the methods described in *Contacting the Service Center*.

Information about Nationwide and the variable annuity contract described in this prospectus (including the Statement of Additional Information) may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., or may be obtained upon payment of a duplicating fee by writing the Public Reference Section of the SEC, 100 F Street NE, Washington, D.C. 20549. Additional information on the operation of the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. The SEC also maintains a web site ([www.sec.gov](http://www.sec.gov)) that contains the prospectus, the Statement of Additional Information, material incorporated by reference, and other information.

Variable annuities are not insured by the Federal Deposit Insurance Corporation or any other federal government agency, and are not deposits of, guaranteed by, or insured by the depository institution where offered or any of its affiliates. Variable annuity contracts involve investment risk and may lose value. These securities have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the prospectus. Any representation to the contrary is a criminal offense.

The Sub-Accounts offered through this contract invest in the underlying mutual funds listed below. For a complete list of underlying mutual funds, including underlying mutual funds available prior to the date of this prospectus, refer to *Appendix A: Underlying Mutual Fund Information*. For more information on the underlying mutual funds, refer to the prospectus for the underlying mutual fund. **To obtain free copies of prospectuses for the underlying mutual funds, Contract Owners can contact Nationwide using any of the methods described in *Contacting the Service Center*.**

- AllianceBernstein Variable Products Series Fund, Inc. - AB VPS International Value Portfolio: Class B
- ALPS Variable Investment Trust - ALPS/Alerian Energy Infrastructure Portfolio: Class III
- ALPS Variable Investment Trust - ALPS/Red Rocks Listed Private Equity Portfolio: Class III
- American Century Variable Portfolios II, Inc. - American Century VP Inflation Protection Fund: Class II
- American Funds Insurance Series® - Blue Chip Income and Growth Fund: Class 4
- American Funds Insurance Series® - Capital Income Builder®: Class 4
- American Funds Insurance Series® - Global Small Capitalization Fund: Class 4
- American Funds Insurance Series® - International Fund: Class 4
- American Funds Insurance Series® - New World Fund®: Class 4



- BlackRock Variable Series Funds, Inc. - BlackRock Global Allocation V.I. Fund: Class III
- BlackRock Variable Series Funds, Inc. - BlackRock High Yield V.I. Fund: Class III
- BlackRock Variable Series Funds, Inc. - BlackRock Total Return V.I. Fund: Class III
- Columbia Funds Variable Insurance Trust - CTIVP - AQR Managed Futures Strategy Fund: Class 2
- Columbia Funds Variable Series Trust II - Columbia VP High Yield Bond Fund: Class 2
- Delaware VIP Trust - Delaware VIP Small Cap Value Series: Service Class
- Dreyfus Investment Portfolios - MidCap Stock Portfolio: Service Shares
- Eaton Vance Variable Trust - Eaton Vance VT Floating-Rate Income Fund: Initial Class
- Fidelity Variable Insurance Products - Emerging Markets Portfolio: Service Class 2
- Fidelity Variable Insurance Products Fund - VIP Balanced Portfolio: Service Class 2
- Fidelity Variable Insurance Products Fund - VIP Growth & Income Portfolio: Service Class 2
- Fidelity Variable Insurance Products Fund - VIP Growth Portfolio: Service Class 2
- Fidelity Variable Insurance Products Fund - VIP Investment Grade Bond Portfolio: Service Class 2
- Fidelity Variable Insurance Products Fund - VIP Real Estate Portfolio: Service Class 2
- Fidelity Variable Insurance Products Fund - VIP Strategic Income Portfolio: Service Class 2
- Franklin Templeton Variable Insurance Products Trust - Franklin Founding Funds Allocation VIP Fund: Class 2
- Franklin Templeton Variable Insurance Products Trust - Franklin Income VIP Fund: Class 2
- Franklin Templeton Variable Insurance Products Trust - Franklin Mutual Global Discovery VIP Fund: Class 2
- Franklin Templeton Variable Insurance Products Trust - Templeton Global Bond VIP Fund: Class 2
- Goldman Sachs Variable Insurance Trust - Goldman Sachs High Quality Floating Rate Fund: Advisor Shares
- Goldman Sachs Variable Insurance Trust - Goldman Sachs Multi-Strategy Alternatives Portfolio: Service Shares
- Guggenheim Variable Funds - Long Short Equity Fund
- Guggenheim Variable Funds - Multi-Hedge Strategies
- Invesco - Invesco V.I. Balanced-Risk Allocation Fund: Series II Shares
- Invesco - Invesco V.I. Equally-Weighted S&P 500 Fund: Series II Shares
- Invesco - Invesco V.I. International Growth Fund: Series II Shares
- Ivy Variable Insurance Portfolios - Energy: Class II
- Janus Henderson VIT Balanced Portfolio: Service Shares
- Janus Henderson VIT Enterprise Portfolio: Service Shares
- Janus Henderson VIT Flexible Bond Portfolio: Service Shares
- Janus Henderson VIT Global Technology Portfolio: Service Shares
- JPMorgan Insurance Trust - JPMorgan Insurance Trust Global Allocation Portfolio: Class 2
- JPMorgan Insurance Trust - JPMorgan Insurance Trust Income Builder Portfolio: Class 2
- Lazard Retirement Series, Inc. - Lazard Retirement Emerging Markets Equity Portfolio: Service Shares
- Legg Mason Partners Variable Equity Trust - ClearBridge Variable Aggressive Growth Portfolio: Class II
- Legg Mason Partners Variable Equity Trust - ClearBridge Variable Small Cap Growth Portfolio: Class II
- Legg Mason Partners Variable Income Trust - Western Asset Variable Global High Yield Bond Portfolio: Class II
- Lord Abbett Series Fund, Inc. - Short Duration Income Portfolio: Class VC
- Lord Abbett Series Fund, Inc. - Total Return Portfolio: Class VC
- MainStay VP Funds Trust - MainStay VP MacKay Convertible Portfolio: Service 2 Class
- MFS® Variable Insurance Trust - MFS Utilities Series: Service Class
- MFS® Variable Insurance Trust II - MFS Blended Research® Core Equity Portfolio: Service Class
- MFS® Variable Insurance Trust II - MFS Global Tactical Allocation Portfolio: Service Class
- MFS® Variable Insurance Trust II - MFS International Value Portfolio: Service Class
- MFS® Variable Insurance Trust III - MFS Mid Cap Value Portfolio: Service Class
- Morgan Stanley Variable Insurance Fund, Inc. - Emerging Markets Debt Portfolio: Class II
- Morgan Stanley Variable Insurance Fund, Inc. - Global Infrastructure Variable Portfolio: Class II
- Morgan Stanley Variable Insurance Fund, Inc. - Global Real Estate Portfolio: Class II
- Morgan Stanley Variable Insurance Fund, Inc. - Global Strategist Portfolio: Class II
- Nationwide Variable Insurance Trust - American Century NVIT Multi Cap Value Fund: Class II
- Nationwide Variable Insurance Trust - American Funds NVIT Asset Allocation Fund: Class II
- Nationwide Variable Insurance Trust - American Funds NVIT Bond Fund: Class II
- Nationwide Variable Insurance Trust - American Funds NVIT Global Growth Fund: Class II
- Nationwide Variable Insurance Trust - American Funds NVIT Growth Fund: Class II
- Nationwide Variable Insurance Trust - American Funds NVIT Growth-Income Fund: Class II
- Nationwide Variable Insurance Trust - BlackRock NVIT Equity Dividend Fund: Class II
- Nationwide Variable Insurance Trust - BlackRock NVIT Managed Global Allocation Fund: Class II
- Nationwide Variable Insurance Trust - DoubleLine NVIT Total Return Tactical Fund: Class II
- Nationwide Variable Insurance Trust - Federated NVIT High Income Bond Fund: Class I
- Nationwide Variable Insurance Trust - Neuberger Berman NVIT Multi Cap Opportunities Fund: Class II
- Nationwide Variable Insurance Trust - Neuberger Berman NVIT Socially Responsible Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Bond Index Fund: Class I
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Aggressive Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Balanced Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Capital Appreciation Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Conservative Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth & Income Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderate Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Aggressive Fund: Class II

- Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Conservative Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Core Bond Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Core Plus Bond Fund: Class II
- Nationwide Variable Insurance Trust - NVIT DFA Capital Appreciation Fund: Class II
- Nationwide Variable Insurance Trust - NVIT DFA Moderate Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Emerging Markets Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Government Bond Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Government Money Market Fund: Class II
- Nationwide Variable Insurance Trust - NVIT International Equity Fund: Class II
- Nationwide Variable Insurance Trust - NVIT International Index Fund: Class I
- Nationwide Variable Insurance Trust - NVIT Investor Destinations Aggressive Fund: Class II
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- Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderately Conservative Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Large Cap Growth Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Managed American Funds Asset Allocation Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Managed American Funds Growth-Income Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Mid Cap Index Fund: Class I
- Nationwide Variable Insurance Trust - NVIT Multi Sector Bond Fund: Class I
- Nationwide Variable Insurance Trust - NVIT Multi-Manager International Growth Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager International Value Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Growth Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Value Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Growth Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Value Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Growth Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Value Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Company Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Nationwide Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Real Estate Fund: Class II
- Nationwide Variable Insurance Trust - NVIT S&P 500® Index Fund: Class I
- Nationwide Variable Insurance Trust - NVIT Short Term Bond Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Small Cap Index Fund: Class II
- Nationwide Variable Insurance Trust - Templeton NVIT International Value Fund: Class I
- Neuberger Berman Advisers Management Trust - U.S. Equity Index PutWrite Strategy Portfolio: Class S
- Oppenheimer Variable Account Funds - Oppenheimer Global Fund/VA: Service Shares
- Oppenheimer Variable Account Funds - Oppenheimer International Growth Fund/VA: Service Shares
- Oppenheimer Variable Account Funds - Oppenheimer Main Street Small Cap Fund®/VA: Service Shares
- PIMCO Variable Insurance Trust - All Asset Portfolio: Advisor Class
- PIMCO Variable Insurance Trust - Commodity RealReturn® Strategy Portfolio: Advisor Class
- PIMCO Variable Insurance Trust - Emerging Markets Bond Portfolio: Advisor Class
- PIMCO Variable Insurance Trust - Foreign Bond Portfolio (U.S. Dollar-Hedged): Advisor Class
- PIMCO Variable Insurance Trust - Foreign Bond Portfolio (Unhedged): Advisor Class
- PIMCO Variable Insurance Trust - Income Portfolio: Advisor Class
- PIMCO Variable Insurance Trust - Short-Term Portfolio: Advisor Class
- PIMCO Variable Insurance Trust - Total Return Portfolio: Advisor Class
- PIMCO Variable Insurance Trust - Unconstrained Bond Portfolio: Advisor Class
- Putnam Variable Trust - Putnam VT Equity Income Fund: Class IB
- Rydex Variable Trust - Consumer Products Fund
- Rydex Variable Trust - Financial Services Fund
- T. Rowe Price Equity Series, Inc. - T. Rowe Price Health Sciences Portfolio: II
- The Merger Fund VL - The Merger Fund VL
- VanEck VIP Trust - VanEck VIP Emerging Markets Fund: Class S
- VanEck VIP Trust - VanEck VIP Global Gold Fund: Class S
- VanEck VIP Trust - VanEck VIP Global Hard Assets Fund: Class S

## Glossary of Special Terms

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**Accumulation Unit** – An accounting unit of measure used to calculate the Contract Value allocated to the Variable Account before the Annuitization Date.

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**Annuitant** – The person(s) whose length of life determines how long annuity payments are paid.

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**Annuitization Date** – The date on which annuity payments begin.

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**Annuity Commencement Date** – The date on which annuity payments are scheduled to begin.

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**Annuity Unit** – An accounting unit of measure used to calculate the value of variable annuity payments.

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**Charitable Remainder Trust** – A trust meeting the requirements of Section 664 of the Internal Revenue Code.

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**Co-Annuitant** – The person designated by the Contract Owner to receive the benefit associated with the Spousal Protection Feature.

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**Contingent Annuitant** – The individual who becomes the Annuitant if the Annuitant dies before the Annuitization Date.

---

**Contract Anniversary** – Each recurring one-year anniversary of the date the contract was issued.

---

**Contract Owner(s)** – The person(s) who owns all rights under the contract.

---

**Contract Value** – The value of all Accumulation Units in a contract.

---

**Contract Year** – Each year the contract is in force beginning with the date the contract is issued.

---

**Daily Net Assets** – A figure that is calculated at the end of each Valuation Date and represents the sum of all the Contract Owners' interests in the Sub-Accounts after the deduction of underlying mutual fund expenses.

---

**Individual Retirement Account** – An account that qualifies for favorable tax treatment under Section 408(a) of the Internal Revenue Code, but does not include Roth IRAs.

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**Individual Retirement Annuity or IRA** – An annuity contract that qualifies for favorable tax treatment under Section 408(b) of the Internal Revenue Code, but does not include Roth IRAs or Simple IRAs.

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**Investment-Only Contract** – A contract purchased by a qualified pension, profit-sharing, or stock bonus plan as defined by Section 401(a) of the Internal Revenue Code.

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**Nationwide** – Nationwide Life Insurance Company.

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**Net Asset Value** – The value of one share of an underlying mutual fund at the close of the New York Stock Exchange.

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**Non-Qualified Contract** – A contract which does not qualify for favorable tax treatment as a Qualified Plan, IRA, Roth IRA, SEP IRA, Simple IRA, or Tax Sheltered Annuity.

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**Qualified Plan** – A retirement plan that receives favorable tax treatment under Section 401 of the Internal Revenue Code, including Investment-Only Contracts. In this prospectus, all provisions applicable to Qualified Plans apply to Investment-Only Contracts unless specifically stated otherwise.

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**Quarterly Contract Anniversary** – Each recurring three-month anniversary of the date the contract was issued.

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**Roth IRA** – An annuity contract that qualifies for favorable tax treatment under Section 408A of the Internal Revenue Code.

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**SEC** – Securities and Exchange Commission.

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**SEP IRA** – An annuity contract which qualifies for favorable tax treatment under Section 408(k) of the Internal Revenue Code.

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**Service Center** – The department of Nationwide responsible for receiving all service and transaction requests relating to the contract. For service and transaction requests submitted other than by telephone (including fax requests), the Service Center is Nationwide’s mail and document processing facility. For service and transaction requests communicated by telephone, the Service Center is Nationwide’s operations processing facility. Information on how to contact the Service Center is in the *Contacting the Service Center* provision.

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**Simple IRA** – An annuity contract which qualifies for favorable tax treatment under Section 408(p) of the Internal Revenue Code.

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**Sub-Accounts** – Divisions of the Variable Account, each of which invests in a single underlying mutual fund.

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**Tax Sheltered Annuity** – An annuity that qualifies for favorable tax treatment under Section 403(b) of the Internal Revenue Code.

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**Valuation Date** – Each day the New York Stock Exchange is open for business or any other day during which there is a sufficient degree of trading such that the current Net Asset Value of the underlying mutual fund shares might be materially affected. Values of the Variable Account are determined as of the close of the New York Stock Exchange, which generally closes at 4:00 p.m. EST.

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**Valuation Period** – The period of time commencing at the close of a Valuation Date and ending at the close of the New York Stock Exchange for the next succeeding Valuation Date.

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**Variable Account** – Nationwide Variable Account-4, a separate account that Nationwide established to hold Contract Owner assets allocated to variable investment options. The Variable Account is divided into Sub-Accounts, each of which invests in a separate underlying mutual fund.

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## Contract Expenses

The following tables describe the fees and expenses that a Contract Owner will pay when buying, owning, or surrendering the contract. Please refer to the applicable section later in this prospectus for a detailed description of each charge.

The first table describes the fees and expenses a Contract Owner will pay at the time the contract is purchased, surrendered, or when cash value is transferred between investment options.

<b>Contract Owner Transaction Expenses</b>						
<b>Maximum Contingent Deferred Sales Charge ("CDSC")</b> (as a percentage of purchase payments surrendered) . . . . .						7%
Range of CDSC over time:						
<b>Number of Completed Years from Date of Purchase Payment</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5+</b>
<b>CDSC Percentage</b>	<b>7%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>
Some state jurisdictions require a lower CDSC schedule. Please refer to your contract for state specific information.						
<b>Maximum Premium Tax Charge</b> (as a percentage of purchase payments) . . . . .						5% <sup>1</sup>

The next table describes the fees and expenses that a Contract Owner will pay periodically during the life of the contract (not including underlying mutual fund fees and expenses).

<b>Recurring Contract Expenses</b>	
<b>Maximum Annual Contract Maintenance Charge</b> . . . . .	\$50 <sup>2</sup>
<b>Variable Account Annual Expenses</b> (assessed as an annualized percentage of Daily Net Assets) . . . . .	
<b>Mortality and Expense Risk Charge</b> . . . . .	0.85%
<b>Administrative Charge</b> . . . . .	0.15% <sup>3</sup>
<b>No CDSC Option ("C Schedule Option") Charge</b> (assessed as an annualized percentage of Daily Net Assets) . . . . .	0.35%
<b>Death Benefit Options</b> (an applicant may purchase one) (assessed as an annualized percentage of Daily Net Assets) . . . . .	
<b>Highest Anniversary Enhanced Death Benefit Option Charge</b> . . . . .	0.30%
<b>Return of Premium Enhanced Death Benefit Option Charge</b> . . . . .	0.20%

The next table shows the fees and expenses that a Contract Owner would pay if he/she elected all of the optional benefits under the contract (and the most expensive of mutually exclusive optional benefits).

<b>Summary of Maximum Contract Expenses</b>	
(Expenses shown are the annualized rates charged as a percentage of the Daily Net Assets of the Variable Account.)	
Mortality and Expense Risk Charge (applicable to all contracts) . . . . .	0.85%
Administrative Charge (applicable to all contracts) . . . . .	0.15% <sup>3</sup>
C Schedule Option Charge . . . . .	0.35%
Highest Anniversary Enhanced Death Benefit Option Charge . . . . .	0.30%
<b>Maximum Possible Total Variable Account Charges</b> . . . . .	<b>1.65%</b>

- <sup>1</sup> Nationwide will charge between 0% and 5% of purchase payments for premium taxes levied by state or other government entities. The amount assessed to the contract will equal the amount assessed by the state or government entity.
- <sup>2</sup> On each contract's Contract Anniversary, Nationwide deducts the Contract Maintenance Charge if the Contract Value is less than \$50,000 on such Contract Anniversary. This charge is permanently waived for any contracts valued at \$50,000 or more on any Contract Anniversary.
- <sup>3</sup> The Administrative Charge is waived if the Contract Value, on the later of the Date of Issue or the most recent Quarterly Contract Anniversary, is greater than or equal to \$1,000,000. If the Contract Value subsequently falls to less than \$1,000,000 on the most recent Quarterly Contract Anniversary, the Administrative Charge will be reinstated for that quarter.



## Underlying Mutual Fund Annual Expenses

The next table provides the minimum and maximum total operating expenses, as of December 31, 2017, charged by the underlying mutual funds that the Contract Owner may pay periodically during the life of the contract. More detail concerning each underlying mutual fund's fees and expenses is contained in the prospectus for each underlying mutual fund.

Total Annual Underlying Mutual Fund Operating Expenses		
	Minimum	Maximum
(expenses that are deducted from underlying mutual fund assets, including management fees, distribution (12b-1) fees, and other expenses, as a percentage of average underlying mutual fund assets)	0.31%	2.61%

The minimum and maximum underlying mutual fund operating expenses indicated above do not reflect voluntary or contractual reimbursements and/or waivers applied to some underlying mutual funds. Therefore, actual expenses could be lower. Refer to the underlying mutual fund prospectuses for specific expense information.

### Example

This Example is intended to help Contract Owners compare the cost of investing in the contract with the cost of investing in other variable annuity contracts. These costs include Contract Owner transaction expenses, contract fees, Variable Account annual expenses, and underlying mutual fund fees and expenses. The Example does not reflect premium taxes which, if reflected, would result in higher expenses.

The Example assumes:

- a \$10,000 investment in the contract for the time periods indicated;
- a 5% return each year;
- the maximum and the minimum fees and expenses of any of the underlying mutual funds;
- the maximum Contingent Deferred Sales Charge under the standard 5 year CDSC schedule;
- a \$50 Contract Maintenance Charge expressed as a percentage of the average contract account size; and
- the total Variable Account charges associated with the most expensive combination of optional benefits (1.65%).

For those contracts that do not elect the most expensive combination of optional benefits, the expenses would be lower.

	If you surrender your contract at the end of the applicable time period				If you annuitize your contract at the end of the applicable time period				If you do not surrender your contract			
	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
Maximum Total Underlying Mutual Fund Operating Expenses (2.61%) .....	\$1,200	\$1,999	\$2,499	\$4,998	*	\$1,499	\$2,499	\$4,998	\$500	\$1,499	\$2,499	\$4,998
Minimum Total Underlying Mutual Fund Operating Expenses (0.31%) .....	\$ 958	\$1,294	\$1,355	\$2,883	*	\$ 794	\$1,355	\$2,883	\$258	\$ 794	\$1,355	\$2,883

\* Generally, the contracts sold under this prospectus do not permit annuitization during the first two Contract Years (see *Annuitizing the Contract*).

## Synopsis of the Contracts

The annuity described in this prospectus is intended to provide benefits to a single or joint owner and his/her beneficiaries. The contracts described in this prospectus are Individual Flexible Premium Deferred Variable Annuity Contracts.

The contracts can be categorized as:

- Charitable Remainder Trusts
- Individual Retirement Annuities ("IRAs")



- Investment-Only Contracts (Qualified Plans)
- Non-Qualified Contracts
- Roth IRAs
- Simplified Employee Pension IRAs ("SEP IRAs")
- Simple IRAs

For more detailed information with regard to the differences in contract types, see *Appendix C: Contract Types and Tax Information*.

Prospective purchasers may apply to purchase a contract through broker dealers that have entered into a selling agreement with Nationwide Investment Services Corporation.

## **Surrenders/Withdrawals**

Contract Owners may generally withdraw some or all of their Contract Value at any time prior to annuitization by notifying the Service Center in writing (see *Surrender/Withdrawal Prior to Annuitization*). After the Annuitization Date, withdrawals are not permitted (see *Surrender/Withdrawal After Annuitization*).

## **Minimum Initial and Subsequent Purchase Payments**

All purchase payments must be paid in the currency of the United States of America. The minimum initial purchase payment is \$10,000. A Contract Owner will meet the minimum initial purchase payment requirement if purchase payments equal to the required minimum are made over the course of the first Contract Year. The minimum subsequent purchase payment is \$500. However, for subsequent purchase payments sent via electronic deposit, the minimum subsequent purchase payment is \$50.

Some states have different minimum initial and subsequent purchase payment amounts, and subsequent purchase payments may not be permitted in all states. Contact the Service Center for information on initial and subsequent purchase payment requirements in a particular state.

**Nationwide reserves the right to refuse any purchase payment that would result in the cumulative total for all contracts issued by Nationwide on the life of any one Annuitant or owned by any one Contract Owner to exceed \$1,000,000.** Its decision as to whether or not to accept a purchase payment in excess of that amount will be based on one or more factors, including, but not limited to: age, spouse age (if applicable), Annuitant age, state of issue, total purchase payments, optional benefits elected, current market conditions, and current hedging costs. All such decisions will be based on internally established actuarial guidelines and will be applied in a non-discriminatory manner. In the event that Nationwide does not accept a purchase payment under these guidelines, the purchase payment will be immediately returned in its entirety in the same manner as it was received. If Nationwide accepts the purchase payment, it will be applied to the contract immediately and will receive the next calculated Accumulation Unit value. Any references in this prospectus to purchase payment amounts in excess of \$1,000,000 are assumed to have been approved by Nationwide.

Nationwide prohibits subsequent purchase payments made after death of the Contract Owner(s), the Annuitant, or Co-Annuitant. If upon notification of death of the Contract Owner(s), the Annuitant, or Co-Annuitant, it is determined that death occurred prior to a subsequent purchase payment being made, Nationwide reserves the right to return the purchase payment.

## **Dollar Limit Restrictions**

Certain features of the contract have additional purchase payment and/or Contract Value limitations associated with them:

*Annuitization.* Annuity payment options will be limited if the Contract Owner submits total purchase payments in excess of \$2,000,000. Furthermore, if the amount to be annuitized is greater than \$5,000,000, Nationwide may limit both the amount that can be annuitized on a single life and the annuity payment options (see *Annuity Payment Options*).

*Death Benefit Calculations.* Purchase payments up to \$3,000,000 may result in a higher death benefit payment than purchase payments in excess of \$3,000,000 (see *Death Benefit Calculations*).

## **Mortality and Expense Risk Charge**

Nationwide deducts a Mortality and Expense Risk Charge equal to an annualized rate of 0.85% of the Daily Net Assets. The Mortality and Expense Risk Charge compensates Nationwide for providing the insurance benefits under the contract, including the contract's standard death benefit. It also compensates Nationwide for assuming the risk that Annuitants will live longer than assumed. Finally, the Mortality and Expense Risk Charge compensates Nationwide for guaranteeing that charges will not increase regardless of actual expenses. Nationwide may realize a profit from this charge.

## **Administrative Charge**

Nationwide deducts an Administrative Charge equal to an annualized rate of 0.15% of the Daily Net Assets. The Administrative Charge reimburses Nationwide for administrative costs it incurs resulting from providing contract benefits, including preparation of the contract and prospectus, confirmation statements, annual account statements and annual reports, legal and accounting fees, as well as various related expenses. Nationwide may realize a profit from this charge.

The Administrative Charge is waived if the Contract Value, on the later of the Date of Issue or the most recent Quarterly Contract Anniversary, is greater than or equal to \$1,000,000. Nationwide will determine on each Quarterly Contract Anniversary if the Contract is eligible for a waiver of the Administrative Charge. If the Contract Value subsequently falls to less than \$1,000,000 on the most recent Quarterly Contract Anniversary, the Administrative Charge will be reinstated for that quarter.

## **Contract Maintenance Charge**

A \$50 Contract Maintenance Charge is assessed on each Contract Anniversary and upon full surrender of the contract. If on any Contract Anniversary (or on the date of a full surrender) the Contract Value is \$50,000 or more, Nationwide will waive the Contract Maintenance Charge from that point forward.

## **Contingent Deferred Sales Charge**

Nationwide does not deduct a sales charge from purchase payments upon deposit into the contract. However, Nationwide may deduct a Contingent Deferred Sales Charge ("CDSC") if any amount is withdrawn from the contract. This CDSC reimburses Nationwide for sales expenses. The amount of the CDSC will not exceed 7% of purchase payments withdrawn.

## **CDSC Options**

### ***C Schedule Option***

An applicant can elect the C Schedule Option at the time of application. The C Schedule Option eliminates the standard CDSC schedule (the B Schedule) from the contract. In exchange, Nationwide assesses a charge at an annualized rate of 0.35% of the Daily Net Assets.

## **Death Benefit Options**

The contract contains a standard death benefit (return of Contract Value) at no additional charge. Optional death benefits are also available for an additional charge, which may provide a greater death benefit than the standard death benefit.

In lieu of the standard death benefit, an applicant may elect one of the following death benefit options at the time of application:

- The Highest Anniversary Enhanced Death Benefit Option is available for contracts with Annuitants age 75 or younger at the time of application. The charge for this option is equal to 0.30% of the Daily Net Assets.
- The Return of Premium Enhanced Death Benefit Option is available for contracts with Annuitants age 75 or younger at the time of application. The charge for this option is equal to 0.20% of the Daily Net Assets.

Changes in ownership and contract assignments could have a negative impact on the death benefit (see *Death Benefits*).

## **Charges for Optional Benefits**

Generally, the charges associated with optional benefits are only assessed prior to annuitization. However, certain optional benefits will assess the charge for a specified duration, even if the contract is annuitized:

- The charge for the C Share Option will be assessed both before and after annuitization.

## **Underlying Mutual Fund Annual Expenses**

The underlying mutual funds charge fees and expenses that are deducted from underlying mutual fund assets. These fees and expenses are in addition to the fees and expenses assessed by the contract. The prospectus for each underlying mutual fund provides information regarding the fees and expenses applicable to the fund.

## **Annuity Payments**

On the Annuitization Date, annuity payments begin (see *Annuitizing the Contract*). Annuity payments will be based on the annuity payment option chosen prior to annuitization. Nationwide will send annuity payments no later than seven days after each annuity payment date.

## **Taxation**

How distributions from an annuity contract are taxed depends on the type of contract issued and the purpose for which the contract is purchased. Generally, distributions from an annuity contract, including the payment of death benefits, are taxable to the extent the cash value exceeds the investment in the contract (see *Appendix C: Contract Types and Tax Information*). Nationwide will charge against the contract any premium taxes levied by any governmental authority. Premium tax rates currently range from 0% to 5% (see *Premium Taxes and Appendix C: Contract Types and Tax Information*).

## **Death Benefit**

An applicant may elect either the standard death benefit (Return of Contract Value) or an available death benefit option that is offered under the contract for an additional charge. If no election is made at the time of application, the death benefit will be the standard death benefit.

## **Cancellation of the Contract**

Under state insurance laws, Contract Owners have the right, during a limited period of time, to examine their contract and decide if they want to keep it or cancel it. This right is referred to as a "free look" right. The length of this time period depends on state law and may vary depending on whether the purchase is a replacement of another annuity contract. For ease of administration, Nationwide will honor any free look cancellation request that is in good order and received at the Service Center or postmarked within 30 days after the contract issue date (see *Right to Examine and Cancel and Contacting the Service Center*).

If the Contract Owner elects to cancel the contract pursuant to the free look provision, where required by law, Nationwide will return the greater of the Contract Value or the amount of purchase payment(s) applied during the free look period, less any withdrawals from the contract, and applicable federal and state income tax withholding. Otherwise, Nationwide will return the Contract Value, less any withdrawals from the contract, and applicable federal and state income tax withholding (see *Right to Examine and Cancel*).

## **Condensed Financial Information**

The value of an Accumulation Unit is determined on the basis of changes in the per share value of the underlying mutual funds and the assessment of Variable Account charges which may vary from contract to contract (see *Determining the Contract Value*). Refer to *Appendix B: Condensed Financial Information* for information regarding the minimum and maximum class of Accumulation Unit values. All classes of Accumulation Unit values may be obtained free of charge by contacting the Service Center.

## **Financial Statements**

Financial statements for the Variable Account and consolidated financial statements for Nationwide are located in the Statement of Additional Information. A current Statement of Additional Information may be obtained, without charge, by contacting the Service Center.

## Nationwide Life Insurance Company

Nationwide, the depositor, is a stock life insurance company organized under Ohio law in March 1929, with its home office at One Nationwide Plaza, Columbus, Ohio 43215. Nationwide is a provider of life insurance, annuities, and retirement products. Nationwide is admitted to do business in all states, the District of Columbia, Guam, the U.S. Virgin Islands, and Puerto Rico.

Nationwide is a member of the Nationwide group of companies. Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company (the "Companies") are the ultimate controlling persons of the Nationwide group of companies. The Companies were organized under Ohio law in December 1925 and 1933 respectively. The Companies engage in a general insurance and reinsurance business, except life insurance.

## Nationwide Investment Services Corporation

The contracts are distributed by the general distributor, Nationwide Investment Services Corporation ("NISC"), One Nationwide Plaza, Columbus, Ohio 43215. NISC is a wholly-owned subsidiary of Nationwide.

## Investing in the Contract

### The Variable Account and Underlying Mutual Funds

Nationwide Variable Account-4 is a variable account that invests in the underlying mutual funds listed in *Appendix A: Underlying Mutual Fund Information*. Nationwide established the Variable Account on October 7, 1987 pursuant to Ohio law. Although the Variable Account is registered with the SEC as a unit investment trust pursuant to the Investment Company Act of 1940 ("1940 Act"), the SEC does not supervise the management of Nationwide or the Variable Account.

Income, gains, and losses credited to or charged against the Variable Account reflect the Variable Account's own investment experience and not the investment experience of Nationwide's other assets. The Variable Account's assets are held separately from Nationwide's assets and are not chargeable with liabilities incurred in any other business of Nationwide. Nationwide is obligated to pay all amounts promised to Contract Owners under the contracts.

The Variable Account is divided into Sub-Accounts, each of which invests in shares of a single underlying mutual fund. Nationwide uses the assets of each Sub-Account to buy shares of the underlying mutual funds based on Contract Owner instructions.

Contract Owners receive underlying mutual fund prospectuses when they make their initial Sub-Account allocations and any time they change those allocations. **Contract Owners can obtain prospectuses for underlying mutual funds free of charge at any time by contacting the Service Center. Contract Owners should read these prospectuses carefully before investing.**

*Underlying mutual funds in the Variable Account are NOT publicly traded mutual funds.* They are only available as investment options in variable life insurance policies or variable annuity contracts issued by life insurance companies, or in some cases, through participation in certain qualified pension or retirement plans.

The investment advisers of the underlying mutual funds may manage publicly traded mutual funds with similar names and investment objectives. However, the underlying mutual funds are NOT directly related to any publicly traded mutual fund. Contract Owners should not compare the performance of a publicly traded fund with the performance of underlying mutual funds participating in the Variable Account. The performance of the underlying mutual funds could differ substantially from that of any publicly traded funds.

The particular underlying mutual funds available under the contract may change from time to time. Specifically, underlying mutual funds or underlying mutual fund share classes that are currently available may be removed or closed off to future investment. New underlying mutual funds or new share classes of currently available underlying mutual funds may be added. Contract Owners will receive notice of any such changes that affect their contract. The underlying mutual funds, which sell their shares to the Sub-Accounts pursuant to participation agreements, also may terminate these agreements and discontinue offering their shares to the Sub-Accounts.

In the future, additional underlying mutual funds managed by certain financial institutions, brokerage firms, or their affiliates may be added to the Variable Account. These additional underlying mutual funds may be offered exclusively to purchasing customers of the particular financial institution or brokerage firm, or through other exclusive distribution arrangements.

## ***Voting Rights***

Contract Owners with assets allocated to Sub-Accounts are entitled to certain voting rights. Nationwide will vote Contract Owner shares at special shareholder meetings based on Contract Owner instructions. However, if the law changes and Nationwide is allowed to vote in its own right, it may elect to do so.

Contract Owners with voting interests in an underlying mutual fund will be notified of issues requiring the shareholders' vote as soon as possible before the shareholder meeting. Notification will contain proxy materials and a form with which to give Nationwide voting instructions. Nationwide will vote shares for which no instructions are received in the same proportion as those that are received. What this means is that when only a small number of Contract Owners vote, each vote has a greater impact on, and may control, the outcome.

The number of shares which a Contract Owner may vote is determined by dividing the cash value of the amount they have allocated to an underlying mutual fund by the Net Asset Value of that underlying mutual fund. Nationwide will designate a date for this determination not more than 90 days before the shareholder meeting.

## ***Material Conflicts***

The underlying mutual funds may be offered through separate accounts of other insurance companies, as well as through other separate accounts of Nationwide. Nationwide does not anticipate any disadvantages to this. However, it is possible that a conflict may arise between the interests of the Variable Account and one or more of the other separate accounts in which these underlying mutual funds participate.

Material conflicts may occur due to a change in law affecting the operations of variable life insurance policies and variable annuity contracts, or differences in the voting instructions of the Contract Owners and those of other companies. If a material conflict occurs, Nationwide will take whatever steps are necessary to protect Contract Owners and variable annuity payees, including withdrawal of the Variable Account from participation in the underlying mutual fund(s) involved in the conflict.

## ***Substitution of Securities***

Nationwide may substitute, eliminate, or combine shares of another underlying mutual fund for shares already purchased or to be purchased in the future if either of the following occurs:

- (1) shares of a current underlying mutual fund are no longer available for investment; or
- (2) further investment in an underlying mutual fund is inappropriate.

Nationwide will not substitute shares of any underlying mutual fund in which the Sub-Accounts invest without any necessary prior approval of the appropriate state or federal regulatory authorities. All affected Contract Owners will be notified in the event there is a substitution, elimination, or combination of shares.

The substitute underlying mutual fund may have different fees and expenses. Substitution may be made with respect to existing investments or the investment of future purchase payments, or both.

## ***Deregistration of the Variable Account***

Nationwide may deregister the Variable Account under the 1940 Act in the event the Variable Account meets an exemption from registration under the 1940 Act, if there are no shareholders in the separate account, or for any other purpose approved by the SEC.

No deregistration may take place without the prior approval of the SEC. All affected Contract Owners will be notified in the event Nationwide deregisters the Variable Account. If the Variable Account is deregistered Nationwide's contractual obligations to the Contract Owner will continue.

## **Contacting the Service Center**

All inquiries, paperwork, information requests, service requests, and transaction requests should be made to the Service Center:

- by telephone at 1-800-848-6331 (TDD 1-800-238-3035)
- by mail to P.O. Box 182021, Columbus, Ohio 43218-2021
- by fax at 1-888-634-4472
- by Internet at [www.nationwide.com](http://www.nationwide.com).



Nationwide reserves the right to restrict or remove the ability to submit service requests via Internet, phone, or fax upon written notice.

Not all methods of communication are available for all types of requests. To determine which methods are permitted for a particular request, refer to the specific transaction provision in this prospectus or call the Service Center. Requests submitted by means other than described in this prospectus could be returned or delayed.

Service and transaction requests will generally be processed on the Valuation Date they are received at the Service Center as long as the request is in good order. Good order generally means that all necessary information to process the request is complete and in a form acceptable to Nationwide. If a request is not in good order, Nationwide will take reasonable actions to obtain the information necessary to process the request. Requests that are not in good order may be delayed or returned. Nationwide reserves the right to process any purchase payment or withdrawal request sent to a location other than the Service Center on the Valuation Date it is received at the Service Center. On any day the post office is closed, Nationwide is unable to retrieve service and transaction requests that are submitted by mail. This will result in a delay of the delivery of those requests to the Service Center.

Nationwide will use reasonable procedures to confirm that instructions are genuine and will not be liable for following instructions that it reasonably determined to be genuine. Nationwide may record telephone requests. Telephone and computer systems may not always be available. Any telephone system or computer can experience outages or slowdowns for a variety of reasons. The outages or slowdowns could prevent or delay processing. Although Nationwide has taken precautions to support heavy use, it is still possible to incur an outage or delay. To avoid technical difficulties, submit transaction requests by mail.

## **The Contract in General**

In order to comply with the USA PATRIOT Act and rules promulgated thereunder, Nationwide has implemented procedures designed to prevent contracts described in this prospectus from being used to facilitate money laundering or the financing of terrorist activities. If mandated under applicable law, Nationwide may be required to reject a purchase payment and/or block a Contract Owner's account and thereby refuse to process any request for transfers, withdrawals, surrenders, loans or death benefits until instructions are received from the appropriate regulators. Nationwide may also be required to provide additional information about a Contract Owner or a Contract Owner's account to governmental regulators.

Due to state law variations, the options and benefits described in this prospectus may vary or may not be available depending on the state in which the contract is issued. Possible state law variations include, but are not limited to, minimum initial and subsequent purchase payment amounts, availability of certain optional benefits, free look rights, annuity payment options, ownership and interests in the contract, death benefit calculations, and CDSC-free withdrawal privileges. This prospectus describes all the material features of the contract. State variations are subject to change without notice at any time. To review a copy of the contract and any endorsements, contact the Service Center.

If the contract described in this prospectus is replacing another variable annuity, the mortality tables used to determine the amount of annuity payments for this contract may be less favorable than those in the contract being replaced. Additionally, upon replacement, all benefits accrued under the replaced contract are forfeited.

Except in certain circumstances involving fraud and where permitted by state law, Nationwide will not contest the contract after it has been in force during the lifetime of the Annuitant for two years after the date of contract issuance or effective date of certain contract changes, as defined in the contract.

Nationwide will not pay insurance proceeds directly to minors. Contact a legal advisor for options to facilitate the timely availability of monies intended for a minor's benefit.

The annuity described in this prospectus is intended to provide benefits to a single individual and his/her beneficiaries. It is not intended to be used by institutional investors, in connection with other Nationwide contracts that have the same Annuitant, or in connection with other Nationwide contracts that have different Annuitants, but the same Contract Owner. If Nationwide determines that the risks it intended to assume in issuing the contract have been altered by misusing the contract as described above, Nationwide reserves the right to take any action it deems necessary to reduce or eliminate the altered risk. Nationwide also reserves the right to take any action it deems necessary to reduce or eliminate altered risk resulting from materially false, misleading, incomplete, or otherwise deficient information provided by the Contract Owner.

These contracts are offered to customers of various financial institutions and brokerage firms. No financial institution or brokerage firm is responsible for any of the contractual insurance benefits and features guaranteed under the contracts. *These guarantees are the sole responsibility of Nationwide.*

In general, deferred variable annuities are long-term investments; they are not intended as short-term investments. The contracts associated with this prospectus are not intended to be sold to a terminally ill Contract Owner or Annuitant. Accordingly, Nationwide has designed the contract to offer features, pricing, and investment options that encourage long-term ownership. It is very important that Contract Owners and prospective purchasers understand all the costs associated with owning a contract, and if and how those costs change during the lifetime of the contract. Contract charges may not be the same in later Contract Years as they are in early Contract Years. The various contract charges are assessed in order to compensate Nationwide for administrative services, distribution and operational expenses, and assumed actuarial risks associated with the contract.

## Cybersecurity

Nationwide's businesses are highly dependent upon its computer systems and those of its business partners. This makes Nationwide potentially susceptible to operational and information security risks resulting from a cyber-attack. These risks include direct risks, such as theft, misuse, corruption and destruction of data maintained by Nationwide, and indirect risks, such as denial of service, attacks on service provider websites and other operational disruptions that impede Nationwide's ability to electronically interact with service providers. Cyber-attacks affecting Nationwide, the underlying mutual funds, intermediaries, and other service providers may adversely affect Nationwide and Contract Values. In connection with any such cyber-attack, Nationwide and/or its service providers and intermediaries may be subject to regulatory fines and financial losses and/or reputational damage. Cybersecurity risks may also impact the issuers of securities in which the underlying mutual funds invest, which may cause the underlying mutual funds to lose value. Although Nationwide undertakes substantial efforts to protect its computer systems from cyber-attacks, including internal processes and technological defenses that are preventative or detective, and other controls designed to provide multiple layers of security assurance, there can be no guarantee that Nationwide, its service providers, or the underlying mutual funds will avoid losses affecting contracts due to cyber-attacks or information security breaches in the future.

In the event that Contract Values are adversely affected as a result of the failure of Nationwide's cybersecurity controls, Nationwide will take reasonable steps to restore Contract Values to the levels that they would have been had the cyber-attack not occurred. Nationwide will not, however, be responsible for any adverse impact to Contract Values that result from the Contract Owner or its designee's negligent acts or failure to use reasonably appropriate safeguards to protect against cyber-attacks.

## Reservation of Rights

In addition to rights that Nationwide specifically reserves elsewhere in this prospectus, Nationwide reserves the right, subject to any applicable regulatory approvals, to perform any or all of the following:

- close Sub-Accounts to additional purchase payments on existing contracts or close Sub-Accounts for contracts purchased on or after specified dates. Changes of this nature will be made as directed by the underlying mutual funds or because Nationwide determines that the underlying mutual fund is no longer suitable (see *Identification of Underlying Mutual Funds*);
- make changes required by any change in the federal securities laws, including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or any other changes to the Securities and Exchange Commission's interpretation thereof;
- make any changes necessary to maintain the status of the contracts as annuities under the Internal Revenue Code;
- make any changes required by federal or state laws with respect to annuity contracts; and
- suspend or discontinue sale of the contracts. The decision to suspend or discontinue sale of the contracts is made at Nationwide's discretion. Any decision of this nature would not impact current Contract Owners.

Contract Owners will be notified of any resulting changes by way of a supplement to the prospectus.

Following is a discussion of some relevant factors that may be of particular interest to prospective investors.

## **Distribution, Promotional, and Sales Expenses**

Nationwide pays commissions to the firms that sell the contracts. The maximum gross commission that Nationwide will pay on the sale of the contracts is 5.25% of purchase payments. **Note:** The individual registered representatives typically receive only a portion of this amount; the remainder is retained by the firm. Nationwide may also, instead of a premium-based commission, pay an asset-based commission (sometimes referred to as "trails" or "residuals"), or a combination of the two.

In addition to or partially in lieu of commission, Nationwide may also pay the selling firms a marketing allowance, which is based on the firm's ability and demonstrated willingness to promote and market Nationwide's products. How any marketing allowance is spent is determined by the firm, but generally will be used to finance firm activities that may contribute to the promotion and marketing of Nationwide's products. For more information on the exact compensation arrangement associated with this contract, consult your sales representative.

## **Underlying Mutual Fund Service Fee Payments**

### ***Nationwide's Relationship with the Underlying Mutual Funds***

The underlying mutual funds incur expenses each time they sell, administer, or redeem their shares. The Variable Account aggregates Contract Owner purchase, redemption, and transfer requests and submits net or aggregated purchase/redemption requests to each underlying mutual fund daily. The Variable Account (not the Contract Owners) is the underlying mutual fund shareholder. When the Variable Account aggregates transactions, the underlying mutual fund does not incur the expense of processing individual transactions it would normally incur if it sold its shares directly to the public. Nationwide incurs these expenses instead.

Nationwide also incurs the distribution costs of selling the contract (as discussed above), which benefit the underlying mutual funds by providing Contract Owners with Sub-Account options that correspond to the underlying mutual funds.

An investment adviser or subadviser of an underlying mutual fund or its affiliates may provide Nationwide or its affiliates with wholesaling services that assist in the distribution of the contract and may pay Nationwide or its affiliates to participate in educational and/or marketing activities. These activities may provide the adviser or subadviser (or their affiliates) with increased exposure to persons involved in the distribution of the contract.

### ***Types of Payments Nationwide Receives***

In light of the above, the underlying mutual funds and their affiliates make certain payments to Nationwide or its affiliates (the "payments"). The amount of these payments is typically based on a percentage of assets invested in the underlying mutual funds attributable to the contracts and other variable contracts Nationwide and its affiliates issue, but in some cases may involve a flat fee. These payments are made for various purposes, including payments for the services provided and expenses incurred by the Nationwide companies in promoting, marketing and administering the contracts and underlying funds. Nationwide may realize a profit on the payments received.

Nationwide or its affiliates receive the following types of payments:

- Underlying mutual fund 12b-1 fees, which are deducted from underlying mutual fund assets;
- Sub-transfer agent fees or fees pursuant to administrative service plans adopted by the underlying mutual fund, which may be deducted from underlying mutual fund assets; and
- Payments by an underlying mutual fund's adviser or subadviser (or its affiliates). Such payments may be derived, in whole or in part, from the advisory fee, which is deducted from underlying mutual fund assets and is reflected in mutual fund charges.

Furthermore, Nationwide benefits from assets invested in Nationwide's affiliated underlying mutual funds (*i.e.*, Nationwide Variable Insurance Trust) because its affiliates also receive compensation from the underlying mutual funds for investment advisory, administrative, transfer agency, distribution, and/or other services provided. Thus, Nationwide may receive more revenue with respect to affiliated underlying mutual funds than unaffiliated underlying mutual funds.

Nationwide took into consideration the anticipated mutual fund service fee payments from the underlying mutual funds when it determined the charges imposed under the contracts (apart from fees and expenses imposed by the underlying mutual funds). Without these mutual fund service fee payments, Nationwide would have imposed higher charges under the contract.



### ***Amount of Payments Nationwide Receives***

For the year end December 31, 2017, the underlying mutual fund service fee payments Nationwide and its affiliates received from the underlying mutual funds did not exceed 0.75% (as a percentage of the average Daily Net Assets invested in the underlying mutual funds) offered through the contract or other variable contracts that Nationwide and its affiliates issue. Payments from investment advisers or subadvisers to participate in educational and/or marketing activities have not been taken into account in this percentage.

Most underlying mutual funds or their affiliates have agreed to make payments to Nationwide or its affiliates, although the applicable percentages may vary from underlying mutual fund to underlying mutual fund and some may not make any payments at all. Because the amount of the actual payments Nationwide and its affiliates receive depends on the assets of the underlying mutual funds attributable to the contract, Nationwide and its affiliates may receive higher payments from underlying mutual funds with lower percentages (but greater assets) than from underlying mutual funds that have higher percentages (but fewer assets).

For contracts owned by an employer sponsored retirement plan subject to ERISA, upon a plan trustee's request, Nationwide will provide a best estimate of plan-specific, aggregate data regarding the amount of underlying mutual fund service fee payments Nationwide received in connection with the plan's investments either for the previous calendar year or plan year, if the plan year is not the same as the calendar year.

### ***Identification of Underlying Mutual Funds***

Nationwide may consider several criteria when identifying the underlying mutual funds, including some or all of the following: investment objectives, investment process, risk characteristics, investment capabilities, experience and resources, investment consistency, fund expenses, asset class coverage, the alignment of the investment objectives of the underlying mutual fund with Nationwide's hedging strategy, the strength of the adviser's or subadviser's reputation and tenure, brand recognition, and the capability and qualification of each investment firm. Other factors Nationwide may consider during the identification process are: whether the underlying mutual fund's adviser or subadviser is a Nationwide affiliate; whether the underlying mutual fund or its service providers (e.g. the investment adviser or subadvisers), or its affiliates will make mutual fund service fee payments to Nationwide or its affiliates in connection with certain administrative, marketing, and support services; or whether affiliates of the underlying mutual fund can provide marketing and distribution support for sales of the contracts. For additional information on these arrangements, see *Types of Payments Nationwide Receives*. Nationwide reviews the funds periodically and may remove a fund or limit its availability to new contributions and/or transfers of account value if Nationwide determines that a fund no longer satisfies one or more of the selection criteria, and/or if the fund has not attracted significant allocations from Contract Owners.

Nationwide does not recommend or endorse any particular fund and it does not provide investment advice.

There may be underlying mutual funds with lower fees and expenses, as well as other variable contracts that offer underlying mutual funds with lower fees and expenses. The purchaser should consider all of the fees and charges of the contract in relation to its features and benefits when making a decision to invest. **Note:** Higher contract and underlying mutual fund fees and expenses have a direct effect on and may lower investment performance.

### **Treatment of Unclaimed Property**

Every state has unclaimed property laws which generally declare annuity contracts to be abandoned after a period of inactivity of three to five years from the contract's Annuity Commencement Date or the date Nationwide becomes informed that a death benefit is due and payable. For example, if the payment of a death benefit has been triggered, but, if after a thorough search, Nationwide is still unable to locate the beneficiary of the death benefit, or the beneficiary does not come forward to claim the death benefit in a timely manner, the death benefit will be surrendered and placed in a non-interest bearing account. While in the non-interest bearing account, Nationwide will continue to perform due diligence required by state law. Once the state mandated period has expired, Nationwide will escheat the death benefit to the abandoned property division or unclaimed property office of the state in which the beneficiary or the Contract Owner last resided, as shown on Nationwide's books and records, or to Ohio, Nationwide's state of domicile. If a claim is subsequently made, the state is obligated to pay any such amount (without interest) to the designated recipient upon presentation of proper documentation.

**To prevent escheatment, it is important to update beneficiary designations - including complete names, complete addresses, phone numbers, and social security numbers - as they change. Such updates should be sent to the Service Center.**

## **Profitability**

Nationwide does consider profitability when determining the charges in the contract. In early Contract Years, Nationwide does not anticipate earning a profit, since that is a time when administrative and distribution expenses are typically higher. Nationwide does, however, anticipate earning a profit in later Contract Years. In general, Nationwide's profit will be greater the higher the investment return and the longer the contract is held.

## **Contract Modification**

Nationwide may modify the contract, but no modification will affect the amount or term of any contract unless a modification is required to conform the contract to applicable federal or state law. No modification will affect the method by which Contract Value is determined.

# **Standard Charges and Deductions**

## **Mortality and Expense Risk Charge**

Nationwide deducts a Mortality and Expense Risk Charge equal to an annualized rate of 0.85% of the Daily Net Assets. The Mortality and Expense Risk Charge compensates Nationwide for providing the insurance benefits under the contract, including the contract's standard death benefit. It also compensates Nationwide for assuming the risk that Annuitants will live longer than assumed. Finally, the Mortality and Expense Risk Charge compensates Nationwide for guaranteeing that charges will not increase regardless of actual expenses. Nationwide may realize a profit from this charge.

## **Administrative Charge**

Nationwide deducts an Administrative Charge equal to an annualized rate of 0.15% of the Daily Net Assets. The Administrative Charge reimburses Nationwide for administrative costs it incurs resulting from providing contract benefits, including preparation of the contract and prospectus, confirmation statements, annual account statements and annual reports, legal and accounting fees, as well as various related expenses. Nationwide may realize a profit from this charge.

The Administrative Charge is waived if the Contract Value, on the later of the Date of Issue or the most recent Quarterly Contract Anniversary, is greater than or equal to \$1,000,000. Nationwide will determine on each Quarterly Contract Anniversary if the Contract is eligible for a waiver of the Administrative Charge. If the Contract Value subsequently falls to less than \$1,000,000 on the most recent Quarterly Contract Anniversary, the Administrative Charge will be reinstated for that quarter.

## **Contract Maintenance Charge**

A \$50 Contract Maintenance Charge is assessed on each Contract Anniversary and upon full surrender of the contract.

This charge reimburses Nationwide for administrative expenses involved in issuing and maintaining the contract. If on any Contract Anniversary (or on the date of a full surrender) the Contract Value is \$50,000 or more, Nationwide will waive the Contract Maintenance Charge from that point forward.

The deduction of the Contract Maintenance Charge will be taken proportionally from each Sub-Account based on the value in each option as compared to the total Contract Value.

Nationwide will not reduce or eliminate the Contract Maintenance Charge where it would be discriminatory or unlawful.

## **Contingent Deferred Sales Charge**

No sales charge deduction is made from purchase payments upon deposit into the contract. However, if any part of the contract is withdrawn, Nationwide may deduct a CDSC. The CDSC will not exceed 7% of purchase payments withdrawn.

The CDSC is calculated by multiplying the applicable CDSC percentage (noted in the following table) by the amount of purchase payments withdrawn. For purposes of calculating the CDSC, withdrawals are considered to come first from the oldest purchase payment made to the contract, then the next oldest purchase payment, and so forth. CDSC provisions vary by state. Refer to the contract for state specific information.

The CDSC applies as follows:

<u>Number of Completed Years from Date of Purchase Payment</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5+</u>
CDSC Percentage .....	7%	7%	6%	5%	3%	0%

Earnings are not subject to the CDSC, but may not be distributed prior to the distribution of all purchase payments. (For tax purposes, a withdrawal is usually treated as a withdrawal of earnings first.)

The CDSC is used to cover sales expenses, including commissions, production of sales material, and other promotional expenses. If expenses are greater than the CDSC, the shortfall will be made up from Nationwide's general assets, which may indirectly include portions of the Variable Account charges, since Nationwide may generate a profit from these charges.

All or a portion of any withdrawal may be subject to federal income taxes. Contract Owners taking withdrawals before age 59½ may be subject to a 10% penalty tax.

Additional purchase payments made to the contract after receiving the benefit of the Spousal Protection Feature are subject to the same CDSC provisions that were applicable prior to receiving the benefit of the Spousal Protection Feature. However, no CDSC will apply to purchase payments made prior to the death of the first spouse.

### ***Waiver of Contingent Deferred Sales Charge***

If the Contract Owner elected the No CDSC Option, no CDSC will be assessed on amounts withdrawn from the contract.

For those contracts where the No CDSC Option is not elected, the maximum amount that can be withdrawn annually without a CDSC is the greatest of:

- (1) 10% of the net difference of purchase payments that are subject to CDSC minus purchase payments previously withdrawn that were subject to CDSC; or
- (2) any amount withdrawn to meet minimum distribution requirements for this contract under the Internal Revenue Code.

This CDSC-free withdrawal privilege is non-cumulative. Free amounts not taken during any given Contract Year cannot be taken as free amounts in a subsequent Contract Year.

**Note:** CDSC-free withdrawals do not count as "purchase payments previously withdrawn that were subject to CDSC" and, therefore, do not reduce the amount used to calculate subsequent CDSC-free withdrawal amounts.

In addition, no CDSC will be deducted:

- (1) upon the annuitization of contracts which have been in force for at least two years;
- (2) upon payment of a death benefit;
- (3) from any values which have been held under a contract for at least five years; or
- (4) if an optional death benefit is elected and the conditions described in the Long-Term Care/Nursing Home and Terminal Illness Waiver section are met.

No CDSC applies to transfers between or among the various investment options in the contract.

The CDSC-free withdrawal privilege does not apply to full surrenders of the contract. For purposes of the CDSC-free withdrawal privilege, a full surrender is:

- multiple withdrawals taken within a Contract Year that deplete the entire Contract Value; or
- any single net withdrawal of 90% or more of the Contract Value.

A contract held by a Charitable Remainder Trust (within the meaning of Internal Revenue Code Section 664) may withdraw the greater of (i) the amount available under the CDSC-free withdrawal privilege described above, and (ii) the difference between:

- (a) the Contract Value at the close of the day prior to the date of the withdrawal; and
- (b) the total purchase payments made to the contract as of the date of the withdrawal (less an adjustment for amounts previously withdrawn).

The CDSC will not be eliminated if to do so would be unfairly discriminatory or prohibited by state law.

## ***Long-Term Care/Nursing Home and Terminal Illness Waiver***

The death benefit options (but not the standard death benefit) include a Long-Term Care/Nursing Home and Terminal Illness Waiver. This benefit may not be available in every state.

Under this provision, no CDSC will be charged if:

- (1) the first Contract Anniversary has passed and the Contract Owner has been confined to a long-term care facility or hospital for a continuous 90-day period that began after the contract issue date; or
- (2) the Contract Owner has been diagnosed by a physician at any time after contract issuance to have a terminal illness and Nationwide receives and records a letter from that physician indicating such diagnosis.

Written notice and proof of terminal illness or confinement for 90 days in a hospital or long-term care facility must be received in a form satisfactory to Nationwide and recorded at the Service Center prior to waiver of the CDSC.

In the case of joint ownership, the waivers will apply if either joint owner meets the qualifications listed above.

For those contracts that have a non-natural person as Contract Owner as an agent for a natural person, the Annuitant may exercise the right of the Contract Owner for purposes described in this provision. If the non-natural Contract Owner does not own the contract as an agent for a natural person (e.g., the Contract Owner is a corporation or a trust for the benefit of an entity), the Annuitant may not exercise the rights described in this provision.

**Note:** The benefit associated with this feature is the waiver of CDSC under certain circumstances. This feature is not intended to provide or imply that the contract provides long-term care or nursing home insurance coverage.

## **Premium Taxes**

Nationwide will charge against the Contract Value any premium taxes levied by a state or other government entity. Premium tax rates currently range from 0% to 5% and vary from state to state. This range is subject to change. Nationwide will assess premium taxes to the contract at the time Nationwide is assessed the premium taxes by the state. **Premium taxes may be deducted from death benefit proceeds.**

## **Optional Contract Benefits, Charges, and Deductions**

For an additional charge, the following optional benefits are available to applicants. Not all optional benefits are available in every state.

### **CDSC Options**

#### ***C Schedule Option***

An applicant can elect the C Schedule Option, which eliminates the standard CDSC schedule (the B Schedule) from the contract. The C Schedule Option must be elected at the time of application, and the option is irrevocable. In exchange, Nationwide assesses a charge at an annualized rate of 0.35% of the Daily Net Assets. The charge for this option is calculated and deducted daily as part of the Accumulation Unit value calculation, and is assessed before and after annuitization (for the life of the contract). Nationwide may realize a profit from the charge assessed for this option.

Some Nationwide contracts provide for additional credits to be applied to a contract when cumulative purchase payments reach certain aggregate levels. For purposes of determining cumulative purchase payments, Nationwide may also include purchase payments to other Nationwide annuity contracts. **Note:** Election of the C Schedule Option makes this contract ineligible to be included when determining cumulative purchase payments for such additional credits.

### **Death Benefit Options**

For an additional charge, the applicant may elect one of the following death benefit options in lieu of the standard death benefit.

Changes in ownership and contract assignments could have a negative impact on the death benefit (see *Death Benefits*).

#### ***Highest Anniversary Enhanced Death Benefit Option***

For an additional charge at an annualized rate of 0.30% of the Daily Net Assets, an applicant can elect the Highest Anniversary Enhanced Death Benefit Option. The Highest Anniversary Enhanced Death Benefit Option is only available for contracts with Annuitants age 75 or younger at the time of application. This option must be elected at the time of

application, and the option is irrevocable. The charge associated with this option is calculated and deducted daily as part of the Accumulation Unit value calculation, and will be assessed until annuitization. Nationwide may realize a profit from the charge assessed for this option. This option, and any charge associated with it, will automatically terminate on the Annuitization Date.

If the Annuitant dies before the Annuitization Date and the total of all purchase payments made to the contract is less than or equal to \$3,000,000, the death benefit will be the greatest of:

- (1) the Contract Value;
- (2) the total of all purchase payments, less an adjustment for amounts withdrawn; or
- (3) the highest Contract Value on any Contract Anniversary before the Annuitant's 80<sup>th</sup> birthday, less an adjustment for amounts subsequently withdrawn, plus purchase payments received after that Contract Anniversary.

Any adjustment for amounts withdrawn will reduce the applicable factor above in the same proportion that the Contract Value was reduced on the date(s) of the partial withdrawal(s).

**Note:** For Contract Owners who have elected this option, if the total of all purchase payments made to the contract is greater than \$3,000,000, the death benefit calculation will be adjusted as described in the *Death Benefit Calculations* provision.

The Highest Anniversary Enhanced Death Benefit Option also includes the Long-Term Care/Nursing Home and Terminal Illness Waiver which allows for the withdrawals without CDSC if certain conditions are met (see *Contingent Deferred Sales Charge*), and the Spousal Protection Feature, which allows a surviving spouse to continue the contract while receiving the economic benefit of the death benefit upon the death of the other spouse (see *Spousal Protection Feature*).

### **Return of Premium Enhanced Death Benefit Option**

For an additional charge at an annualized rate of 0.20% of the Daily Net Assets, an applicant can elect the Return of Premium Enhanced Death Benefit Option (as used herein, "premium" means purchase payments made to the contract), which provides a death benefit that is the greater of (i) Contract Value or (ii) purchase payments less an adjustment for withdrawals. The Return of Premium Enhanced Death Benefit Option is only available for contracts with Annuitants age 75 or younger at the time of application. This option must be elected at the time of application, and the option is irrevocable. The charge associated with this option is calculated and deducted daily as part of the Accumulation Unit value calculation, and will be assessed until annuitization. Nationwide may realize a profit from the charge assessed for this option. This option, and any charge associated with it, will automatically terminate on the Annuitization Date.

If the Annuitant dies prior to the Annuitization Date and the total of all purchase payments made to the contract is less than or equal to \$3,000,000, the death benefit will be the greater of:

- (1) the Contract Value; or
- (2) the total of all purchase payments, less an adjustment for amounts withdrawn.

Any adjustment for amounts withdrawn will reduce the applicable factor above in the same proportion that the Contract Value was reduced on the date(s) of the partial withdrawal(s).

**Note:** For Contract Owners who have elected this option, if the total of all purchase payments made to the contract is greater than \$3,000,000, the death benefit calculation will be adjusted as described in the *Death Benefit Calculations* provision.

The Return of Premium Enhanced Death Benefit Option also includes the Long-Term Care/Nursing Home and Terminal Illness Waiver which allows for the withdrawals without CDSC if certain conditions are met (see *Contingent Deferred Sales Charge*), and the Spousal Protection Feature, which allows a surviving spouse to continue the contract while receiving the economic benefit of the death benefit upon the death of the other spouse (see *Spousal Protection Feature*).

## **Ownership and Interests in the Contract**

### **Contract Owner**

Prior to the Annuitization Date, the Contract Owner has all rights under the contract, unless a joint owner is named. If a joint owner is named, each joint owner has all rights under the contract. **Purchasers who name someone other than themselves as the Contract Owner will have no rights under the contract.**



On the Annuitization Date, the Annuitant becomes the Contract Owner, unless the Contract Owner is a Charitable Remainder Trust. If the Contract Owner is a Charitable Remainder Trust, the Charitable Remainder Trust continues to be the Contract Owner after annuitization.

Contract Owners of Non-Qualified Contracts may name a new Contract Owner at any time before the Annuitization Date. Any change of Contract Owner automatically revokes any prior Contract Owner designation. Changes in contract ownership may result in federal income taxation and may be subject to state and federal gift taxes.

Changes in ownership and contract assignments could have a negative impact on the death benefit (see *Death Benefits*).

## **Joint Owner**

Joint owners each own an undivided interest in the contract.

Non-Qualified Contract Owners can name a joint owner at any time before annuitization. However, joint owners must be spouses at the time joint ownership is requested, unless state law requires Nationwide to allow non-spousal joint owners. Joint ownership is not permitted on contracts owned by a non-natural Contract Owner.

Generally, the exercise of any ownership rights under the contract must be in writing and signed by both joint owners. However, if a written election, signed by both Contract Owners, authorizing Nationwide to allow the exercise of ownership rights independently by either joint owner is submitted, Nationwide will permit joint owners to act independently. If such an authorization is submitted, Nationwide will not be liable for any loss, liability, cost, or expense for acting in accordance with the instructions of either joint owner.

If either joint owner dies before the Annuitization Date, the contract continues with the surviving joint owner as the remaining Contract Owner.

## **Contingent Owner**

The contingent owner succeeds to the rights of a Contract Owner if a Contract Owner who is not the Annuitant dies before the Annuitization Date and there is no surviving joint owner.

If a Contract Owner who is the Annuitant dies before the Annuitization Date, the contingent owner will not have any rights under the contract, unless such contingent owner is also the beneficiary.

The Contract Owner may name a contingent owner at any time before the Annuitization Date.

## **Annuitant**

The Annuitant is the person who will receive annuity payments and upon whose continuation of life any annuity payment involving life contingencies depends. This person must be age 85 or younger at the time of contract issuance, unless Nationwide approves a request for an Annuitant of greater age.

Only Non-Qualified Contract Owners may name someone other than himself/herself as the Annuitant.

The Contract Owner may not name a new Annuitant without Nationwide's consent.

## **Contingent Annuitant**

If the Annuitant dies before the Annuitization Date, the Contingent Annuitant becomes the Annuitant. The Contingent Annuitant must be age 85 or younger at the time of contract issuance, unless Nationwide approves a request for a Contingent Annuitant of greater age.

If a Contingent Annuitant is named, all provisions of the contract that are based on the Annuitant's death prior to the Annuitization Date will be based on the death of the last survivor of the Annuitant and Contingent Annuitant.

Only Non-Qualified Contract Owners may name a Contingent Annuitant.

## **Co-Annuitant**

A Co-Annuitant, if named, must be the Annuitant's spouse. The Co-Annuitant may be named at any time prior to annuitization and will receive the benefit of the Spousal Protection Feature, provided all of the requirements set forth in the *Spousal Protection Feature* section are met.

If either Co-Annuitant dies before the Annuitization Date, the surviving Co-Annuitant may continue the contract and will receive the benefit of the Spousal Protection Feature.

## **Joint Annuitant**

The joint annuitant is designated as a second person (in addition to the Annuitant) upon whose continuation of life any annuity payment involving life contingencies depends. The joint annuitant is named at the time of annuitization.

## **Beneficiary and Contingent Beneficiary**

The beneficiary is the person who is entitled to the death benefit if the Annuitant (and Contingent Annuitant, if applicable) dies before the Annuitization Date and there is no joint owner. The Contract Owner can name more than one beneficiary. Multiple beneficiaries will share the death benefit equally, unless otherwise specified.

A contingent beneficiary will succeed to the rights of the beneficiary if no beneficiary is alive when a death benefit is paid. The Contract Owner can name more than one contingent beneficiary. Multiple contingent beneficiaries will share the death benefit equally, unless otherwise specified.

## **Changes to the Parties to the Contract**

Prior to the Annuitization Date (and subject to any existing assignments), the Contract Owner may request to change the following:

- Contract Owner (Non-Qualified Contracts only);
- joint owner (must be the Contract Owner's spouse);
- contingent owner;
- Annuitant (subject to Nationwide's underwriting and approval);
- Contingent Annuitant (subject to Nationwide's underwriting and approval);
- Co-Annuitant (must be Annuitant's spouse)
- beneficiary; or
- contingent beneficiary.

The Contract Owner must submit the request to Nationwide in writing and Nationwide must receive the request at the Service Center before the Annuitization Date. Once Nationwide receives and records the change request, the change will be effective as of the date the written request was signed (unless otherwise specified by the Contract Owner), whether or not the Contract Owner or Annuitant is living at the time it was recorded. The change will not affect any action taken by Nationwide before the change was recorded.

Any request to change the Contract Owner must be signed by the existing Contract Owner and the person designated as the new Contract Owner. Nationwide may require a signature guarantee.

If the Contract Owner is not a natural person and there is a change of the Annuitant, distributions will be made as if the Contract Owner died at the time of the change, regardless of whether the Contract Owner named a Contingent Annuitant.

Nationwide reserves the right to reject any change request that would alter the nature of the risk that Nationwide assumed when it originally issued the contract.

Certain options and features under the contract have specific requirements as to who can be named as the Contract Owner, Annuitant, Co-Annuitant, and/or beneficiary in order to receive the benefit of the option or feature. Changes to the parties to the contract may result in the termination or loss of benefit of these options or features. Contract Owners contemplating changes to the parties to the contract should contact their registered representative to determine how the changes impact the options and features under the contract.

## **Operation of the Contract**

### **Pricing**

Generally, Nationwide prices Accumulation Units on each day that the New York Stock Exchange is open. (Pricing is the calculation of a new Accumulation Unit value that reflects that day's investment experience.)

Accumulation Units are not priced when the New York Stock Exchange is closed or on the following nationally recognized holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- Presidents' Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas

Nationwide also will not price purchase payments, withdrawals, or transfers if:

- (1) trading on the New York Stock Exchange is restricted;
- (2) an emergency exists making disposal or valuation of securities held in the Variable Account impracticable; or
- (3) the SEC, by order, permits a suspension or postponement for the protection of security holders.

Rules and regulations of the SEC will govern as to when the conditions described in (2) and (3) exist. If Nationwide is closed on days when the New York Stock Exchange is open, Contract Value may change and Contract Owners will not have access to their accounts.

## **Application and Allocation of Purchase Payments**

### ***Initial Purchase Payments***

Initial purchase payments will be priced at the Accumulation Unit value next determined no later than two business days after receipt of an order to purchase if the application and all necessary information are complete and are received at the Service Center before the close of the New York Stock Exchange, which generally occurs at 4:00 p.m. EST. If the order is received after the close of the New York Stock Exchange, the initial purchase payment will be priced within two business days after the next Valuation Date.

If an incomplete application is not completed within five business days after receipt at the Service Center, the prospective purchaser will be informed of the reason for the delay. The purchase payment will be returned unless the prospective purchaser specifically consents to allow Nationwide to hold the purchase payment until the application is completed.

Generally, initial purchase payments are allocated according to Contract Owner instructions on the application. However, in some states, Nationwide will allocate initial purchase payments to the money market Sub-Account during the free look period. After the free look period, Nationwide will reallocate the Contract Value among the investment options based on the instructions contained on the application. In other states, Nationwide will immediately allocate initial purchase payments to the investment options based on the instructions contained on the application. Contact the Service Center or refer to your contract for state specific information on the allocation of initial purchase payments.

### ***Subsequent Purchase Payments***

Any subsequent purchase payment received at the Service Center (along with all necessary information) before the close of the New York Stock Exchange on any Valuation Date will be priced at the Accumulation Unit value next determined after receipt of the purchase payment. If a subsequent purchase payment is received at the Service Center (along with all necessary information) after the close of the New York Stock Exchange, it will be priced at the Accumulation Unit value determined on the following Valuation Date.

### ***Allocation of Purchase Payments***

Nationwide allocates purchase payments to Sub-Accounts as instructed by the Contract Owner. Shares of the underlying mutual funds allocated to the Sub-Accounts are purchased at Net Asset Value, then converted into Accumulation Units.

Contract Owners can change allocations or make exchanges among the Sub-Accounts after the time of application by submitting a written request to the Service Center. However, no change may be made that would result in an amount less than 1% of the purchase payments being allocated to any Sub-Account. In the event that Nationwide receives such a request, Nationwide will inform the Contract Owner that the allocation instructions are invalid and that the contract's allocations among the Sub-Accounts prior to the request will remain in effect. Certain transactions may be subject to conditions imposed by the underlying mutual funds.



## Determining the Contract Value

The Contract Value is the sum of the value of amounts allocated to the Sub-Accounts. If charges are assessed against the whole Contract Value, Nationwide will deduct a proportionate amount from each Sub-Account based on current cash values.

### ***Determining Variable Account Value - Valuing an Accumulation Unit***

Sub-Account allocations are accounted for in Accumulation Units. Accumulation Unit values (for each Sub-Account) are determined by calculating the Net Investment Factor for the Sub-Accounts for the current Valuation Period and multiplying that result with the Accumulation Unit values determined on the previous Valuation Period. For each Sub-Account, the Net Investment Factor is the investment performance of the underlying mutual fund in which a particular Sub-Account invests, including the charges assessed against that Sub-Account for a Valuation Period.

Nationwide uses the Net Investment Factor as a way to calculate the investment performance of a Sub-Account from Valuation Period to Valuation Period.

The Net Investment Factor for any particular Sub-Account before the Annuitization Date is determined by dividing (a) by (b), and then subtracting (c) from the result, where:

- (a) is the sum of:
  - (1) the Net Asset Value of the underlying mutual fund as of the end of the current Valuation Period; and
  - (2) the per share amount of any dividend or income distributions made by the underlying mutual fund (if the date of the dividend or income distribution occurs during the current Valuation Period).
- (b) is the Net Asset Value of the underlying mutual fund determined as of the end of the preceding Valuation Period.
- (c) is a factor representing the daily total Variable Account charges, which may include charges for optional benefits elected by the Contract Owner. The factor is equal to an annualized rate ranging from 0.85% (with the Administrative Charge waiver; otherwise, 1.00%) to 1.65% of the Daily Net Assets, depending on which optional benefits the Contract Owner elects.

Based on the change in the Net Investment Factor, the value of an Accumulation Unit may increase or decrease. Changes in the Net Investment Factor may not be directly proportional to changes in the Net Asset Value of the underlying mutual fund shares because of the deduction of Variable Account charges.

Though the number of Accumulation Units will not change as a result of investment experience, the value of an Accumulation Unit may increase or decrease from Valuation Period to Valuation Period.

## Transfer Requests

Contract Owners may submit transfer requests in writing, over the telephone, or via the Internet to the Service Center. Some benefits or features under the contract may limit the manner in which transfer requests can be submitted, as indicated in the respective provision. Nationwide may restrict or withdraw the telephone and/or Internet transfer privilege at any time.

Generally, Sub-Account transfers will receive the Accumulation Unit value next computed after the transfer request is received at the Service Center. However, if a contract that is limited to submitting transfer requests via U.S. mail submits a transfer request via the Internet or telephone pursuant to Nationwide's one-day delay policy, the transfer will be executed on the next Valuation Date after the exchange request is received at the Service Center (see *Managers of Multiple Contracts*).

## Transfer Restrictions

Neither the contracts described in this prospectus nor the underlying mutual funds are designed to support active trading strategies that require frequent movement between or among Sub-Accounts (sometimes referred to as "market-timing" or "short-term trading"). A Contract Owner who intends to use an active trading strategy should consult his/her registered representative and request information on other Nationwide variable annuity contracts that offer investment in underlying mutual funds that are designed specifically to support active trading strategies.

Nationwide discourages (and will take action to deter) short-term trading in this contract because the frequent movement between or among Sub-Accounts may negatively impact other investors in the contract. Short-term trading can result in:

- the dilution of the value of the investors' interests in the underlying mutual fund;
- underlying mutual fund managers taking actions that negatively impact performance (keeping a larger portion of the underlying mutual fund assets in cash or liquidating investments prematurely in order to support redemption requests); and/or
- increased administrative costs due to frequent purchases and redemptions.

To protect investors in this contract from the negative impact of these practices, Nationwide has implemented, or reserves the right to implement, several processes and/or restrictions aimed at eliminating the negative impact of active trading strategies. Nationwide makes no assurances that all risks associated with short-term trading will be completely eliminated by these processes and/or restrictions.

Nationwide cannot guarantee that its attempts to deter active trading strategies will be successful. If Nationwide is unable to deter active trading strategies, the performance of the Sub-Accounts that are actively traded may be adversely impacted.

### **Redemption Fees**

Some underlying mutual funds assess a short-term trading fee in connection with transfers from a Sub-Account that occur within 60 days after the date of the allocation to the Sub-Account. The fee is assessed against the amount transferred and is paid to the underlying mutual fund. Redemption fees compensate the underlying mutual fund for any negative impact on fund performance resulting from short-term trading. If a short-term trading fee is assessed, the Contract Owner will receive a confirmation notice.

Currently, none of the underlying mutual funds assess a short-term trading fee.

### **U.S. Mail Restrictions**

Nationwide monitors transfer activity in order to identify those who may be engaged in harmful trading practices. Transaction reports are produced and examined. Generally, a contract may appear on these reports if the Contract Owner (or a third party acting on their behalf) engages in a certain number of "transfer events" in a given period. A "transfer event" is any transfer, or combination of transfers, occurring on a given trading day (Valuation Period). For example, if a Contract Owner executes multiple transfers involving 10 investment options in one day, this counts as one transfer event. A single transfer occurring on a given trading day and involving only two investment options will also count as one transfer event.

As a result of this monitoring process, Nationwide may restrict the method of communication by which transfer orders will be accepted. In general, Nationwide will adhere to the following guidelines:

Trading Behavior	Nationwide's Response
Six or more transfer events in one calendar quarter	Nationwide will mail a letter to the Contract Owner notifying them that: <ol style="list-style-type: none"> <li>(1) they have been identified as engaging in harmful trading practices; and</li> <li>(2) if their transfer events exceed 11 in two consecutive calendar quarters or 20 in one calendar year, the Contract Owner will be limited to submitting transfer requests via U.S. mail on a Nationwide issued form.</li> </ol>
More than 11 transfer events in two consecutive calendar quarters OR More than 20 transfer events in one calendar year	Nationwide will automatically limit the Contract Owner to submitting transfer requests via U.S. mail on a Nationwide issued form.

For purposes of Nationwide's transfer policy, U.S. mail includes standard U.S. mail, overnight U.S. mail, and overnight delivery via private carrier.

Each January 1, Nationwide will start the monitoring anew, so that each contract starts with 0 transfer events each January 1. See, however, the *Other Restrictions* provision.

### **Managers of Multiple Contracts**

Some investment advisors/representatives manage the assets of multiple Nationwide contracts pursuant to trading authority granted or conveyed by multiple Contract Owners. These multi-contract advisors will generally be required by Nationwide to submit all transfer requests via U.S. mail.

Nationwide may, as an administrative practice, implement a "one-day delay" program for these multi-contract advisors, which they can use in addition to or in lieu of submitting transfer requests via U.S. mail. The one-day delay option permits multi-contract advisors to continue to submit transfer requests via the Internet or telephone. However, transfer requests submitted by multi-contract advisors via the Internet or telephone will not receive the next available Accumulation Unit value. Rather, they will receive the Accumulation Unit value that is calculated on the following Valuation Date. Transfer requests submitted under the one-day delay program are irrevocable. Multi-contract advisors will receive advance notice of being subject to the one-day delay program.

### ***Other Restrictions***

Contract Owners that are required to submit transfer requests via U.S. mail will be required to use a Nationwide issued form for their transfer request. Nationwide will refuse transfer requests that either do not use the Nationwide issued form for their transfer request or fail to provide accurate and complete information on their transfer request form. In the event that a Contract Owner's transfer request is refused by Nationwide, they will receive notice in writing by U.S. mail and will be required to resubmit their transfer request on a Nationwide issued form.

Nationwide reserves the right to refuse or limit transfer requests, or take any other action it deems necessary in order to protect Contract Owners, Annuitants, and beneficiaries from the negative investment results that may result from short-term trading or other harmful investment practices employed by some Contract Owners (or third parties acting on their behalf). In particular, trading strategies designed to avoid or take advantage of Nationwide's monitoring procedures (and other measures aimed at curbing harmful trading practices) that are nevertheless determined by Nationwide to constitute harmful trading practices, may be restricted.

Any restrictions that Nationwide implements will be applied consistently and uniformly.

### ***Underlying Mutual Fund Restrictions and Prohibitions***

Pursuant to regulations adopted by the SEC, Nationwide is required to enter into written agreements with the underlying mutual funds which allow the underlying mutual funds to:

- (1) request the taxpayer identification number, international taxpayer identification number, or other government issued identifier of any Contract Owner;
- (2) request the amounts and dates of any purchase, redemption, transfer, or exchange request ("transaction information"); and
- (3) instruct Nationwide to restrict or prohibit further purchases or exchanges by Contract Owners that violate policies established by the underlying mutual fund (whose policies may be more restrictive than Nationwide's policies).

Nationwide is required to provide such transaction information to the underlying mutual funds upon their request. In addition, Nationwide is required to restrict or prohibit further purchases or requests to exchange into a specific Sub-Account upon instruction from the underlying mutual fund in which that Sub-Account invests. Nationwide and any affected Contract Owner may not have advance notice of such instructions from an underlying mutual fund to restrict or prohibit further purchases or requests to exchange. If an underlying mutual fund refuses to accept a purchase or request to exchange into the Sub-Account associated with the underlying mutual fund submitted by Nationwide, Nationwide will keep any affected Contract Owner in their current Sub-Account allocation.

## **Transfers Prior to Annuitization**

### ***Transfers Among the Sub-Accounts***

A Contract Owner may request to transfer allocations among the Sub-Accounts at any time, subject to terms and conditions imposed by this prospectus and the underlying mutual funds.

### **Transfers After Annuitization**

After annuitization, the portion of the Contract Value allocated to fixed annuity payments and the portion of the Contract Value allocated to variable annuity payments may not be changed.

After annuitization, transfers among Sub-Accounts may only be made once per calendar year.

## Right to Examine and Cancel

If the Contract Owner elects to cancel the contract, he/she may return it to the Service Center within a certain period of time known as the "free look" period. Depending on the state in which the contract was purchased (and, in some states, if the contract is purchased as a replacement for another annuity contract), the free look period may be 10 days or longer. For ease of administration, Nationwide will honor any free look cancellation request that is in good order and received at the Service Center or postmarked within 30 days after the contract issue date. The contract issue date is the date the initial purchase payment is applied to the contract.

Where state law requires the return of purchase payments for free look cancellations, Nationwide will return all purchase payments applied to the contract, less any withdrawals from the contract and any applicable federal and state income tax withholding.

Where state law requires the return of Contract Value for free look cancellations, Nationwide will return the Contract Value as of the date of the cancellation, less any withdrawals from the contract and any applicable federal and state income tax withholding.

Liability of the Variable Account under this provision is limited to the Contract Value in each Sub-Account on the date of revocation. Any additional amounts refunded to the Contract Owner will be paid by Nationwide.

### Allocation of Purchase Payments during Free Look Period

Where state law requires the return of purchase payments for free look cancellations, Nationwide will allocate initial purchase payments allocated to Sub-Accounts to the money market Sub-Account during the free look period.

Where state law requires the return of Contract Value for free look cancellations, Nationwide will immediately allocate initial purchase payments to the investment options based on the instructions contained on the application.

## Surrender/Withdrawal Prior to Annuitization

Prior to annuitization and before the Annuitant's death, Contract Owners may generally withdraw some or all of their Contract Value. Withdrawals from the contract may be subject to federal income tax and/or a tax penalty (see *Appendix C: Contract Types and Tax Information*). Withdrawal requests may be submitted in writing or by telephone to the Service Center and Nationwide may require additional information. Requests submitted by telephone will be subject to dollar amount limitations and may be subject to payment and other restrictions to prevent fraud. Nationwide reserves the right to require written requests to be submitted on current Nationwide forms for withdrawals. Nationwide reserves the right to remove the ability to submit requests by telephone upon written notice. Contact the Service Center for current limitations and restrictions. When taking a full surrender, Nationwide may require that the contract accompany the request. Nationwide may require a signature guarantee.

Surrender and withdrawal requests will receive the Accumulation Unit value next determined at the end of the current Valuation Period if the request and all necessary information is received at the Service Center before the close of the New York Stock Exchange (generally, 4:00 pm EST). If the request and all necessary information is received after the close of the New York Stock Exchange, the request will receive the Accumulation Unit value determined at the end of the next Valuation Day.

Nationwide will pay any amounts withdrawn from the Sub-Accounts within seven days after the request is received in good order at the Service Center (see *Determining the Contract Value*). However, Nationwide may suspend or postpone payment when it is unable to price a purchase payment or transfer, or as permitted or required by federal securities laws and rules and regulations of the SEC.

### Partial Withdrawals

If a Contract Owner requests a partial withdrawal, Nationwide will redeem Accumulation Units from the Sub-Accounts. The amount withdrawn from each investment option will be in proportion to the value in each option at the time of the withdrawal request, unless Nationwide is instructed otherwise.

Partial withdrawals are subject to the CDSC provisions of the contract. If a CDSC is assessed, the Contract Owner may elect to have the CDSC deducted from either:

- (a) the amount requested; or

(b) the Contract Value remaining after the Contract Owner has received the amount requested.

If the Contract Owner does not make a specific election, any applicable CDSC will be deducted from the amount requested by the Contract Owner.

The CDSC deducted is a percentage of the amount requested by the Contract Owner. Amounts deducted for CDSC are not subject to subsequent CDSC.

## Full Surrenders

Upon full surrender, the Contract Value may be more or less than the total of all purchase payments made to the contract. The Contract Value will reflect:

- Variable Account charges
- underlying mutual fund charges
- the investment performance of the underlying mutual funds
- a \$50 Contract Maintenance Charge (this charge will be waived upon full surrender if the Contract Value is equal to or greater than \$50,000 at the time of the full surrender or on any Contract Anniversary prior to the full surrender)

Except for a surrender made in accordance with the *Enhanced Surrender Value for Terminal Illness* provision, the CDSC-free withdrawal privilege does not apply to full surrenders of the contract. For purposes of the CDSC-free withdrawal privilege, a full surrender is:

- multiple withdrawals taken within a Contract Year that deplete the entire Contract Value; or
- any single net withdrawal of 90% or more of the Contract Value.

## Enhanced Surrender Value for Terminal Illness

If an optional death benefit is elected, Nationwide will pay the Contract Value plus any additional amount necessary to equal the optional death benefit, if the Contract Owner/Annuitant (or Co-Annuitant, if applicable) is terminally ill and the Contract Owner fully surrenders the Contract after the first Contract Anniversary. There is no additional charge for this benefit and no CDSC will be deducted from the surrender proceeds.

Under this provision, no enhanced surrender value will be paid unless:

- The same person is named as Owner and as Annuitant since Contract issuance, and
- The Contract Owner or Co-Annuitant has been diagnosed by a physician to have a terminal illness and Nationwide receives and records an application, on a form satisfactory to Nationwide, containing a certification from that physician indicating such diagnosis.

Once the Contract Owner submits an approved application, the decision to surrender the contract and receive the enhanced surrender value is irrevocable.

## Surrender/Withdrawal After Annuitization

After the Annuitization Date, withdrawals other than regularly scheduled annuity payments are not permitted.

## Assignment

Contracts other than Non-Qualified Contracts may not be assigned, pledged or otherwise transferred except where allowed by law.

A Non-Qualified Contract Owner may assign some or all rights under the contract subject to Nationwide's consent. Additionally, Nationwide reserves the right to refuse to recognize assignments on a non-discriminatory basis. Nationwide is not responsible for the validity or tax consequences of any assignment and Nationwide is not liable for any payment or settlement made before the assignment is recorded. Assignments will not be recorded until Nationwide receives sufficient direction from the Contract Owner and the assignee regarding the proper allocation of contract rights.

Where permitted under state law, an assignment or collateral assignment may negatively impact certain benefits under this contract, including the death benefit.



# Contract Owner Services

## Asset Rebalancing

Asset Rebalancing is the automatic reallocation of Contract Values to the Sub-Accounts on a predetermined percentage basis. Requests for Asset Rebalancing must be on a Nationwide form and submitted to the Service Center. Once Asset Rebalancing is elected, it will only be terminated upon specific instruction from the Contract Owner; manual transfers will not automatically terminate the program. Currently, there is no additional charge for Asset Rebalancing.

Asset Rebalancing occurs every three months or on another frequency if permitted by Nationwide. If the last day of the designated rebalancing period falls on a Saturday, Sunday, recognized holiday, or any other day when the New York Stock Exchange is closed, Asset Rebalancing will occur on the next business day. Each Asset Rebalancing reallocation is considered a transfer event (see *Transfer Restrictions*).

Contract Owners should consult a financial advisor to discuss the use of Asset Rebalancing.

Nationwide reserves the right to stop establishing new Asset Rebalancing programs. Existing Asset Rebalancing programs will remain in effect unless otherwise terminated.

## Dollar Cost Averaging

Dollar Cost Averaging is a long-term transfer program that allows the Contract Owner to make regular, level investments over time. Dollar Cost Averaging involves the automatic transfer of a specific amount from certain Sub-Accounts into other Sub-Accounts. With this service, the Contract Owner benefits from the ability to invest in the Sub-Accounts over a period of time, thereby smoothing out the effects of market volatility. Nationwide does not guarantee that this program will result in profit or protect Contract Owners from loss.

Contract Owners direct Nationwide to automatically transfer specified amounts from the following Sub-Account(s) (if available):

- Nationwide Variable Insurance Trust – NVIT Core Bond Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Government Bond Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Government Money Market Fund: Class II
- Nationwide Variable Insurance Trust - NVIT Short Term Bond Fund: Class II
- PIMCO Variable Insurance Trust - Short-Term Portfolio: Advisor Class

to any other Sub-Account(s).

Transfers occur monthly. Nationwide will process transfers until either the value in the originating investment option is exhausted or the Contract Owner instructs Nationwide to stop the transfers. When a Contract Owner instructs Nationwide to stop the transfers, all amounts remaining in the originating Sub-Account will remain allocated to the Sub-Account, unless Nationwide is instructed otherwise. Dollar Cost Averaging transfers are not considered transfer events.

Nationwide reserves the right to stop establishing new Dollar Cost Averaging programs.

## Nationwide® Guided Portfolio Strategies

The Nationwide Guided Portfolio Strategies (GPS) are static allocation strategies comprised of two or more underlying mutual funds that together provide a unique allocation mix not available as a single underlying mutual fund. Contract Owners that elect a GPS directly own Sub-Account units of the underlying mutual funds that comprise the particular portfolio elected. In other words, a GPS is not a portfolio of underlying mutual funds with one Accumulation Unit value, but rather, direct investment in a certain allocation of Sub-Accounts. There is no additional charge associated with investing in a GPS.

GPS portfolios are available under the contract at the time of application, and only one portfolio can be elected. Contract Owners that elect a GPS portfolio must allocate 100% of their Contract Value to the GPS.

A GPS is a static allocation strategy. The allocations or "split" between one or more Sub-Accounts is not monitored or adjusted to reflect changing market conditions. Nationwide will not automatically rebalance a Contract Owner's Variable Account value to ensure that the assets are allocated to the percentages in the same proportion that they were allocated at the time of election. However, Contract Owners can elect Asset Rebalancing for no additional charge (see *Asset Rebalancing*).

Nationwide is not providing investment advice by providing these portfolios. Contract Owners are responsible for determining which GPS is best for them. Consult a qualified investment advisor.

Contract Owners may transfer out of a GPS subject to the terms of this prospectus.

For additional information about the underlying mutual funds that comprise a GPS, see *Appendix A: Underlying Mutual Fund Information*.

## Systematic Withdrawals

Systematic Withdrawals allow Contract Owners to receive a specified amount (of at least \$100) on a monthly, quarterly, semi-annual, or annual basis. Requests for Systematic Withdrawals and requests to discontinue Systematic Withdrawals must be submitted in good order and in writing to the Service Center.

The withdrawals will be taken from the Sub-Accounts proportionally unless Nationwide is instructed otherwise.

Nationwide will withhold federal income taxes from Systematic Withdrawals unless otherwise instructed by the Contract Owner. The Internal Revenue Service may impose a 10% penalty tax if the Contract Owner is under age 59½, unless the Contract Owner has made an irrevocable election of distributions of substantially equal payments.

A CDSC may apply to amounts taken through Systematic Withdrawals. If the Contract Owner takes Systematic Withdrawals, the maximum amount that can be withdrawn annually without a CDSC is the greater of the amount available under the CDSC-free withdrawal privilege (see *Contingent Deferred Sales Charge*), and a given percentage of the Contract Value that is based on the Contract Owner's age, as shown in the following table:

<u>Contract Owner's Age</u>	<u>Percentage of Contract Value</u>
Under age 59½ .....	5%
59½ through age 61 .....	7%
62 through age 64 .....	8%
65 through age 74 .....	10%
75 and over .....	13%

The Contract Owner's age is determined as of the date the request for Systematic Withdrawals is recorded by the Service Center. For joint owners, the older joint owner's age will be used.

The CDSC-free withdrawal privilege for Systematic Withdrawals is non-cumulative. Free amounts not taken during any Contract Year cannot be taken as free amounts in a subsequent Contract Year. In any given Contract Year, any amount withdrawn in excess of the amount permitted under this program will be subject to the CDSC provisions (see *Contingent Deferred Sales Charge*).

Nationwide reserves the right to stop establishing new Systematic Withdrawal programs. Systematic Withdrawals are not available before the end of the free look period.

## Death Benefit

### Death of Contract Owner

If a Contract Owner (including a joint owner) who is not the Annuitant dies before the Annuitization Date, no death benefit is payable and the surviving joint owner becomes the Contract Owner. If there is no surviving joint owner, the contingent owner becomes the Contract Owner. If there is no surviving contingent owner, the beneficiary becomes the Contract Owner. If there is no surviving beneficiary, the last surviving Contract Owner's estate becomes the Contract Owner.

A distribution of the Contract Value will be made in accordance with tax rules and as described in *Appendix C: Contract Types and Tax Information*. A CDSC may apply.

## Death of Annuitant

If the Annuitant who is not a Contract Owner dies before the Annuitization Date, the Contingent Annuitant becomes the Annuitant and no death benefit is payable. If no Contingent Annuitant is named, a death benefit is payable to the beneficiary. Multiple beneficiaries will share the death benefit equally unless otherwise specified. If no beneficiaries survive the Annuitant, the contingent beneficiary receives the death benefit. Multiple contingent beneficiaries will share the death benefit equally unless otherwise specified. If no beneficiaries or contingent beneficiaries survive the Annuitant, the Contract Owner or the last surviving Contract Owner's estate will receive the death benefit.

If the Annuitant dies after the Annuitization Date, any benefit that may be payable will be paid according to the selected annuity payment option.

If the Contract Owner is a Charitable Remainder Trust and the Annuitant dies before the Annuitization Date, the death benefit will accrue to the Charitable Remainder Trust. Any designation in conflict with the Charitable Remainder Trust's right to the death benefit will be void.

## Death of Contract Owner/Annuitant

If a Contract Owner (including a joint owner) who is also the Annuitant dies before the Annuitization Date, a death benefit is payable to the surviving joint owner. If there is no surviving joint owner, the death benefit is payable to the beneficiary. Multiple beneficiaries will share the death benefit equally unless otherwise specified. If no beneficiaries survive the Contract Owner/Annuitant, the contingent beneficiary receives the death benefit. Multiple contingent beneficiaries will share the death benefit equally unless otherwise specified. If no contingent beneficiaries survive the Contract Owner/Annuitant, the last surviving Contract Owner's estate will receive the death benefit.

If the Contract Owner/Annuitant dies after the Annuitization Date, any benefit that may be payable will be paid according to the selected annuity payment option.

## Death Benefit Payment

The recipient of the death benefit may elect to receive the death benefit:

- (1) in a lump sum;
- (2) as an annuity (see *Annuity Payment Options*); or
- (3) in any other manner permitted by law and approved by Nationwide.

Premium taxes may be deducted from death benefit proceeds. Nationwide will pay (or will begin to pay) the death benefit after it receives proof of death and the instructions as to the payment of the death benefit. Death benefit claims must be submitted to the Service Center. If the recipient of the death benefit does not elect the form in which to receive the death benefit payment, Nationwide will pay the death benefit in a lump sum. Contract Value will continue to be allocated according to the most recent allocation instructions until the death benefit is paid.

If the contract has multiple beneficiaries entitled to receive a portion of the death benefit, the Contract Value will continue to be allocated according to the most recent allocation instructions until the first beneficiary provides Nationwide with all the information necessary to pay that beneficiary's portion of the death benefit proceeds. At the time the first beneficiary's proceeds are paid, the remaining portion(s) of the death benefit proceeds that are allocated to Sub-Accounts will be reallocated to the available money market Sub-Account until instructions are received from the remaining beneficiary(ies).

## Impact of Ownership Changes and Assignment on the Death Benefits

Where permitted under state law, if the Contract Owner is changed or if the contract is assigned (including a collateral assignment), the elected death benefit will be forfeited and replaced with a death benefit equal to the Contract Value on the date Nationwide receives proper proof of the Annuitant's death, an election specifying the distribution method, and any state required forms. Where prohibited by state law, or if any of the following situations apply, the death benefit forfeiture will not apply:

- (1) The new Contract Owner or assignee assumes full ownership of the contract and is essentially the same person (e.g., individual ownership is changed to ownership by a personal revocable trust, a change to the Contract Owner's spouse during the Contract Owner's lifetime, a change to a court appointed guardian representing the Contract Owner during the Contract Owner's lifetime, etc.);



- (2) Ownership of a contract issued as an IRA or Roth IRA is being changed from one custodian to another, from the determining life to a custodian, or from a custodian to the determining life;
- (3) The assignment is for the purpose of effectuating an exchange pursuant to Section 1035 under the Internal Revenue Code; or
- (4) The change is merely the removal of a Contract Owner where the contract is jointly owned.

Contract Owners contemplating changes to the ownership of their contract, including assignments, should contact their registered representative to determine how the changes impact the death benefit.

## **Death Benefit Calculations**

An applicant may elect either the standard death benefit (Return of Contract Value) or an available death benefit option that is offered under the contract for an additional charge. If no election is made at the time of application, the death benefit will be the standard death benefit.

As indicated previously, the death benefit calculations discussed in this provision may not apply if the Contract Owner has been changed or the contract has been assigned.

The value of each component of the death benefit calculation will be determined as of the date of the Annuitant's death, except for the Contract Value component, which will be determined as of the date Nationwide receives:

- (1) proper proof of the Annuitant's death;
- (2) an election specifying the distribution method; and
- (3) any state required form(s).

**Nationwide reserves the right to refuse any purchase payment that would result in the cumulative total for all contracts issued by Nationwide on the life of any one Annuitant or owned by any one Contract Owner to exceed \$1,000,000.** If a Contract Owner does not submit purchase payments in excess of \$1,000,000, or if Nationwide has refused to accept purchase payments in excess of \$1,000,000, the references in this provision to purchase payments in excess of \$1,000,000 will not apply.

### ***Standard Death Benefit (Return of Contract Value)***

If the Annuitant dies prior to the Annuitization Date, the death benefit will be the Contract Value.

### ***Highest Anniversary Enhanced Death Benefit Option***

For an additional charge at an annualized rate of 0.30% of the Daily Net Assets, an applicant can elect the Highest Anniversary Enhanced Death Benefit Option. The Highest Anniversary Enhanced Death Benefit Option is only available for contracts with Annuitants age 75 or younger at the time of application. This option must be elected at the time of application, and the option is irrevocable. The charge associated with this option is calculated and deducted daily as part of the Accumulation Unit value calculation, and will be assessed until annuitization. Nationwide may realize a profit from the charge assessed for this option. This option, and any charge associated with it, will automatically terminate on the Annuitization Date.

If the Annuitant dies before the Annuitization Date and the total of all purchase payments made to the contract is less than or equal to \$3,000,000, the death benefit will be the greatest of:

- (1) the Contract Value;
- (2) the total of all purchase payments, less an adjustment for amounts withdrawn; or
- (3) the highest Contract Value on any Contract Anniversary before the Annuitant's 80<sup>th</sup> birthday, less an adjustment for amounts subsequently withdrawn, plus purchase payments received after that Contract Anniversary.

Any adjustment for amounts withdrawn will reduce the applicable factor above in the same proportion that the Contract Value was reduced on the date(s) of the partial withdrawal(s).

If the Annuitant dies before the Annuitization Date and the total of all purchase payments made to the contract is greater than \$3,000,000, the death benefit will be determined using the following formula:

$A \times F + B \times (1 - F)$  Where:

- A = The greatest of:
- (1) the Contract Value;
  - (2) the total of all purchase payments made to the contract, less an adjustment for amounts withdrawn; and
  - (3) the highest Contract Value on any Contract Anniversary before the Annuitant's 80<sup>th</sup> birthday, less an adjustment for amounts subsequently withdrawn, plus purchase payments received after that Contract Anniversary.
- B = the Contract Value;
- F = the ratio of \$3,000,000 to the total of all purchase payments made to the contract.

Any adjustment for amounts withdrawn will reduce the applicable factor above in the same proportion that the Contract Value was reduced on the date(s) of the partial withdrawal(s).

The practical effect of this formula is that, in down markets, the beneficiary recovers a lesser percentage of purchase payments in excess of \$3,000,000 than for purchase payments up to \$3,000,000. In up markets, the formula is less likely to have a negative effect. In no event will the beneficiary receive less than the Contract Value.

The Highest Anniversary Enhanced Death Benefit Option also includes the Long-Term Care/Nursing Home and Terminal Illness Waiver which allows for the withdrawals without CDSC if certain conditions are met (see *Contingent Deferred Sales Charge*), and the Spousal Protection Feature, which allows a surviving spouse to continue the contract while receiving the economic benefit of the death benefit upon the death of the other spouse (see *Spousal Protection Feature*).

**Return of Premium Enhanced Death Benefit Option**

For an additional charge at an annualized rate of 0.20% of the Daily Net Assets, an applicant can elect the Return of Premium Enhanced Death Benefit Option (as used herein, "premium" means purchase payments made to the contract), which provides a death benefit that is the greater of (i) Contract Value or (ii) purchase payments less an adjustment for withdrawals. The Return of Premium Enhanced Death Benefit Option is only available for contracts with Annuitants age 75 or younger at the time of application. This option must be elected at the time of application, and the option is irrevocable. The charge associated with this option is calculated and deducted daily as part of the Accumulation Unit value calculation, and will be assessed until annuitization. Nationwide may realize a profit from the charge assessed for this option. This option, and any charge associated with it, will automatically terminate on the Annuitization Date.

If the Annuitant dies prior to the Annuitization Date and the total of all purchase payments made to the contract is less than or equal to \$3,000,000, the death benefit will be the greater of:

- (1) the Contract Value; or
- (2) the total of all purchase payments, less an adjustment for amounts withdrawn.

Any adjustment for amounts withdrawn will reduce the applicable factor above in the same proportion that the Contract Value was reduced on the date(s) of the partial withdrawal(s).

If the Annuitant dies prior to the Annuitization Date and the total of all purchase payments made to the contract is greater than \$3,000,000, the death benefit will be determined using the following formula:

$(A \times F) + B(1 - F)$ , where

- A = the greater of:
- (1) the Contract Value; or
  - (2) the total of all purchase payments, less an adjustment for amounts withdrawn.
- B = the Contract Value; and
- F = the ratio of \$3,000,000 to the total of all purchase payments made to the contract.

Any adjustment for amounts withdrawn will reduce the applicable factor above in the same proportion that the Contract Value was reduced on the date(s) of the partial withdrawal(s).

The practical effect of this formula is that, in down markets, the beneficiary recovers a lesser percentage of purchase payments in excess of \$3,000,000 than for purchase payments up to \$3,000,000. In up markets, the formula is less likely to have a negative effect. In no event will the beneficiary receive less than the Contract Value.

The Return of Premium Enhanced Death Benefit Option also includes the Long-Term Care/Nursing Home and Terminal Illness Waiver which allows for the withdrawals without CDSC if certain conditions are met (see *Contingent Deferred Sales Charge*), and the Spousal Protection Feature, which allows a surviving spouse to continue the contract while receiving the economic benefit of the death benefit upon the death of the other spouse (see *Spousal Protection Feature*).

## **Spousal Protection Feature**

Each of the optional death benefits includes a Spousal Protection Feature. The Spousal Protection Feature is not available for contracts issued as Charitable Remainder Trusts. The Spousal Protection Feature allows a surviving spouse to continue the contract while receiving the economic benefit of the death benefit upon the death of the other spouse, provided the conditions described below are satisfied:

- (1) One or both spouses (or a revocable trust of which either or both of the spouses is/are grantor(s)) must be named as the Contract Owner. For contracts issued as an IRA or Roth IRA, only the person for whom the IRA or Roth IRA was established may be named as the Contract Owner;
- (2) The spouses must be Co-Annuitants;
- (3) Both spouses must be age 75 or younger at the time the contract is issued;
- (4) Both spouses must be named as beneficiaries;
- (5) No person other than the spouse may be named as Contract Owner, Annuitant, or primary beneficiary;
- (6) If both spouses are alive upon annuitization, the Contract Owner must specify which spouse is the Annuitant upon whose continuation of life any annuity payments involving life contingencies depend (for an IRA or Roth IRA contract, this person must be the Contract Owner); and
- (7) If the Contract Owner requests to add a Co-Annuitant after contract issuance, the date of marriage must be after the contract issue date and Nationwide will require the Contract Owner to provide a copy of the marriage certificate.

If a Co-Annuitant dies before the Annuitization Date, the surviving spouse may continue the contract as its sole Contract Owner. Additionally, if the death benefit value is higher than the Contract Value at the time of the first Co-Annuitant's death, Nationwide will adjust the Contract Value to equal the death benefit value. The surviving Co-Annuitant may then name a new beneficiary but may not name another Co-Annuitant.

If the marriage of the Co-Annuitants terminates due to the death of a spouse, divorce, dissolution, or annulment, the Spousal Protection Feature terminates and the Contract Owner is not permitted to cover a subsequent spouse.

The Spousal Protection Feature may not apply if certain changes to the parties or assignments are made to the contract. Contract Owners contemplating changes to the parties to the contract, including assignments, should contact their registered representative to determine how the changes impact the Spousal Protection Feature.

Additional purchase payments made to the contract after receiving the benefit of the Spousal Protection Feature are subject to the same CDSC provisions that were applicable prior to receiving the benefit of the Spousal Protection Feature. However, no CDSC will apply to purchase payments made prior to the death of the first spouse.

## **Annuity Commencement Date**

The Annuity Commencement Date is the date on which annuity payments are scheduled to begin. Generally, the Contract Owner designates the Annuity Commencement Date at the time of application. If no Annuity Commencement Date is designated at the time of application, Nationwide will establish the Annuity Commencement Date as the date the Annuitant reaches age 90. The Contract Owner may initiate a change to the Annuity Commencement Date at any time. Additionally, Nationwide will notify the Contract Owner approximately 90 days before the impending Annuity Commencement Date of the opportunity to change the Annuity Commencement Date or annuitize the contract.

Any request to change the Annuity Commencement Date must meet the following requirements:

- the request is made prior to annuitization;
- the requested date is at least two years after the date of issue;
- the requested date is not later than the Annuitant's 90th birthday (or the 90th birthday of the oldest Annuitant if there are joint annuitants) unless approved by Nationwide; and

- the request for change is made in writing, submitted to the Service Center and approved by Nationwide.

Generally, Nationwide will not initiate annuitization until specifically directed to do so. However, for Non-Qualified Contracts only, Nationwide will automatically initiate annuitization within 45 days after the Annuity Commencement Date (whether default or otherwise), unless (1) Nationwide has had direct contact with the Contract Owner (indicating that the contract is not abandoned); or (2) the Contract Owner has taken some type of action which is inconsistent with the desire to annuitize.

## **Annuitizing the Contract**

### **Annuitization Date**

The Annuitization Date is the date that annuity payments begin.

Any optional death benefit that the Contract Owner elects will automatically terminate upon annuitization.

The Annuitization Date will be the first day of a calendar month unless otherwise agreed. Unless otherwise required by state law, the Annuitization Date must be at least two years after the contract is issued, but may not be later than either:

- the age (or date) specified in the contract; or
- the age (or date) specified by state law, where applicable.

The Internal Revenue Code may require that distributions be made prior to the Annuitization Date (see *Appendix C: Contract Types and Tax Information*).

On the Annuitization Date, the Annuitant becomes the Contract Owner unless the Contract Owner is a Charitable Remainder Trust.

### **Annuitization**

Annuitization is the period during which annuity payments are received. It is irrevocable once payments have begun. Upon arrival of the Annuitization Date, the Annuitant must choose:

- (1) an annuity payment option; and
- (2) either a fixed payment annuity, variable payment annuity, or an available combination.

Annuity purchase rates are used to determine the amount of the annuity payments based upon the annuity payment option elected. Actual purchase rates used to determine annuity payments will be those in effect on the Annuitization Date, and will not be less than the guaranteed minimum purchase rates as provided in the contract.

Nationwide guarantees that each payment under a fixed payment annuity will be the same throughout annuitization. Under a variable payment annuity, the amount of each payment will vary with the performance of the Sub-Accounts elected.

### **Fixed Annuity Payments**

Fixed annuity payments provide for level annuity payments. Premium taxes are deducted prior to determining fixed annuity payments. The fixed annuity payments will remain level unless the annuity payment option provides otherwise.

### **Variable Annuity Payments**

Variable annuity payments will vary depending on the performance of the Sub-Accounts selected. The Sub-Accounts available during annuitization are those Sub-Accounts corresponding to the underlying mutual funds shown in *Appendix A: Underlying Mutual Fund Information*.

#### ***First Variable Annuity Payment***

A number of factors determine the amount of the first variable annuity payment, including, but not limited to:

- the portion of purchase payments allocated to provide variable annuity payments;
- the Variable Account value on the Annuitization Date;
- the adjusted age and sex of the Annuitant (and joint annuitant, if any) in accordance with the contract;
- the annuity payment option elected;

- the frequency of annuity payments;
- the Annuitization Date;
- the assumed investment return (the net investment return required to maintain level variable annuity payments);
- the deduction of applicable premium taxes; and
- the date the contract was issued.

### ***Assumed Investment Return***

An assumed investment return is the net investment return required to maintain level variable annuity payments. Nationwide uses a 3.5% assumed investment return factor. Therefore, if the net investment performance of each Sub-Account in which the Contract Owner invests exactly equals 3.5% for every payment period, then each payment will be the same amount. To the extent that investment performance is not equal to 3.5% for given payment periods, the amount of the payments in those periods will not be the same. Payments will increase from one payment date to the next if the annualized net rate of return is greater than 3.5% during that time. Conversely, payments will decrease from one payment to the next if the annualized net rate of return is less than 3.5% during that time.

Nationwide uses the assumed investment rate of return to determine the amount of the first variable annuity payment.

### ***Subsequent Variable Annuity Payments***

Variable annuity payments after the first will vary with the performance of the Sub-Accounts chosen by the Contract Owner after the investment performance is adjusted by the assumed investment return factor.

The dollar amount of each subsequent variable annuity payment is determined by taking the portion of the first annuity payment funded by a particular Sub-Account divided by the Annuity Unit value for that Sub-Account as of the Annuitization Date. This establishes the number of Annuity Units provided by each Sub-Account for each variable annuity payment after the first.

The number of Annuity Units comprising each variable annuity payment, on a Sub-Account basis, will remain constant, unless the Contract Owner transfers value from one Sub-Account to another. After annuitization, transfers among Sub-Accounts may only be made once per calendar year.

The number of Annuity Units for each Sub-Account is multiplied by the Annuity Unit value for that Sub-Account for the Valuation Period for which the payment is due. The sum of these results for all the Sub-Accounts in which the Contract Owner invests establishes the dollar amount of the variable annuity payment.

Subsequent variable annuity payments may be more or less than the previous variable annuity payment, depending on whether the net investment performance of the elected Sub-Accounts is greater or lesser than the assumed investment return.

### ***Value of an Annuity Unit***

Annuity Unit values for Sub-Accounts are determined by:

- (1) multiplying the Annuity Unit value for each Sub-Account for the immediately preceding Valuation Period by the Net Investment Factor for the Sub-Account for the subsequent Valuation Period; and then
- (2) multiplying the result from (1) by a factor to neutralize the assumed investment return factor.

The Net Investment Factor for any particular Sub-Account on or after the Annuitization Date is determined by dividing (a) by (b), and then subtracting (c) from the result, where:

- (a) is the sum of:
  - (1) the Net Asset Value of the underlying mutual fund as of the end of the current Valuation Period; and
  - (2) the per share amount of any dividend or income distributions made by the underlying mutual fund (if the date of the dividend or income distribution occurs during the current Valuation Period).
- (b) is the Net Asset Value of the underlying mutual fund determined as of the end of the preceding Valuation Period.
- (c) is a factor representing the daily Variable Account charges, which is equal to 0.85% of the Daily Net Assets (with the Administrative Charge waiver; otherwise, 1.00%).

The charge used to calculate the Annuity Unit Value may be higher if the Contract Owner elected an optional benefit that assesses a charge after the Annuitization Date (see *Synopsis of the Contracts*).

Based on the change in the Net Investment Factor, the value of an Annuity Unit may increase or decrease. Changes in the Net Investment Factor may not be directly proportional to changes in the Net Asset Value of the underlying mutual fund shares because of the deduction of Variable Account charges.

Though the number of Annuity Units will not change as a result of investment experience, the value of an Annuity Unit may increase or decrease from Valuation Period to Valuation Period.

## Frequency and Amount of Annuity Payments

Annuity payments are based on the annuity payment option elected.

If the net amount to be annuitized is less than \$2,000, Nationwide reserves the right to pay this amount in a lump sum instead of periodic annuity payments.

Nationwide reserves the right to change the frequency of payments if the amount of any payment becomes less than \$100. The payment frequency will be changed to an interval that will result in payments of at least \$100. Nationwide will send annuity payments no later than seven days after each annuity payment date.

## Annuity Payment Options

The Annuitant must elect an annuity payment option before the Annuitization Date. If the Annuitant does not elect an annuity payment option, a variable payment Single Life with a 20 Year Term Certain annuity payment option will be assumed as the automatic form of payment upon annuitization. Once elected or assumed, the annuity payment option may not be changed.

Not all of the annuity payment options may be available in all states. Additionally, the annuity payment options available may be limited based on the Annuitant's age (and the joint annuitant's age, if applicable) or requirements under the Internal Revenue Code.

**Nationwide reserves the right to refuse any purchase payment that would result in the cumulative total for all contracts issued by Nationwide on the life of any one Annuitant or owned by any one Contract Owner to exceed \$1,000,000.** If a Contract Owner does not submit purchase payments in excess of \$1,000,000, or if Nationwide has refused to accept purchase payments in excess of \$1,000,000, the references in this provision to purchase payments in excess of \$1,000,000 will not apply. If the Contract Owner is permitted to submit purchase payments in excess of \$1,000,000, additional restrictions apply, as follows.

### **Annuity Payment Options for Contracts with Total Purchase Payments and Contract Value Annuitized Less Than or Equal to \$2,000,000**

If, at the Annuitization Date, the total of all purchase payments made to the contract and the Contract Value annuitized is less than or equal to \$2,000,000, the annuity payment options available are:

- Single Life;
- Standard Joint and Survivor; and
- Single Life with a 10 or 20 Year Term Certain.

Each of the annuity payment options is discussed more thoroughly below.

#### ***Single Life***

The Single Life annuity payment option provides for annuity payments to be paid during the lifetime of the Annuitant. This option is not available if the Annuitant is 86 or older on the Annuitization Date.

Payments will cease with the last payment before the Annuitant's death. For example, if the Annuitant dies before the second annuity payment date, the Annuitant will receive only one payment. The Annuitant will only receive two annuity payments if he or she dies before the third payment date, and so on. No death benefit will be paid.

No withdrawals other than the scheduled annuity payments are permitted.



### ***Standard Joint and Survivor***

The Standard Joint and Survivor annuity payment option provides for annuity payments to continue during the joint lifetimes of the Annuitant and joint annuitant. After the death of either the Annuitant or joint annuitant, payments will continue for the life of the survivor. This option is not available if the Annuitant or joint Annuitant is 86 or older on the Annuitization Date.

Payments will cease with the last payment due prior to the death of the last survivor of the Annuitant and joint annuitant. As is the case of the Single Life annuity payment option, there is no guaranteed number of payments. Therefore, it is possible that if the Annuitant dies before the second annuity payment date, the Annuitant will receive only one annuity payment. No death benefit will be paid.

No withdrawals other than the scheduled annuity payments are permitted.

### ***Single Life with a 10 or 20 Year Term Certain***

The Single Life with a 10 or 20 Year Term Certain annuity payment option provides that monthly annuity payments will be paid during the Annuitant's lifetime or for the term selected, whichever is longer. The term may be either 10 or 20 years.

If the Annuitant dies before the end of the 10 or 20 year term, payments will be paid to the beneficiary for the remainder of the term.

No withdrawals other than the scheduled annuity payments are permitted.

### ***Any Other Option***

Annuity payment options not set forth in this provision may be available. Any annuity payment option not set forth in this provision must be approved by Nationwide.

## **Annuity Payment Options for Contracts with Total Purchase Payments and/or Contract Value Annuitized Greater Than \$2,000,000**

If, at the Annuitization Date, the total of all purchase payments made to the contract and/or the Contract Value to be annuitized is greater than \$2,000,000, Nationwide may limit the annuity payment option to the longer of:

- (1) a Fixed Life Annuity with a 20 Year Term Certain; or
- (2) a Fixed Life Annuity with a Term Certain to Age 95.

## **Annuitization of Amounts Greater than \$5,000,000**

Additionally, Nationwide may limit the amount that may be annuitized on a single life to \$5,000,000. If the total amount to be annuitized is greater than \$5,000,000 under this contract and/or for all Nationwide issued annuity contracts with the same Annuitant, the Contract Owner must:

- (1) reduce the amount to be annuitized to \$5,000,000 or less by taking a partial withdrawal from the contract;
- (2) reduce the amount to be annuitized to \$5,000,000 or less by exchanging the portion of the Contract Value in excess of \$5,000,000 to another annuity contract; or
- (3) annuitize the portion of the Contract Value in excess of \$5,000,000 under an annuity payment option with a term certain, if available.

## **Statements and Reports**

Nationwide will mail Contract Owners statements and reports. Therefore, Contract Owners should promptly notify the Service Center of any address change.

These mailings will contain:

- statements showing the contract's quarterly activity;
- confirmation statements showing transactions that affect the contract's value. Confirmation statements will not be sent for recurring transactions (*i.e.*, Dollar Cost Averaging or salary reduction programs). Instead, confirmation of recurring transactions will appear in the contract's quarterly statements; and
- semi-annual and annual reports of allocated underlying mutual funds.



Contract Owners can receive information from Nationwide faster and reduce the amount of mail received by signing up for Nationwide's eDelivery program. Nationwide will notify Contract Owners by email when important documents (statements, prospectuses, and other documents) are ready for a Contract Owner to view, print, or download from Nationwide's secure server. To choose this option, go to: [www.nationwide.com/login](http://www.nationwide.com/login).

Contract Owners should review statements and confirmations carefully. All errors or corrections must be reported to Nationwide immediately to assure proper crediting to the contract. Unless Nationwide is notified within 30 days of receipt of the statement, Nationwide will assume statements and confirmation statements are correct.

### **IMPORTANT NOTICE REGARDING DELIVERY OF SECURITY OWNER DOCUMENTS**

When multiple copies of the same disclosure document(s), such as prospectuses, supplements, proxy statements, and semi-annual and annual reports are required to be mailed to multiple Contract Owners in the same household, Nationwide will mail only one copy of each document, unless notified otherwise by the Contract Owner(s). Household delivery will continue for the life of the contracts.

A Contract Owner can revoke their consent to household delivery and reinstate individual delivery by contacting the Service Center. Nationwide will reinstate individual delivery within 30 days after receiving such notification.

## **Legal Proceedings**

### **Nationwide Life Insurance Company**

Nationwide Financial Services, Inc. (NFS, or collectively with its subsidiaries, "the Company") was formed in November 1996. NFS is the holding company for Nationwide Life Insurance Company (NLIC), Nationwide Life and Annuity Insurance Company (NLAIC) and other companies that comprise the life insurance and retirement savings operations of the Nationwide group of companies (Nationwide). This group includes Nationwide Financial Network (NFN), an affiliated distribution network that markets directly to its customer base. NFS is incorporated in Delaware and maintains its principal executive offices in Columbus, Ohio.

The Company is subject to legal and regulatory proceedings in the ordinary course of its business. These include proceedings specific to the Company and proceedings generally applicable to business practices in the industries in which the Company operates. The outcomes of these proceedings cannot be predicted due to their complexity, scope, and many uncertainties. The Company believes, however, that based on currently known information, the ultimate outcome of all pending legal and regulatory proceedings is not likely to have a material adverse effect on the Company's consolidated financial position. The Company maintains Professional Liability Insurance and Director and Officer Liability insurance policies that may cover losses for certain legal and regulatory proceedings. The Company will make adequate provision for any probable and reasonably estimable recoveries under such policies.

The various businesses conducted by the Company are subject to oversight by numerous federal and state regulatory entities, including but not limited to the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Department of Labor, the Internal Revenue Service, the Federal Reserve Bank and state insurance authorities. Such regulatory entities may, in the normal course, be engaged in general or targeted inquiries, examinations and investigations of the Company and/or its affiliates. With respect to all such scrutiny directed at the Company or their affiliates, the Company is cooperating with regulators. The Company will cooperate with its ultimate parent company, Nationwide Mutual Insurance Company (NMIC) insofar as any inquiry, examination or investigation encompasses NMIC's operations. In addition, recent regulatory activity, including state and federal regulatory activity related to fiduciary standards, may impact the Company's business and operations, and certain estimates and assumptions used by the Company in determining the amounts presented in the combined financial statements and accompanying notes. Actual results could differ significantly from those estimates and assumptions.

### **Nationwide Investment Services Corporation**

The general distributor, NISC, is not engaged in any litigation that is likely to have a material adverse effect on its ability to perform its contract with the Variable Account.

## **Contents of Statement of Additional Information**

General Information and History

Services

Purchase of Securities Being Offered

Underwriters

Advertising

Annuity Payments

Condensed Financial Information

Financial Statements

Investment Company Act of 1940 Registration File No. 811-05701

Securities Act of 1933 Registration File No. 333-201820

## Appendix A: Underlying Mutual Fund Information

This appendix contains information about the underlying mutual funds in which the Sub-Accounts invest. The underlying mutual funds in which the Sub-Accounts invest are designed primarily as investments for variable annuity contracts and variable life insurance policies issued by insurance companies. There is no guarantee that the investment objectives will be met. Refer to the prospectus for each underlying mutual fund for more detailed information.

### Designations Key:

- FF:** The underlying mutual fund primarily invests in other mutual funds. Therefore, a proportionate share of the fees and expenses of any acquired funds are indirectly borne by investors. As a result, investors in this Sub-Account may incur higher charges than if the assets were invested in an underlying mutual fund that does not invest in other mutual funds. Refer to the prospectus for this underlying mutual fund for more information.
- MF:** The underlying mutual fund operates as a "feeder fund", which means it invests all of its investment assets in another mutual fund, the "master fund". Investors in this underlying mutual fund will bear the fees and expenses of both this underlying mutual fund and the "master fund" in which it invests. Therefore, this may result in higher expenses than those of other underlying mutual funds that invest directly in individual securities. Refer to the prospectus for this underlying mutual fund for more information.
- VOL:** The underlying mutual fund uses a volatility management strategy to reduce a Contract Owner's exposure to equity investments when equity markets are volatile which may limit investment losses in a down market. However, use of such a strategy may also limit the growth of Contract Value. Allocation to this type of underlying mutual fund may result in foregone investment gains that could otherwise be realized by investing in riskier underlying mutual funds.

### AllianceBernstein Variable Products Series Fund, Inc. - AB VPS International Value Portfolio: Class B

Investment Advisor: AllianceBernstein L.P.  
Investment Objective: Long-term growth of capital.

### ALPS Variable Investment Trust - ALPS/Alerian Energy Infrastructure Portfolio: Class III

Investment Advisor: ALPS Advisors, Inc.  
Investment Objective: The Portfolio seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of its underlying index, the Alerian Energy Infrastructure Index (the "Index").

### ALPS Variable Investment Trust - ALPS/Red Rocks Listed Private Equity Portfolio: Class III

Investment Advisor: ALPS Advisors, Inc.  
Sub-advisor: Red Rocks Capital LLC  
Investment Objective: To seek to maximize total return, which consists of appreciation on its investments and a variable income stream.

### American Century Variable Portfolios II, Inc. - American Century VP Inflation Protection Fund: Class II

Investment Advisor: American Century Investment Management, Inc.  
Investment Objective: Long-term total return using a strategy that seeks to protect against U.S. inflation.

### American Funds Insurance Series® - Blue Chip Income and Growth Fund: Class 4

Investment Advisor: Capital Research and Management Company  
Investment Objective: The fund's investment objectives are to produce income exceeding the average yield on U.S. stocks generally and to provide an opportunity for growth of principal consistent with sound common stock investing.

### American Funds Insurance Series® - Capital Income Builder®: Class 4

Investment Advisor: Capital Research and Management Company  
Investment Objective: The fund has two primary investment objectives. It seeks (1) to provide you with a level of current income that exceeds the average yield on U.S. stocks generally and (2) to provide you with a growing stream of income over the years. The fund's secondary objective is to provide you with growth of capital.

**American Funds Insurance Series® - Global Small Capitalization Fund: Class 4**

Investment Advisor: Capital Research and Management Company  
Investment Objective: Seeks long-term growth of capital through investments in smaller companies in the U.S. and around the world.

**American Funds Insurance Series® - International Fund: Class 4**

Investment Advisor: Capital Research and Management Company  
Investment Objective: The fund's investment objective is to provide you with long-term growth of capital.

**American Funds Insurance Series® - New World Fund®: Class 4**

Investment Advisor: Capital Research and Management Company  
Investment Objective: The fund's investment objective is long-term capital appreciation.

**BlackRock Variable Series Funds, Inc. - BlackRock Equity Dividend V.I. Fund: Class III**

*This underlying mutual fund is only available in contracts for which good order applications were received before May 1, 2017*

Investment Advisor: BlackRock Advisors, LLC  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: To seek long-term total return and current income.

**BlackRock Variable Series Funds, Inc. - BlackRock Global Allocation V.I. Fund: Class III**

Investment Advisor: BlackRock Advisors, LLC  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: Seeks high total investment return.

**BlackRock Variable Series Funds, Inc. - BlackRock High Yield V.I. Fund: Class III**

Investment Advisor: BlackRock Advisors, LLC  
Sub-advisor: BlackRock Financial Management, Inc.  
Investment Objective: The Fund seeks to maximize total return, consistent with income generation and prudent investment management.

**BlackRock Variable Series Funds, Inc. - BlackRock Total Return V.I. Fund: Class III**

Investment Advisor: BlackRock Advisors, LLC  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: To maximize total return, consistent with income generation and prudent investment management.

**Columbia Funds Variable Insurance Trust - CTIVP - AQR Managed Futures Strategy Fund: Class 2 (formerly, Columbia Funds Variable Insurance Trust - Variable Portfolio - AQR Managed Futures Strategy Fund: Class 2)**

Investment Advisor: Columbia Management Investment Advisors, LLC  
Sub-advisor: AQR Capital Management, LLC  
Investment Objective: The investment seeks positive absolute returns.

**Columbia Funds Variable Series Trust II - Columbia VP High Yield Bond Fund: Class 2**

Investment Advisor: Columbia Management Investment Advisors, LLC  
Investment Objective: The Fund seeks to provide shareholders with high current income as its primary objective and, as its secondary objective, capital growth.

**Delaware VIP Trust - Delaware VIP Small Cap Value Series: Service Class**

Investment Advisor: Delaware Management Company, Inc.  
Investment Objective: The fund seeks capital appreciation.

**Dreyfus Investment Portfolios - MidCap Stock Portfolio: Service Shares**

Investment Advisor: The Dreyfus Corporation  
Investment Objective: The fund seeks investment results that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400® Index (S&P 400 Index).

**Eaton Vance Variable Trust - Eaton Vance VT Floating-Rate Income Fund: Initial Class**

Investment Advisor: Eaton Vance Management  
Investment Objective: The fund seeks to provide a high level of current income.

**Fidelity Variable Insurance Products - Emerging Markets Portfolio: Service Class 2**

Investment Advisor: Fidelity Management & Research Company  
Sub-advisor: FMR Co., Inc.  
Investment Objective: The fund seeks capital appreciation.

**Fidelity Variable Insurance Products Fund - VIP Balanced Portfolio: Service Class 2**

Investment Advisor: Fidelity Management & Research Company  
Sub-advisor: FMR Co., Inc., Fidelity Investments Money Management, Inc., Fidelity Management & Research (U.K.) Inc., Fidelity Research & Analysis Company, Fidelity Investments Japan Limited, Fidelity International Investment Advisors, Fidelity International Investment Advisors (U.K.) Limited  
Investment Objective: Income and capital growth consistent with reasonable risk.

**Fidelity Variable Insurance Products Fund - VIP Growth & Income Portfolio: Service Class 2**

Investment Advisor: Fidelity Management & Research Company  
Sub-advisor: FMR Co., Inc., Fidelity Management & Research (U.K.) Inc., Fidelity Research & Analysis Company, Fidelity Investments Japan Limited, Fidelity International Investment Advisors, Fidelity International Investment Advisors (U.K.) Limited  
Investment Objective: High total return through a combination of current income and capital appreciation.

**Fidelity Variable Insurance Products Fund - VIP Growth Portfolio: Service Class 2**

Investment Advisor: Fidelity Management & Research Company  
Sub-advisor: FMR Co., Inc., Fidelity Management & Research (U.K.) Inc., Fidelity Research & Analysis Company, Fidelity International Investment Advisors, Fidelity International Investment Advisors (U.K.) Limited, Fidelity Investments Japan Limited  
Investment Objective: Capital appreciation.

**Fidelity Variable Insurance Products Fund - VIP Investment Grade Bond Portfolio: Service Class 2**

Investment Advisor: Fidelity Management & Research Company  
Sub-advisor: Fidelity Investments Money Management, Inc., Fidelity Research & Analysis Company, Fidelity International Investment Advisors, Fidelity International Investment Advisors (U.K.) Limited  
Investment Objective: High level of current income.

**Fidelity Variable Insurance Products Fund - VIP Real Estate Portfolio: Service Class 2**

Investment Advisor: Fidelity SelectCo, LLC (SelectCo) (the Adviser), an affiliate of Fidelity Management & Research Company  
Sub-advisor: FMR Co., Inc., Fidelity Research & Analysis Company  
Investment Objective: The fund seeks above-average income and long-term capital growth, consistent with reasonable investment risk.

**Fidelity Variable Insurance Products Fund - VIP Strategic Income Portfolio: Service Class 2**

Investment Advisor: Fidelity Management & Research Company  
Sub-advisor: Fidelity Investments Money Management, Inc., Fidelity International Investment Advisors, Fidelity International Investment Advisors (U.K.) Limited, Fidelity Research & Analysis Company, Fidelity Management & Research (U.K.) Inc.  
Investment Objective: The fund seeks a high level of current income. The fund may also seek capital appreciation.

**Franklin Templeton Variable Insurance Products Trust - Franklin Founding Funds Allocation VIP Fund: Class 2**

Investment Advisor: Franklin Templeton Services, LLC  
Investment Objective: Capital appreciation with income as a secondary goal.  
Designation: FF

**Franklin Templeton Variable Insurance Products Trust - Franklin Income VIP Fund: Class 2**

Investment Advisor: Franklin Advisers, Inc.  
Investment Objective: Seeks to maximize income while maintaining prospects for capital appreciation.

**Franklin Templeton Variable Insurance Products Trust - Franklin Mutual Global Discovery VIP Fund: Class 2**

Investment Advisor: Franklin Mutual Advisers, LLC  
Investment Objective: Seeks capital appreciation.

**Franklin Templeton Variable Insurance Products Trust - Templeton Global Bond VIP Fund: Class 2**

Investment Advisor: Franklin Advisers, Inc.  
Investment Objective: High current income, consistent with preservation of capital, with capital appreciation as a secondary consideration.

**Goldman Sachs Variable Insurance Trust - Goldman Sachs Global Trends Allocation Fund: Service Shares**

*This underlying mutual fund is only available in contracts for which good order applications were received before May 1, 2018*

Investment Advisor: Goldman Sachs Asset Management, L.P.  
Investment Objective: Seeks to achieve investment results that approximate the performance of the GS Global Markets Navigator Index (the "Index").

**Goldman Sachs Variable Insurance Trust - Goldman Sachs High Quality Floating Rate Fund: Advisor Shares**

Investment Advisor: Goldman Sachs Asset Management, L.P.  
Investment Objective: Seeks to provide a high level of current income, consistent with low volatility of principal.

**Goldman Sachs Variable Insurance Trust - Goldman Sachs Multi-Strategy Alternatives Portfolio: Service Shares**

Investment Advisor: Goldman Sachs Asset Management, L.P.  
Investment Objective: The Portfolio seeks long-term growth of capital.

**Guggenheim Variable Funds - Global Managed Futures Strategy**

*This underlying mutual fund is only available in contracts for which good order applications were received before May 1, 2017*

Investment Advisor: Guggenheim Investments  
Investment Objective: The Managed Futures Strategy Fund seeks to provide investment results that match the performance of a benchmark for measuring trends in the commodity and financial futures markets.

**Guggenheim Variable Funds - Long Short Equity Fund**

Investment Advisor: Guggenheim Investments  
Investment Objective: Long-term capital appreciation.

**Guggenheim Variable Funds - Multi-Hedge Strategies**

Investment Advisor: Guggenheim Investments  
Investment Objective: Capital appreciation consistent with the return and risk characteristics of the hedge fund universe and, secondarily, to achieve these returns with low correlation to and less volatility than equity indices.

**Invesco - Invesco V.I. Balanced-Risk Allocation Fund: Series II Shares**

Investment Advisor: Invesco Advisers, Inc.  
Investment Objective: The Fund's investment objective is total return with a low to moderate correlation to traditional financial market indices.

**Invesco - Invesco V.I. Equally-Weighted S&P 500 Fund: Series II Shares**

Investment Advisor: Invesco Advisers, Inc.  
Investment Objective: To achieve a high level of total return on its assets through a combination of capital appreciation and current income.

**Invesco - Invesco V.I. International Growth Fund: Series II Shares**

Investment Advisor: Invesco Advisers, Inc.  
Investment Objective: Long-term growth of capital.

**Ivy Variable Insurance Portfolios - Asset Strategy: Class II (formerly, Ivy Variable Insurance Portfolios - Asset Strategy)**

*This underlying mutual fund is only available in contracts for which good order applications were received before May 1, 2017*

Investment Advisor: Ivy Investment Management Company  
Investment Objective: To seek to provide total return.

**Ivy Variable Insurance Portfolios - Energy: Class II (formerly, Ivy Variable Insurance Portfolios - Energy)**

Investment Advisor: Ivy Investment Management Company  
Investment Objective: To seek to provide capital growth and appreciation.



**Janus Henderson VIT Balanced Portfolio: Service Shares**

Investment Advisor: Janus Capital Management LLC  
Investment Objective: Long-term capital growth, consistent with preservation of capital and balanced by current income.

**Janus Henderson VIT Enterprise Portfolio: Service Shares**

Investment Advisor: Janus Capital Management LLC  
Investment Objective: Long-term growth of capital.

**Janus Henderson VIT Flexible Bond Portfolio: Service Shares**

Investment Advisor: Janus Capital Management LLC  
Investment Objective: Maximum total return, consistent with preservation of capital.

**Janus Henderson VIT Global Technology Portfolio: Service Shares**

Investment Advisor: Janus Capital Management LLC  
Investment Objective: Long-term growth of capital.

**JPMorgan Insurance Trust - JPMorgan Insurance Trust Global Allocation Portfolio: Class 2**

Investment Advisor: J.P. Morgan Investment Management Inc.  
Investment Objective: The Portfolio seeks to maximize long-term total return.

**JPMorgan Insurance Trust - JPMorgan Insurance Trust Income Builder Portfolio: Class 2**

Investment Advisor: J.P. Morgan Investment Management Inc.  
Investment Objective: The Portfolio seeks to maximize income while maintaining prospects for capital appreciation.

**Lazard Retirement Series, Inc. - Lazard Retirement Emerging Markets Equity Portfolio: Service Shares**

Investment Advisor: Lazard Asset Management LLC  
Investment Objective: Long-term capital appreciation.

**Legg Mason Partners Variable Equity Trust - ClearBridge Variable Aggressive Growth Portfolio: Class II**

Investment Advisor: Legg Mason Partners Fund Advisor, LLC  
Sub-advisor: ClearBridge Investments, LLC  
Investment Objective: The fund seeks capital appreciation.

**Legg Mason Partners Variable Equity Trust - ClearBridge Variable Small Cap Growth Portfolio: Class II**

Investment Advisor: Legg Mason Partners Fund Advisor, LLC  
Sub-advisor: ClearBridge Investments, LLC  
Investment Objective: The fund seeks long-term growth of capital.

**Legg Mason Partners Variable Income Trust - Western Asset Variable Global High Yield Bond Portfolio: Class II**

Investment Advisor: Legg Mason Partners Fund Advisor, LLC  
Sub-advisor: Western Asset Management Company and Western Asset Management Company Limited and Western Asset Management Company Pte. Ltd.  
Investment Objective: Seeks to maximize total return, consistent with the preservation of capital.

**Lord Abbett Series Fund, Inc. - Short Duration Income Portfolio: Class VC**

Investment Advisor: Lord, Abbett & Co. LLC  
Investment Objective: The Fund's investment objective is to seek a high level of income consistent with preservation of capital.

**Lord Abbett Series Fund, Inc. - Total Return Portfolio: Class VC**

Investment Advisor: Lord, Abbett & Co. LLC  
Investment Objective: The Fund's investment objective is to seek income and capital appreciation to produce a high total return.

**MainStay VP Funds Trust - MainStay VP MacKay Convertible Portfolio: Service 2 Class (formerly, MainStay VP Funds Trust - MainStay VP Convertible Portfolio: Service 2 Class)**

Investment Advisor: New York Life Investment Management LLC  
Sub-advisor: MacKay Shields LLC  
Investment Objective: The Fund seeks capital appreciation together with current income.

**MFS® Variable Insurance Trust - MFS Utilities Series: Service Class**

Investment Advisor: Massachusetts Financial Services Company  
Investment Objective: To seek total return

**MFS® Variable Insurance Trust II - MFS Blended Research® Core Equity Portfolio: Service Class**

Investment Advisor: Massachusetts Financial Services Company  
Investment Objective: To seek capital appreciation.

**MFS® Variable Insurance Trust II - MFS Global Tactical Allocation Portfolio: Service Class**

Investment Advisor: Massachusetts Financial Services Company  
Investment Objective: The fund seeks total return.

**MFS® Variable Insurance Trust II - MFS International Value Portfolio: Service Class**

Investment Advisor: Massachusetts Financial Services Company  
Investment Objective: The fund's investment objective is to seek capital appreciation. MFS normally invests the fund's assets primarily in foreign equity securities, including emerging market equity securities.

**MFS® Variable Insurance Trust III - MFS Mid Cap Value Portfolio: Service Class**

Investment Advisor: Massachusetts Financial Services Company  
Investment Objective: The fund's investment objective is to seek capital appreciation.

**Morgan Stanley Variable Insurance Fund, Inc. - Emerging Markets Debt Portfolio: Class II**

Investment Advisor: Morgan Stanley Investment Management Inc.  
Investment Objective: High total return by investing primarily in fixed income securities of government and government-related issuers and, to a lesser extent, of corporate issuers in emerging market countries.

**Morgan Stanley Variable Insurance Fund, Inc. - Global Infrastructure Portfolio: Class II**

Investment Advisor: Morgan Stanley Investment Management Inc.  
Sub-advisor: Morgan Stanley Investment Management Limited  
Investment Objective: Both capital appreciation and current income.

**Morgan Stanley Variable Insurance Fund, Inc. - Global Real Estate Portfolio: Class II**

Investment Advisor: Morgan Stanley Investment Management Inc.  
Sub-advisor: Morgan Stanley Investment Management Company  
Investment Objective: The Portfolio seeks to provide current income and capital appreciation.

**Morgan Stanley Variable Insurance Fund, Inc. - Global Strategist Portfolio: Class II**

Investment Advisor: Morgan Stanley Investment Management Inc.  
Investment Objective: The fund seeks total return.

**Nationwide Variable Insurance Trust - American Century NVIT Multi Cap Value Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: American Century Investment Management, Inc.  
Investment Objective: The Fund seeks capital appreciation, and secondarily current income.

**Nationwide Variable Insurance Trust - American Funds NVIT Asset Allocation Fund: Class II**

Investment Advisor: Capital Research and Management Company, Nationwide Fund Advisors  
Investment Objective: The fund seeks to provide high total return (including income and capital gains) consistent with preservation of capital over the long term.

Designation: MF

**Nationwide Variable Insurance Trust - American Funds NVIT Bond Fund: Class II**

Investment Advisor: Capital Research and Management Company, Nationwide Fund Advisors  
Investment Objective: The Fund seeks to provide as high a level of current income as is consistent with the preservation of capital.

Designation: MF

**Nationwide Variable Insurance Trust - American Funds NVIT Global Growth Fund: Class II**

Investment Advisor: Capital Research and Management Company, Nationwide Fund Advisors  
Investment Objective: The Fund seeks to provide long-term growth of capital.  
Designation: MF

**Nationwide Variable Insurance Trust - American Funds NVIT Growth Fund: Class II**

Investment Advisor: Capital Research and Management Company, Nationwide Fund Advisors  
Investment Objective: The Fund seeks to provide long-term growth of capital.  
Designation: MF

**Nationwide Variable Insurance Trust - American Funds NVIT Growth-Income Fund: Class II**

Investment Advisor: Capital Research and Management Company, Nationwide Fund Advisors  
Investment Objective: The fund seeks to achieve long-term growth of capital and income.  
Designation: MF

**Nationwide Variable Insurance Trust - BlackRock NVIT Equity Dividend Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: The Fund's investment objective is to seek capital growth and income through investments in equity securities, including common stocks, preferred stocks, and convertible securities.

**Nationwide Variable Insurance Trust - BlackRock NVIT Managed Global Allocation Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: Seeks high total investment return consistent with preservation of capital over the long term.  
Designation: FF, VOL

**Nationwide Variable Insurance Trust - DoubleLine NVIT Total Return Tactical Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: DoubleLine Capital LP  
Investment Objective: The Fund seeks to maximize total return.

**Nationwide Variable Insurance Trust - Federated NVIT High Income Bond Fund: Class I**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Federated Investment Management Company  
Investment Objective: The Fund seeks to provide high current income.

**Nationwide Variable Insurance Trust - Neuberger Berman NVIT Multi Cap Opportunities Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Neuberger Berman Investment Advisers LLC  
Investment Objective: The fund seeks long-term capital growth.

**Nationwide Variable Insurance Trust - Neuberger Berman NVIT Socially Responsible Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Neuberger Berman Investment Advisers LLC  
Investment Objective: The Fund seeks long-term total return by investing primarily in securities of companies that meet the fund's financial criteria and social policy.

**Nationwide Variable Insurance Trust - NVIT Bond Index Fund: Class I**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: The Fund seeks to match the performance of the Bloomberg Barclays U.S. Aggregate Bond Index ("Aggregate Bond Index") as closely as possible before the deduction of Fund expenses.

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Aggressive Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The Aggressive Fund seeks maximum growth of capital consistent with a more aggressive level of risk as compared to other Cardinal Funds.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Balanced Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The Fund seeks a high level of total return through investment in both equity and fixed income securities.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Capital Appreciation Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The Fund seeks growth of capital, but also seeks income consistent with a less aggressive level of risk as compared to other Cardinal Funds.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Conservative Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The Fund seeks a high level of total return consistent with a conservative level of risk as compared to other Cardinal Funds.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth & Income Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: Seeks a high level of total return through investment in both equity and fixed-income securities, consistent with preservation of capital.  
Designation: FF, VOL

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: Seeks growth primarily and investment income secondarily.  
Designation: FF, VOL

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderate Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The Fund seeks a high level of total return consistent with a moderate level of risk as compared to other Cardinal Funds.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Aggressive Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The Fund seeks growth of capital, but also seeks income consistent with a moderately aggressive level of risk as compared to other Cardinal Funds.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Conservative Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The fund seeks a high level of total return consistent with a moderately conservative level of risk.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Core Bond Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: The Fund seeks a high level of current income consistent with preserving capital.

**Nationwide Variable Insurance Trust - NVIT Core Plus Bond Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Neuberger Berman Investment Advisers LLC  
Investment Objective: The Fund seeks long-term total return consistent with reasonable risk.

**Nationwide Variable Insurance Trust - NVIT DFA Capital Appreciation Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: Seeks primarily to provide growth of capital, and secondarily current income.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT DFA Moderate Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: Seeks a high level of total return consistent with a moderate level of risk.  
Designation: FF

**Nationwide Variable Insurance Trust - NVIT Emerging Markets Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Lazard Asset Management, LLC and Standard Life Investments (Corporate Funds) Limited  
Investment Objective: The Fund seeks long-term capital growth by investing primarily in equity securities of companies located in emerging market countries.

**Nationwide Variable Insurance Trust - NVIT Government Bond Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: The fund seeks as high a level of current income as is consistent with the preservation of capital.

**Nationwide Variable Insurance Trust - NVIT Government Money Market Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Federated Investment Management Company  
Investment Objective: The Fund seeks as high a level of current income as is consistent with preserving capital and maintaining liquidity.

**Nationwide Variable Insurance Trust - NVIT International Equity Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Lazard Asset Management LLC  
Investment Objective: The Fund seeks long-term capital growth by investing primarily in equity securities of companies in Europe, Australasia, the Far East and other regions, including developing countries.

**Nationwide Variable Insurance Trust - NVIT International Index Fund: Class I**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: The Fund seeks to match the performance of the MSCI Europe, Australasia and Far East Index ("MSCI EAFE® Index") as closely as possible before the deduction of Fund expenses.

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Aggressive Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The NVIT Investor Destinations Aggressive Fund seeks maximum growth of capital consistent with a more aggressive level of risk as compared to other Investor Destinations Funds.

Designation: FF

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Balanced Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The NVIT Investor Destinations Balanced Fund seeks a high level of total return through investment in both equity and fixed-income securities.

Designation: FF

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Capital Appreciation Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The NVIT Investor Destinations Capital Appreciation Fund seeks growth of capital, but also seeks income consistent with a less aggressive level of risk as compared to other NVIT Investor Destinations Funds.

Designation: FF

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Conservative Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The NVIT Investor Destinations Conservative Fund seeks a high level of total return consistent with a conservative level of risk as compared to other Investor Destinations Funds.

Designation: FF

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Managed Growth & Income Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: Seeks a high level of total return through investment in both equity and fixed-income securities, consistent with preservation of capital.

Designation: FF, VOL

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Managed Growth Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: Seeks growth primarily and investment income secondarily.

Designation: FF, VOL

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderate Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The NVIT Investor Destinations Moderate Fund seeks a high level of total return consistent with a moderate level of risk as compared to other Investor Destinations Funds.

Designation: FF

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderately Aggressive Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The NVIT Investor Destinations Moderately Aggressive Fund seeks growth of capital, but also seeks income consistent with a moderately aggressive level of risk as compared to other Investor Destinations Funds.

Designation: FF

**Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderately Conservative Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Investment Objective: The NVIT Investor Destinations Moderately Conservative Fund seeks a high level of total return consistent with a moderately conservative level of risk.

Designation: FF

**Nationwide Variable Insurance Trust - NVIT Large Cap Growth Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Boston Advisors, LLC  
Investment Objective: The Fund seeks long-term capital growth.

**Nationwide Variable Insurance Trust - NVIT Managed American Funds Asset Allocation Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: Seeks to provide a high total return (including income and capital gains) consistent with preservation of capital over the long term.

Designation: FF, VOL

**Nationwide Variable Insurance Trust - NVIT Managed American Funds Growth-Income Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: Seeks to achieve long-term growth of capital and income.

Designation: FF, VOL



**Nationwide Variable Insurance Trust - NVIT Mid Cap Index Fund: Class I**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: The Fund seeks capital appreciation.

**Nationwide Variable Insurance Trust - NVIT Multi Sector Bond Fund: Class I**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Logan Circle Partners, L.P.  
Investment Objective: The Fund seeks to provide above average total return over a market cycle of three to five years.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager International Growth Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Invesco Advisers, Inc. and American Century Investment Management, Inc.  
Investment Objective: The fund seeks long-term capital growth.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager International Value Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Thompson, Siegel & Walmsley LLC  
Investment Objective: The Fund seeks long-term capital appreciation.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Growth Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Massachusetts Financial Services Company; Smith Asset Management Group; and Loomis, Sayles & Company L.P.  
Investment Objective: The fund seeks long-term capital growth.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Value Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Massachusetts Financial Services Company; The Boston Company Asset Management, LLC; Wellington Management Company, LLP  
Investment Objective: The fund seeks long-term capital growth.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Growth Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Neuberger Berman Investment Advisers LLC; Wells Capital Management, Inc.  
Investment Objective: The fund seeks long-term capital growth.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Value Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: American Century Investment Management, Inc.; Thompson, Siegel & Walmsley LLC; WEDGE Capital Management L.L.P.  
Investment Objective: The fund seeks long-term capital appreciation.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Growth Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: OppenheimerFunds, Inc.; Wellington Management Company, LLP  
Investment Objective: The Fund seeks capital growth.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Value Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Epoch Investment Partners, Inc.; JPMorgan Investment Management Inc.  
Investment Objective: The Fund seeks capital appreciation.

**Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Company Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Jacobs Levy Equity Management, Inc.; OppenheimerFunds, Inc.  
Investment Objective: The Fund seeks long-term growth of capital.

**Nationwide Variable Insurance Trust - NVIT Nationwide Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: AQR Capital Management, LLC  
Investment Objective: The Fund seeks total return through a flexible combination of capital appreciation and current income.

**Nationwide Variable Insurance Trust - NVIT Real Estate Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Wellington Management Company LLP  
Investment Objective: The Fund seeks current income and long-term capital appreciation.

**Nationwide Variable Insurance Trust - NVIT S&P 500® Index Fund: Class I**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: Long-term capital appreciation.

**Nationwide Variable Insurance Trust - NVIT Short Term Bond Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Nationwide Asset Management, LLC  
Investment Objective: The Fund seeks to provide a high level of current income while preserving capital and minimizing fluctuations in share value.

**Nationwide Variable Insurance Trust - NVIT Small Cap Index Fund: Class II**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: BlackRock Investment Management, LLC  
Investment Objective: The Fund seeks to match the performance of the Russell 2000® Index as closely as possible before the deduction of Fund expenses.

**Nationwide Variable Insurance Trust - Templeton NVIT International Value Fund: Class I**

Investment Advisor: Nationwide Fund Advisors  
Sub-advisor: Templeton Investment Counsel, LLC  
Investment Objective: The Fund seeks to maximize total return consisting of capital appreciation and/or current income.

**Neuberger Berman Advisers Management Trust - U.S. Equity Index PutWrite Strategy Portfolio: Class S**

Investment Advisor: Neuberger Berman Investment Advisers LLC  
Investment Objective: The Fund seeks long-term growth of capital and income generation.

**Oppenheimer Variable Account Funds - Oppenheimer Global Fund/VA: Service Shares**

Investment Advisor: OFI Global Asset Management, Inc.  
Sub-advisor: OppenheimerFunds, Inc.  
Investment Objective: The Fund seeks capital appreciation.

**Oppenheimer Variable Account Funds - Oppenheimer International Growth Fund/VA: Service Shares**

Investment Advisor: OFI Global Asset Management, Inc.  
Sub-advisor: OppenheimerFunds, Inc.  
Investment Objective: The Fund seeks capital appreciation.

**Oppenheimer Variable Account Funds - Oppenheimer Main Street Small Cap Fund®/VA: Service Shares**

Investment Advisor: OFI Global Asset Management, Inc.  
Sub-advisor: OppenheimerFunds, Inc.  
Investment Objective: Capital appreciation.

**PIMCO Variable Insurance Trust - All Asset Portfolio: Advisor Class**

Investment Advisor: PIMCO  
Sub-advisor: Research Affiliates, LLC  
Investment Objective: The Portfolio seeks maximum real return, consistent with preservation of real capital and prudent investment management.

Designation: FF

**PIMCO Variable Insurance Trust - Commodity RealReturn® Strategy Portfolio: Advisor Class**

Investment Advisor: PIMCO  
Investment Objective: The Portfolio seeks maximum real return, consistent with prudent investment management.

**PIMCO Variable Insurance Trust - Emerging Markets Bond Portfolio: Advisor Class**

Investment Advisor: PIMCO  
Investment Objective: The portfolio seeks maximum total return consistent with preservation of capital and prudent investment management.

**PIMCO Variable Insurance Trust - Foreign Bond Portfolio (U.S. Dollar-Hedged): Advisor Class**

Investment Advisor: PIMCO  
Investment Objective: The Portfolio seeks maximum total return, consistent with preservation of capital and prudent investment management.

**PIMCO Variable Insurance Trust - Foreign Bond Portfolio (Unhedged): Advisor Class**

Investment Advisor: PIMCO  
Investment Objective: The portfolio seeks maximum total return consistent with preservation of capital and prudent investment management.

**PIMCO Variable Insurance Trust - Income Portfolio: Advisor Class**

Investment Advisor: PIMCO  
Investment Objective: The Fund's primary investment objective is to maximize current income. Long-term capital appreciation is a secondary objective.

**PIMCO Variable Insurance Trust - Short-Term Portfolio: Advisor Class**

Investment Advisor: Pacific Investment Management Company LLC  
Investment Objective: The Portfolio seeks maximum current income, consistent with preservation of capital and daily liquidity.

**PIMCO Variable Insurance Trust - Total Return Portfolio: Advisor Class**

Investment Advisor: Pacific Investment Management Company LLC  
Investment Objective: The Portfolio seeks maximum total return, consistent with preservation of capital and prudent investment management.

**PIMCO Variable Insurance Trust - Unconstrained Bond Portfolio: Advisor Class**

Investment Advisor: Pacific Investment Management Company LLC  
Investment Objective: The Portfolio seeks maximum long-term return, consistent with preservation of capital and prudent investment management.

**Putnam Variable Trust - Putnam VT Equity Income Fund: Class IB**

Investment Advisor: Putnam Investment Management, LLC  
Sub-advisor: Putnam Investments Limited  
Investment Objective: Seeks capital growth and current income.

**Rydex Variable Trust - Consumer Products Fund**

Investment Advisor: Guggenheim Investments  
Investment Objective: Capital appreciation by investing in companies engaged in manufacturing finished goods and services both domestically and internationally.

**Rydex Variable Trust - Financial Services Fund**

Investment Advisor: Guggenheim Investments  
Investment Objective: Capital appreciation by investing in companies that are involved in the financial services sector.

**T. Rowe Price Equity Series, Inc. - T. Rowe Price Health Sciences Portfolio: II**

Investment Advisor: T. Rowe Price Associates, Inc.  
Investment Objective: The fund seeks long-term capital appreciation.

**The Merger Fund VL - The Merger Fund VL**

Investment Advisor: Westchester Capital Management, LLC  
Investment Objective: Seeks to achieve capital growth by engaging in merger arbitrage.

**VanEck VIP Trust - VanEck VIP Emerging Markets Fund: Class S**

Investment Advisor: Van Eck Associates Corporation  
Investment Objective: Long-term capital appreciation by investing primarily in equity securities in emerging markets around the world.

**VanEck VIP Trust - VanEck VIP Global Gold Fund: Class S (formerly, VanEck VIP Trust - VanEck VIP Global Gold Fund: Service Class)**

Investment Advisor: Van Eck Associates Corporation  
Investment Objective: The Fund seeks long-term capital appreciation by investing in common stocks of gold-mining companies. The Fund may take current income into consideration when choosing investments.

**VanEck VIP Trust - VanEck VIP Global Hard Assets Fund: Class S (formerly, VanEck VIP Trust - VanEck VIP Global Hard Assets Fund: Service Class)**

Investment Advisor: Van Eck Associates Corporation  
Investment Objective: Long-term capital appreciation by investing primarily in hard asset securities. Income is a secondary consideration.

## Appendix B: Condensed Financial Information

The following tables list the Condensed Financial Information (the Accumulation Unit value information for Accumulation Units outstanding) for contracts with no optional benefits and with the Administrative Charge waiver (the minimum Variable Account charge of 0.85%) and contracts with the most expensive combination of allowable optional benefits as of December 31, 2017 (the maximum Variable Account charge of 1.65%). The term "Period" is defined as a complete calendar year, unless otherwise noted. Those Periods with an asterisk (\*) reflect Accumulation Unit information for a partial year only. To obtain a copy of the Condensed Financial Information for any other Variable Account expense tier, contact the Service Center and request a copy of the Statement of Additional Information, which is available free of charge.

The following underlying mutual funds in which the Sub-Accounts invest were added to the Variable Account after December 31, 2017; therefore, no Condensed Financial Information is available:

- AllianceBernstein Variable Products Series Fund, Inc. - AB VPS International Value Portfolio: Class B
- Fidelity Variable Insurance Products - Emerging Markets Portfolio: Service Class 2
- Goldman Sachs Variable Insurance Trust - Goldman Sachs Multi-Strategy Alternatives Portfolio: Service Shares
- Nationwide Variable Insurance Trust - DoubleLine NVIT Total Return Tactical Fund: Class II
- Rydex Variable Trust - Consumer Products Fund
- Rydex Variable Trust - Financial Services Fund
- VanEck VIP Trust - Emerging Markets Fund: Class S

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>ALPS Variable Investment Trust - ALPS/Alerian Energy Infrastructure Portfolio: Class III - Q/NQ</b>				
2017 .....	9.891971	9.725802	-1.68%	0
2016 .....	7.085787	9.891971	39.60%	0
2015 .....	11.512650	7.085787	-38.45%	0
<b>ALPS Variable Investment Trust - ALPS/Red Rocks Listed Private Equity Portfolio: Class III - Q/NQ</b>				
2017 .....	10.749937	13.319174	23.90%	0
2016 .....	10.041319	10.749937	7.06%	0
2015 .....	10.262529	10.041319	-2.16%	0
<b>American Century Variable Portfolios II, Inc. - American Century VP Inflation Protection Fund: Class II - Q/NQ</b>				
2017 .....	10.569336	10.864521	2.79%	70,899
2016 .....	10.211659	10.569336	3.50%	39,070
2015 .....	10.559814	10.211659	-3.30%	0
<b>American Funds Insurance Series® - Blue Chip Income and Growth Fund: Class 4 - Q/NQ</b>				
2017 .....	11.284815	13.057960	15.71%	178,507
2016 .....	9.604828	11.284815	17.49%	99,566
2015* .....	10.000000	9.604828	-0.04%	0
<b>American Funds Insurance Series® - Capital Income Builder®: Class 4 - Q/NQ</b>				
2017 .....	9.866832	11.020647	11.69%	63,049
2016 .....	9.588302	9.866832	2.90%	6,401
2015 .....	9.847006	9.588302	-2.63%	0
<b>American Funds Insurance Series® - Global Small Capitalization Fund: Class 4 - Q/NQ</b>				
2017 .....	11.651555	14.513050	24.56%	3,827
2016 .....	11.537974	11.651555	0.98%	0
2015 .....	11.639089	11.537974	-0.87%	0

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>American Funds Insurance Series® - International Fund: Class 4 - Q/NQ</b>				
2017 .....	9.150032	11.966083	30.78%	14,314
2016 .....	8.940682	9.150032	2.34%	3,307
2015* .....	10.000000	8.940682	-0.11%	0
<b>American Funds Insurance Series® - New World Fund®: Class 4 - Q/NQ</b>				
2017 .....	9.677334	12.383642	27.97%	19,627
2016 .....	9.291545	9.677334	4.15%	8,694
2015* .....	10.000000	9.291545	-0.07%	0
<b>BlackRock Variable Series Funds, Inc. - BlackRock Equity Dividend V.I. Fund: Class III - Q/NQ</b>				
2017 .....	11.170954	12.902772	15.50%	80,997
2016* .....	10.000000	11.170954	0.12%	0
<b>BlackRock Variable Series Funds, Inc. - BlackRock Global Allocation V.I. Fund: Class III - Q/NQ</b>				
2017 .....	12.853174	14.491215	12.74%	56,589
2016 .....	12.487892	12.853174	2.93%	31,054
2015 .....	12.722295	12.487892	-1.84%	0
<b>BlackRock Variable Series Funds, Inc. - BlackRock High Yield V.I. Fund: Class III - Q/NQ</b>				
2017 .....	10.460327	11.105804	6.17%	6,649
2016 .....	9.351051	10.460327	11.86%	0
2015* .....	10.000000	9.351051	-0.06%	0
<b>BlackRock Variable Series Funds, Inc. - BlackRock Total Return V.I. Fund: Class III - Q/NQ</b>				
2017 .....	9.907878	10.138863	2.33%	0
2016* .....	10.000000	9.907878	-0.01%	0
<b>Columbia Funds Variable Insurance Trust - CTIVP - AQR Managed Futures Strategy Fund: Class 2 - Q/NQ</b>				
2017* .....	10.000000	10.146171	1.46%	11,192
<b>Columbia Funds Variable Series Trust II - Columbia VP High Yield Bond Fund: Class 2 - Q/NQ</b>				
2017* .....	10.000000	10.238125	2.38%	4,955
<b>Delaware VIP Trust - Delaware VIP Small Cap Value Series: Service Class - Q/NQ</b>				
2017 .....	11.896843	13.182947	10.81%	8,749
2016 .....	9.153225	11.896843	29.97%	6,859
2015* .....	10.000000	9.153225	-0.08%	0
<b>Dreyfus Investment Portfolios - MidCap Stock Portfolio: Service Shares - Q/NQ</b>				
2017 .....	12.059145	13.755276	14.07%	136,490
2016 .....	10.557354	12.059145	14.23%	34,631
2015 .....	10.922696	10.557354	-3.34%	11,977
<b>Eaton Vance Variable Trust - Eaton Vance VT Floating-Rate Income Fund: Initial Class - Q/NQ</b>				
2017 .....	10.381693	10.648045	2.57%	59,788
2016 .....	9.610697	10.381693	8.02%	40,000
2015* .....	10.000000	9.610697	-0.04%	0



No Additional Contract Options Elected Total - 0.85%  
Variable account charges of the daily net assets of the variable account - 0.85%

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Fidelity Variable Insurance Products Fund - VIP Balanced Portfolio: Service Class 2 - Q/NQ</b>				
2017 .....	10.284471	11.840702	15.13%	0
2016 .....	9.695753	10.284471	6.07%	0
2015* .....	10.000000	9.695753	-0.03%	0
<b>Fidelity Variable Insurance Products Fund - VIP Growth &amp; Income Portfolio: Service Class 2 - Q/NQ</b>				
2017 .....	11.296077	13.060855	15.62%	26,754
2016* .....	10.000000	11.296077	0.13%	20,979
<b>Fidelity Variable Insurance Products Fund - VIP Growth Portfolio: Service Class 2 - Q/NQ</b>				
2017 .....	10.270188	13.728514	33.67%	14,403
2016 .....	10.301337	10.270188	-0.30%	4,871
2015* .....	10.000000	10.301337	0.03%	0
<b>Fidelity Variable Insurance Products Fund - VIP Investment Grade Bond Portfolio: Service Class 2 - Q/NQ</b>				
2017 .....	10.005406	10.316596	3.11%	63,194
2016* .....	10.000000	10.005406	0.00%	12,724
<b>Fidelity Variable Insurance Products Fund - VIP Real Estate Portfolio: Service Class 2 - Q/NQ</b>				
2017 .....	10.912488	11.228045	2.89%	15,624
2016 .....	10.435505	10.912488	4.57%	2,758
2015* .....	10.000000	10.435505	0.04%	0
<b>Fidelity Variable Insurance Products Fund - VIP Strategic Income Portfolio: Service Class 2 - Q/NQ</b>				
2017 .....	10.299040	10.982238	6.63%	10,233
2016 .....	9.616131	10.299040	7.10%	4,748
2015 .....	9.890034	9.616131	-2.77%	0
<b>Franklin Templeton Variable Insurance Products Trust - Franklin Founding Funds Allocation VIP Fund: Class 2 - Q/NQ</b>				
2017 .....	15.235230	16.915567	11.03%	9,075
2016 .....	13.576102	15.235230	12.22%	9,155
2015 .....	14.599574	13.576102	-7.01%	9,109
<b>Franklin Templeton Variable Insurance Products Trust - Franklin Income VIP Fund: Class 2 - Q/NQ</b>				
2017 .....	11.439029	12.439173	8.74%	12,019
2016 .....	10.117968	11.439029	13.06%	11,523
2015 .....	10.979214	10.117968	-7.84%	6,066
<b>Franklin Templeton Variable Insurance Products Trust - Franklin Mutual Global Discovery VIP Fund: Class 2 - Q/NQ</b>				
2017 .....	12.764736	13.744729	7.68%	20,783
2016 .....	11.476508	12.764736	11.22%	14,137
2015 .....	12.013388	11.476508	-4.47%	0
<b>Franklin Templeton Variable Insurance Products Trust - Templeton Global Bond VIP Fund: Class 2 - Q/NQ</b>				
2017 .....	9.631333	9.733586	1.06%	126,627
2016 .....	9.436406	9.631333	2.07%	66,776
2015* .....	10.000000	9.436406	-0.06%	16,461

No Additional Contract Options Elected Total - 0.85%  
Variable account charges of the daily net assets of the variable account - 0.85%

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Goldman Sachs Variable Insurance Trust - Goldman Sachs Global Trends Allocation Fund: Service Shares - Q/NQ</b>				
2017 .....	10.227741	11.470669	12.15%	0
2016 .....	9.886374	10.227741	3.45%	0
2015 .....	10.586980	9.886374	-6.62%	0
<b>Goldman Sachs Variable Insurance Trust - Goldman Sachs High Quality Floating Rate Fund: Advisor Shares - Q/NQ</b>				
2017 .....	9.848193	9.887325	0.40%	1,755
2016 .....	9.837854	9.848193	0.11%	1,844
2015 .....	9.978570	9.837854	-1.41%	0
<b>Guggenheim Variable Funds - Global Managed Futures Strategy - Q/NQ</b>				
2017 .....	6.584806	7.097593	7.79%	27,958
2016 .....	7.791551	6.584806	-15.49%	17,695
2015 .....	7.981915	7.791551	-2.38%	8,361
<b>Guggenheim Variable Funds - Long Short Equity Fund - Q/NQ</b>				
2017 .....	10.301840	11.731646	13.88%	0
2016 .....	10.322308	10.301840	-0.20%	0
2015 .....	10.281260	10.322308	0.40%	0
<b>Guggenheim Variable Funds - Multi-Hedge Strategies - Q/NQ</b>				
2017 .....	8.863889	9.111685	2.80%	0
2016 .....	8.983114	8.863889	-1.33%	0
2015 .....	8.895667	8.983114	0.98%	0
<b>Invesco - Invesco V.I. Balanced-Risk Allocation Fund: Series II Shares - Q/NQ</b>				
2017 .....	10.999123	11.978127	8.90%	12,950
2016 .....	9.947652	10.999123	10.57%	12,047
2015 .....	10.494728	9.947652	-5.21%	12,436
<b>Invesco - Invesco V.I. Equally-Weighted S&amp;P 500 Fund: Series II Shares - Q/NQ</b>				
2017 .....	10.731872	12.591315	17.33%	39,383
2016 .....	9.499325	10.731872	12.98%	21,091
2015* .....	10.000000	9.499325	-0.05%	0
<b>Invesco - Invesco V.I. International Growth Fund: Series II Shares - Q/NQ</b>				
2017 .....	9.146461	11.129957	21.69%	22,565
2016 .....	9.289363	9.146461	-1.54%	3,112
2015* .....	10.000000	9.289363	-0.07%	0
<b>Ivy Variable Insurance Portfolios - Asset Strategy: Class II - Q/NQ</b>				
2017 .....	11.647389	13.658916	17.27%	18,108
2016 .....	12.056592	11.647389	-3.39%	18,108
2015 .....	13.267285	12.056592	-9.13%	0
<b>Ivy Variable Insurance Portfolios - Energy: Class II - Q/NQ</b>				
2017 .....	10.516265	9.108716	-13.38%	0
2016 .....	7.882600	10.516265	33.41%	0
2015* .....	10.000000	7.882600	-0.21%	0

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Janus Henderson VIT Balanced Portfolio: Service Shares - Q/NQ</b>				
2017 .....	10.201989	11.949943	17.13%	41,466
2016 .....	9.862784	10.201989	3.44%	0
2015* .....	10.000000	9.862784	-0.01%	0
<b>Janus Henderson VIT Enterprise Portfolio: Service Shares - Q/NQ</b>				
2017 .....	10.767757	13.568366	26.01%	9,856
2016 .....	9.687303	10.767757	11.15%	10,029
2015* .....	10.000000	9.687303	-0.03%	0
<b>Janus Henderson VIT Flexible Bond Portfolio: Service Shares - Q/NQ</b>				
2017 .....	10.089654	10.339547	2.48%	7,487
2016 .....	9.954750	10.089654	1.36%	6,520
2015* .....	10.000000	9.954750	0.00%	0
<b>Janus Henderson VIT Global Technology Portfolio: Service Shares - Q/NQ</b>				
2017 .....	11.360831	16.323875	43.69%	25,104
2016 .....	10.063973	11.360831	12.89%	16,711
2015* .....	10.000000	10.063973	0.01%	0
<b>JPMorgan Insurance Trust - JPMorgan Insurance Trust Global Allocation Portfolio: Class 2 - Q/NQ</b>				
2017 .....	9.973689	11.555124	15.86%	16,472
2016 .....	9.504304	9.973689	4.94%	16,472
2015* .....	10.000000	9.504304	-0.05%	0
<b>JPMorgan Insurance Trust - JPMorgan Insurance Trust Income Builder Portfolio: Class 2 - Q/NQ</b>				
2017 .....	10.189104	11.285471	10.76%	0
2016 .....	9.676148	10.189104	5.30%	0
2015* .....	10.000000	9.676148	-0.03%	0
<b>Lazard Retirement Series, Inc. - Lazard Retirement Emerging Markets Equity Portfolio: Service Shares - Q/NQ</b>				
2017 .....	8.861134	11.230837	26.74%	57,555
2016 .....	7.399330	8.861134	19.76%	28,882
2015 .....	9.334971	7.399330	-20.74%	7,088
<b>Legg Mason Partners Variable Equity Trust - ClearBridge Variable Aggressive Growth Portfolio: Class II - Q/NQ</b>				
2017 .....	9.280421	10.672809	15.00%	184,998
2016 .....	9.272901	9.280421	0.08%	0
2015* .....	10.000000	9.272901	-0.07%	0
<b>Legg Mason Partners Variable Equity Trust - ClearBridge Variable Small Cap Growth Portfolio: Class II - Q/NQ</b>				
2017 .....	9.829742	12.076939	22.86%	0
2016 .....	9.393458	9.829742	4.64%	0
2015* .....	10.000000	9.393458	-0.06%	0
<b>Legg Mason Partners Variable Income Trust - Western Asset Variable Global High Yield Bond Portfolio: Class II - Q/NQ</b>				
2017 .....	10.451790	11.236481	7.51%	20,300
2016 .....	9.137826	10.451790	14.38%	7,774
2015 .....	9.812606	9.137826	-6.88%	4,298

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Lord Abbett Series Fund, Inc. - Short Duration Income Portfolio: Class VC - Q/NQ</b>				
2017 .....	10.146288	10.280481	1.32%	132,197
2016 .....	9.889921	10.146288	2.59%	98,093
2015* .....	10.000000	9.889921	-0.01%	12,801
<b>Lord Abbett Series Fund, Inc. - Total Return Portfolio: Class VC - Q/NQ</b>				
2017 .....	10.253507	10.559402	2.98%	40,678
2016 .....	9.918372	10.253507	3.38%	12,408
2015* .....	10.000000	9.918372	-0.01%	0
<b>MainStay VP Funds Trust - MainStay VP MacKay Convertible Portfolio: Service 2 Class - Q/NQ</b>				
2017 .....	10.964761	12.133379	10.66%	10,618
2016* .....	10.000000	10.964761	0.10%	6,717
<b>MFS® Variable Insurance Trust - MFS Utilities Series: Service Class - Q/NQ</b>				
2017 .....	9.297462	10.554757	13.52%	9,685
2016 .....	8.429804	9.297462	10.29%	9,254
2015* .....	10.000000	8.429804	-0.16%	0
<b>MFS® Variable Insurance Trust II - MFS Blended Research® Core Equity Portfolio: Service Class - Q/NQ</b>				
2017 .....	10.288335	12.289290	19.45%	14,582
2016 .....	9.592120	10.288335	7.26%	14,924
2015* .....	10.000000	9.592120	-0.04%	0
<b>MFS® Variable Insurance Trust II - MFS Global Tactical Allocation Portfolio: Service Class - Q/NQ</b>				
2017 .....	11.628273	12.750145	9.65%	0
2016 .....	11.065807	11.628273	5.08%	0
2015 .....	11.445757	11.065807	-3.32%	0
<b>MFS® Variable Insurance Trust II - MFS International Value Portfolio: Service Class - Q/NQ</b>				
2017 .....	10.071616	12.664476	25.74%	105,322
2016 .....	9.781987	10.071616	2.96%	71,837
2015* .....	10.000000	9.781987	-0.02%	0
<b>MFS® Variable Insurance Trust III - MFS Mid Cap Value Portfolio: Service Class - Q/NQ</b>				
2017 .....	10.720788	12.055140	12.45%	16,503
2016 .....	9.340194	10.720788	14.78%	13,027
2015* .....	10.000000	9.340194	-0.07%	0
<b>Morgan Stanley Variable Insurance Fund, Inc. - Emerging Markets Debt Portfolio: Class II - Q/NQ</b>				
2017 .....	11.990277	13.028173	8.66%	43,416
2016 .....	10.935740	11.990277	9.64%	20,045
2015 .....	11.160643	10.935740	-2.02%	7,174
<b>Morgan Stanley Variable Insurance Fund, Inc. - Global Infrastructure Portfolio: Class II - Q/NQ</b>				
2017 .....	10.359292	11.559938	11.59%	14,073
2016 .....	9.087717	10.359292	13.99%	0
2015 .....	10.643491	9.087717	-14.62%	0

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Morgan Stanley Variable Insurance Fund, Inc. - Global Real Estate Portfolio: Class II - Q/NQ</b>				
2017 .....	12.305973	13.386097	8.78%	51,525
2016 .....	12.035404	12.305973	2.25%	22,993
2015 .....	12.313176	12.035404	-2.26%	11,071
<b>Morgan Stanley Variable Insurance Fund, Inc. - Global Strategist Portfolio: Class II - Q/NQ</b>				
2017 .....	11.306776	13.000751	14.98%	0
2016 .....	10.809613	11.306776	4.60%	0
2015 .....	11.663882	10.809613	-7.32%	0
<b>Nationwide Variable Insurance Trust - American Century NVIT Multi Cap Value Fund: Class II - Q/NQ</b>				
2017 .....	11.410226	12.268113	7.52%	11,441
2016 .....	9.572887	11.410226	19.19%	5,033
2015* .....	10.000000	9.572887	-0.04%	0
<b>Nationwide Variable Insurance Trust - American Funds NVIT Asset Allocation Fund: Class II - Q/NQ</b>				
2017 .....	14.778947	16.967898	14.81%	193,364
2016 .....	13.674642	14.778947	8.08%	89,558
2015 .....	13.657463	13.674642	0.13%	15,736
<b>Nationwide Variable Insurance Trust - American Funds NVIT Bond Fund: Class II - Q/NQ</b>				
2017 .....	10.193556	10.431745	2.34%	18,670
2016 .....	10.015256	10.193556	1.78%	4,465
2015* .....	10.000000	10.015256	0.00%	0
<b>Nationwide Variable Insurance Trust - American Funds NVIT Global Growth Fund: Class II - Q/NQ</b>				
2017 .....	9.653904	12.536217	29.86%	68,508
2016 .....	9.718249	9.653904	-0.66%	6,518
2015* .....	10.000000	9.718249	-0.03%	44,638
<b>Nationwide Variable Insurance Trust - American Funds NVIT Growth Fund: Class II - Q/NQ</b>				
2017 .....	10.702790	13.561886	26.71%	97,557
2016 .....	9.897244	10.702790	8.14%	37,670
2015* .....	10.000000	9.897244	-0.01%	49,259
<b>Nationwide Variable Insurance Trust - American Funds NVIT Growth-Income Fund: Class II - Q/NQ</b>				
2017 .....	10.675661	12.906147	20.89%	87,797
2016 .....	9.692328	10.675661	10.15%	34,805
2015* .....	10.000000	9.692328	-0.03%	8,984
<b>Nationwide Variable Insurance Trust - BlackRock NVIT Equity Dividend Fund: Class II - Q/NQ</b>				
2017 .....	10.705691	12.492519	16.69%	5,351
2016 .....	9.183373	10.705691	16.58%	0
2015* .....	10.000000	9.183373	-0.08%	0
<b>Nationwide Variable Insurance Trust - BlackRock NVIT Managed Global Allocation Fund: Class II - Q/NQ</b>				
2017 .....	9.494113	11.148917	17.43%	13,846
2016 .....	9.298686	9.494113	2.10%	14,171
2015* .....	10.000000	9.298686	-0.07%	13,470

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - Federated NVIT High Income Bond Fund: Class I - Q/NQ</b>				
2017 .....	10.793978	11.425627	5.85%	6,399
2016 .....	9.536286	10.793978	13.19%	5,887
2015 .....	9.875518	9.536286	-3.44%	0
<b>Nationwide Variable Insurance Trust - Neuberger Berman NVIT Multi Cap Opportunities Fund: Class II - Q/NQ</b>				
2017 .....	11.043651	13.661235	23.70%	0
2016* .....	10.000000	11.043651	0.10%	0
<b>Nationwide Variable Insurance Trust - Neuberger Berman NVIT Socially Responsible Fund: Class II - Q/NQ</b>				
2017 .....	10.616268	12.459258	17.36%	0
2016 .....	9.724049	10.616268	9.18%	0
2015* .....	10.000000	9.724049	-0.03%	0
<b>Nationwide Variable Insurance Trust - NVIT Bond Index Fund: Class I - Q/NQ</b>				
2017 .....	10.152595	10.380693	2.25%	47,326
2016 .....	10.012931	10.152595	1.39%	0
2015 .....	10.084476	10.012931	-0.71%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Aggressive Fund: Class II - Q/NQ</b>				
2017 .....	16.036142	19.048214	18.78%	19,915
2016 .....	14.924989	16.036142	7.44%	0
2015 .....	15.321643	14.924989	-2.59%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Balanced Fund: Class II - Q/NQ</b>				
2017 .....	13.727001	15.250892	11.10%	0
2016 .....	13.047410	13.727001	5.21%	0
2015 .....	13.300145	13.047410	-1.90%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Capital Appreciation Fund: Class II - Q/NQ</b>				
2017 .....	14.886274	17.092982	14.82%	28,647
2016 .....	13.989308	14.886274	6.41%	0
2015 .....	14.299208	13.989308	-2.17%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Conservative Fund: Class II - Q/NQ</b>				
2017 .....	12.034029	12.690686	5.46%	43,041
2016 .....	11.601744	12.034029	3.73%	0
2015 .....	11.787700	11.601744	-1.58%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth &amp; Income Fund: Class II - Q/NQ</b>				
2017 .....	10.359559	11.788419	13.79%	27,649
2016 .....	9.898146	10.359559	4.66%	0
2015 .....	10.430891	9.898146	-5.11%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth Fund: Class II - Q/NQ</b>				
2017 .....	10.305866	12.036449	16.79%	0
2016 .....	9.786042	10.305866	5.31%	0
2015 .....	10.375918	9.786042	-5.69%	0



**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderate Fund: Class II - Q/NQ</b>				
2017 .....	14.319279	16.181190	13.00%	0
2016 .....	13.529915	14.319279	5.83%	0
2015 .....	13.792904	13.529915	-1.91%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Aggressive Fund: Class II - Q/NQ</b>				
2017 .....	15.274837	17.881992	17.07%	9,169
2016 .....	14.318482	15.274837	6.68%	0
2015 .....	14.662278	14.318482	-2.34%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Conservative Fund: Class II - Q/NQ</b>				
2017 .....	13.217603	14.401089	8.95%	0
2016 .....	12.576315	13.217603	5.10%	0
2015 .....	12.820681	12.576315	-1.91%	0
<b>Nationwide Variable Insurance Trust - NVIT Core Bond Fund: Class II - Q/NQ</b>				
2017 .....	10.278643	10.617458	3.30%	14,515
2016 .....	9.872391	10.278643	4.12%	0
2015* .....	10.000000	9.872391	-0.01%	0
<b>Nationwide Variable Insurance Trust - NVIT Core Plus Bond Fund: Class II - Q/NQ</b>				
2017 .....	11.157537	11.479686	2.89%	0
2016 .....	10.889666	11.157537	2.46%	0
2015 .....	11.040128	10.889666	-1.36%	0
<b>Nationwide Variable Insurance Trust - NVIT DFA Capital Appreciation Fund: Class II - Q/NQ</b>				
2017 .....	12.864403	15.036581	16.89%	0
2016 .....	11.648006	12.864403	10.44%	0
2015 .....	12.131060	11.648006	-3.98%	0
<b>Nationwide Variable Insurance Trust - NVIT DFA Moderate Fund: Class II - Q/NQ</b>				
2017 .....	12.303115	13.886144	12.87%	0
2016 .....	11.407938	12.303115	7.85%	0
2015 .....	11.712033	11.407938	-2.60%	0
<b>Nationwide Variable Insurance Trust - NVIT Emerging Markets Fund: Class II - Q/NQ</b>				
2017 .....	9.066538	12.695330	40.02%	7,168
2016 .....	8.507818	9.066538	6.57%	7,168
2015* .....	10.000000	8.507818	-0.15%	0
<b>Nationwide Variable Insurance Trust - NVIT Government Bond Fund: Class II - Q/NQ</b>				
2017 .....	9.949269	10.045702	0.97%	0
2016 .....	9.986300	9.949269	-0.37%	0
2015* .....	10.000000	9.986300	0.00%	0
<b>Nationwide Variable Insurance Trust - NVIT Government Money Market Fund: Class II - Q/NQ</b>				
2017 .....	9.415999	9.356337	-0.63%	177,360
2016 .....	9.496304	9.415999	-0.85%	688,936
2015 .....	9.577714	9.496304	-0.85%	127,024

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT International Equity Fund: Class II - Q/NQ</b>				
2017 .....	9.143980	11.521163	26.00%	0
2016 .....	9.164085	9.143980	-0.22%	0
2015* .....	10.000000	9.164085	-0.08%	0
<b>Nationwide Variable Insurance Trust - NVIT International Index Fund: Class I - Q/NQ</b>				
2017 .....	9.568738	11.848651	23.83%	183,172
2016 .....	9.562319	9.568738	0.07%	0
2015 .....	9.737699	9.562319	-1.80%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Aggressive Fund: Class II - Q/NQ</b>				
2017 .....	11.065274	12.993435	17.43%	0
2016 .....	10.194683	11.065274	8.54%	0
2015 .....	10.385738	10.194683	-1.84%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Balanced Fund: Class II - Q/NQ</b>				
2017 .....	10.733466	11.827050	10.19%	0
2016 .....	10.183425	10.733466	5.40%	0
2015 .....	10.288587	10.183425	-1.02%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Capital Appreciation Fund: Class II - Q/NQ</b>				
2017 .....	10.920708	12.431598	13.84%	87,997
2016 .....	10.222905	10.920708	6.83%	0
2015 .....	10.365674	10.222905	-1.38%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Conservative Fund: Class II - Q/NQ</b>				
2017 .....	10.475033	10.976438	4.79%	49,713
2016 .....	10.132573	10.475033	3.38%	0
2015 .....	10.192447	10.132573	-0.59%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Managed Growth &amp; Income Fund: Class II - Q/NQ</b>				
2017 .....	10.487329	11.857401	13.06%	0
2016 .....	10.005898	10.487329	4.81%	0
2015 .....	10.429727	10.005898	-4.06%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Managed Growth Fund: Class II - Q/NQ</b>				
2017 .....	10.524237	12.205084	15.97%	0
2016 .....	9.924417	10.524237	6.04%	0
2015 .....	10.421674	9.924417	-4.77%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderate Fund: Class II - Q/NQ</b>				
2017 .....	10.868542	12.169439	11.97%	286,561
2016 .....	10.230701	10.868542	6.23%	157,896
2015 .....	10.353063	10.230701	-1.18%	89,389
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderately Aggressive Fund: Class II - Q/NQ</b>				
2017 .....	10.964264	12.684483	15.69%	48,494
2016 .....	10.193463	10.964264	7.56%	0
2015 .....	10.356429	10.193463	-1.57%	0

No Additional Contract Options Elected Total - 0.85%  
Variable account charges of the daily net assets of the variable account - 0.85%

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderately Conservative Fund: Class II - Q/NQ</b>				
2017 .....	10.683196	11.568331	8.29%	61,028
2016 .....	10.193231	10.683196	4.81%	0
2015 .....	10.283755	10.193231	-0.88%	0
<b>Nationwide Variable Insurance Trust - NVIT Large Cap Growth Fund: Class II - Q/NQ</b>				
2017 .....	10.086463	12.708026	25.99%	26,082
2016 .....	9.845415	10.086463	2.45%	21,856
2015* .....	10.000000	9.845415	-0.02%	0
<b>Nationwide Variable Insurance Trust - NVIT Managed American Funds Asset Allocation Fund: Class II - Q/NQ</b>				
2017 .....	10.374308	12.091893	16.56%	0
2016 .....	9.639114	10.374308	7.63%	0
2015* .....	10.000000	9.639114	-0.04%	0
<b>Nationwide Variable Insurance Trust - NVIT Managed American Funds Growth-Income Fund: Class II - Q/NQ</b>				
2017 .....	10.480340	12.646075	20.66%	43,701
2016 .....	9.605128	10.480340	9.11%	0
2015* .....	10.000000	9.605128	-0.04%	0
<b>Nationwide Variable Insurance Trust - NVIT Mid Cap Index Fund: Class I - Q/NQ</b>				
2017 .....	11.679764	13.408080	14.80%	231,975
2016 .....	9.792754	11.679764	19.27%	48,280
2015 .....	10.133509	9.792754	-3.36%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi Sector Bond Fund: Class I - Q/NQ</b>				
2017 .....	10.265335	10.822749	5.43%	33,282
2016 .....	9.529142	10.265335	7.73%	17,605
2015 .....	9.896868	9.529142	-3.72%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager International Growth Fund: Class II - Q/NQ</b>				
2017 .....	12.841151	15.983597	24.47%	3,419
2016 .....	13.279162	12.841151	-3.30%	0
2015 .....	13.481208	13.279162	-1.50%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager International Value Fund: Class II - Q/NQ</b>				
2017 .....	8.829417	10.727385	21.50%	0
2016 .....	8.482363	8.829417	4.09%	0
2015 .....	9.038206	8.482363	-6.15%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Growth Fund: Class II - Q/NQ</b>				
2017 .....	17.970168	23.141567	28.78%	0
2016 .....	17.770186	17.970168	1.13%	0
2015 .....	17.378640	17.770186	2.25%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Value Fund: Class II - Q/NQ</b>				
2017 .....	18.029794	20.444355	13.39%	5,207
2016 .....	15.669683	18.029794	15.06%	5,437
2015 .....	16.366420	15.669683	-4.26%	0

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Growth Fund: Class II - Q/NQ</b>				
2017 .....	17.815975	22.526786	26.44%	1,728
2016 .....	16.942356	17.815975	5.16%	1,815
2015 .....	17.146849	16.942356	-1.19%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Value Fund: Class II - Q/NQ</b>				
2017 .....	21.179830	23.906468	12.87%	4,029
2016 .....	18.165032	21.179830	16.60%	4,029
2015 .....	18.865116	18.165032	-3.71%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Growth Fund: Class II - Q/NQ</b>				
2017 .....	9.596178	11.859897	23.59%	8,311
2016 .....	8.956500	9.596178	7.14%	8,311
2015* .....	10.000000	8.956500	-0.10%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Value Fund: Class II - Q/NQ</b>				
2017 .....	11.499608	12.400163	7.83%	2,061
2016 .....	9.233003	11.499608	24.55%	2,164
2015* .....	10.000000	9.233003	-0.08%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Company Fund: Class II - Q/NQ</b>				
2017 .....	11.130564	12.492888	12.24%	70,559
2016 .....	9.160620	11.130564	21.50%	7,997
2015* .....	10.000000	9.160620	-0.08%	0
<b>Nationwide Variable Insurance Trust - NVIT Nationwide Fund: Class II - Q/NQ</b>				
2017 .....	10.529518	12.553874	19.23%	0
2016 .....	9.553581	10.529518	10.22%	0
2015* .....	10.000000	9.553581	-0.04%	0
<b>Nationwide Variable Insurance Trust - NVIT Real Estate Fund: Class II - Q/NQ</b>				
2017 .....	11.849801	12.471100	5.24%	22,722
2016 .....	11.150863	11.849801	6.27%	15,590
2015 .....	11.921231	11.150863	-6.46%	0
<b>Nationwide Variable Insurance Trust - NVIT S&amp;P 500® Index Fund: Class I - Q/NQ</b>				
2017 .....	11.238687	13.542543	20.50%	705,105
2016 .....	10.150712	11.238687	10.72%	186,572
2015 .....	10.120028	10.150712	0.30%	0
<b>Nationwide Variable Insurance Trust - NVIT Short Term Bond Fund: Class II - Q/NQ</b>				
2017 .....	10.178860	10.251954	0.72%	67,874
2016 .....	10.016312	10.178860	1.62%	28,407
2015 .....	10.136746	10.016312	-1.19%	0
<b>Nationwide Variable Insurance Trust - NVIT Small Cap Index Fund: Class II - Q/NQ</b>				
2017 .....	11.550563	13.076741	13.21%	233,581
2016 .....	9.637841	11.550563	19.85%	55,962
2015 .....	10.219353	9.637841	-5.69%	0

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - Templeton NVIT International Value Fund: Class I - Q/NQ</b>				
2017 .....	8.933289	10.869809	21.68%	6,197
2016 .....	8.910279	8.933289	0.26%	3,340
2015* .....	10.000000	8.910279	-0.11%	0
<b>Neuberger Berman Advisers Management Trust - U.S. Equity Index PutWrite Strategy Portfolio: Class S - Q/NQ</b>				
2017 .....	9.318166	9.856481	5.78%	0
2016 .....	9.458831	9.318166	-1.49%	0
2015 .....	10.048368	9.458831	-5.87%	0
<b>Oppenheimer Variable Account Funds - Oppenheimer Global Fund/VA: Service Shares - Q/NQ</b>				
2017 .....	11.804819	15.955877	35.16%	4,787
2016 .....	11.924473	11.804819	-1.00%	4,787
2015 .....	11.600680	11.924473	2.79%	0
<b>Oppenheimer Variable Account Funds - Oppenheimer International Growth Fund/VA: Service Shares - Q/NQ</b>				
2017 .....	9.205487	11.541213	25.37%	15,016
2016 .....	9.543337	9.205487	-3.54%	8,759
2015* .....	10.000000	9.543337	-0.05%	0
<b>Oppenheimer Variable Account Funds - Oppenheimer Main Street Small Cap Fund®/VA: Service Shares - Q/NQ</b>				
2017 .....	10.458252	11.812056	12.94%	31,897
2016 .....	8.963616	10.458252	16.67%	23,204
2015* .....	10.000000	8.963616	-0.10%	14,112
<b>PIMCO Variable Insurance Trust - All Asset Portfolio: Advisor Class - Q/NQ</b>				
2017 .....	10.849042	12.196198	12.42%	0
2016 .....	9.691162	10.849042	11.95%	0
2015 .....	10.763126	9.691162	-9.96%	0
<b>PIMCO Variable Insurance Trust - Commodity RealReturn® Strategy Portfolio: Advisor Class - Q/NQ</b>				
2017 .....	6.727004	6.806534	1.18%	0
2016 .....	5.906153	6.727004	13.90%	0
2015 .....	8.013181	5.906153	-26.29%	0
<b>PIMCO Variable Insurance Trust - Emerging Markets Bond Portfolio: Advisor Class - Q/NQ</b>				
2017 .....	13.165224	14.330290	8.85%	11,670
2016 .....	11.728127	13.165224	12.25%	8,102
2015 .....	12.115220	11.728127	-3.20%	0
<b>PIMCO Variable Insurance Trust - Foreign Bond Portfolio (U.S. Dollar-Hedged): Advisor Class - Q/NQ</b>				
2017* .....	10.000000	10.128407	1.28%	4,983
<b>PIMCO Variable Insurance Trust - Foreign Bond Portfolio (Unhedged): Advisor Class - Q/NQ</b>				
2017 .....	10.600460	11.638882	9.80%	2,463
2016 .....	10.389446	10.600460	2.03%	2,587
2015 .....	11.288506	10.389446	-7.96%	0
<b>PIMCO Variable Insurance Trust - Income Portfolio: Advisor Class - Q/NQ</b>				
2017* .....	10.000000	10.410808	4.11%	15,062

**No Additional Contract Options Elected Total - 0.85%**  
**Variable account charges of the daily net assets of the variable account - 0.85%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>PIMCO Variable Insurance Trust - Short-Term Portfolio: Advisor Class - Q/NQ</b>				
2017 .....	10.080564	10.225514	1.44%	9,963
2016 .....	9.941134	10.080564	1.40%	5,201
2015* .....	10.000000	9.941134	-0.01%	0
<b>PIMCO Variable Insurance Trust - Total Return Portfolio: Advisor Class - Q/NQ</b>				
2017 .....	11.056595	11.490957	3.93%	124,954
2016 .....	10.870278	11.056595	1.71%	87,189
2015 .....	10.926799	10.870278	-0.52%	0
<b>PIMCO Variable Insurance Trust - Unconstrained Bond Portfolio: Advisor Class - Q/NQ</b>				
2017 .....	10.248240	10.659853	4.02%	5,749
2016 .....	9.878204	10.248240	3.75%	0
2015 .....	10.144249	9.878204	-2.62%	0
<b>Putnam Variable Trust - Putnam VT Equity Income Fund: Class IB - Q/NQ</b>				
2017 .....	10.603109	12.486844	17.77%	7,866
2016 .....	9.409887	10.603109	12.68%	7,866
2015* .....	10.000000	9.409887	-0.06%	0
<b>T. Rowe Price Equity Series, Inc. - T. Rowe Price Health Sciences Portfolio: II - Q/NQ</b>				
2017 .....	8.120356	10.250126	26.23%	31,041
2016 .....	9.172683	8.120356	-11.47%	19,332
2015* .....	10.000000	9.172683	-0.08%	0
<b>The Merger Fund VL - The Merger Fund VL - Q/NQ</b>				
2017 .....	10.091738	10.262766	1.69%	5,607
2016 .....	9.935357	10.091738	1.57%	0
2015 .....	10.112060	9.935357	-1.75%	0
<b>VanEck VIP Trust - Global Hard Assets Fund: Class S - Q/NQ</b>				
2017 .....	9.866211	9.589713	-2.80%	47,307
2016 .....	6.938398	9.866211	42.20%	24,216
2015* .....	10.000000	6.938398	-0.31%	9,221
<b>VanEck VIP Trust - VanEck VIP Global Gold Fund: Class S - Q/NQ</b>				
2017* .....	10.000000	10.832157	8.32%	0



**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>ALPS Variable Investment Trust - ALPS/Alerian Energy Infrastructure Portfolio: Class III - Q/NQ</b>				
2017.....	9.643754	9.405438	-2.47%	2,523
2016.....	6.963995	9.643754	38.48%	642
2015.....	11.407052	6.963995	-38.95%	0
<b>ALPS Variable Investment Trust - ALPS/Red Rocks Listed Private Equity Portfolio: Class III - Q/NQ</b>				
2017.....	10.565378	12.985256	22.90%	782
2016.....	9.948993	10.565378	6.20%	0
2015.....	10.250915	9.948993	-2.95%	504
<b>American Century Variable Portfolios II, Inc. - American Century VP Inflation Protection Fund: Class II - Q/NQ</b>				
2017.....	10.095378	10.293837	1.97%	972
2016.....	9.832866	10.095378	2.67%	296
2015.....	10.250846	9.832866	-4.08%	0
<b>American Funds Insurance Series® - Blue Chip Income and Growth Fund: Class 4 - Q/NQ</b>				
2017.....	11.151647	12.800111	14.78%	11,105
2016.....	9.568431	11.151647	16.55%	8,426
2015*.....	10.000000	9.568431	-4.32%	7,490
<b>American Funds Insurance Series® - Capital Income Builder®: Class 4 - Q/NQ</b>				
2017.....	9.697450	10.744352	10.80%	139
2016.....	9.500140	9.697450	2.08%	804
2015.....	9.835857	9.500140	-3.41%	0
<b>American Funds Insurance Series® - Global Small Capitalization Fund: Class 4 - Q/NQ</b>				
2017.....	11.310610	13.975115	23.56%	1,953
2016.....	11.291203	11.310610	0.17%	0
2015.....	11.482875	11.291203	-1.67%	0
<b>American Funds Insurance Series® - International Fund: Class 4 - Q/NQ</b>				
2017.....	9.041987	11.729734	29.73%	3,553
2016.....	8.906763	9.041987	1.52%	477
2015*.....	10.000000	8.906763	-10.93%	0
<b>American Funds Insurance Series® - New World Fund®: Class 4 - Q/NQ</b>				
2017.....	9.563100	12.139109	26.94%	1,551
2016.....	9.256321	9.563100	3.31%	441
2015*.....	10.000000	9.256321	-7.44%	766
<b>BlackRock Variable Series Funds, Inc. - BlackRock Equity Dividend V.I. Fund: Class III - Q/NQ</b>				
2017.....	11.111319	12.730689	14.57%	433
2016*.....	10.000000	11.111319	11.11%	440
<b>BlackRock Variable Series Funds, Inc. - BlackRock Global Allocation V.I. Fund: Class III - Q/NQ</b>				
2017.....	12.178036	13.619598	11.84%	8,981
2016.....	11.927909	12.178036	2.10%	2,003
2015.....	12.250671	11.927909	-2.63%	1,257

**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>BlackRock Variable Series Funds, Inc. - BlackRock High Yield V.I. Fund: Class III - Q/NQ</b>				
2017.....	10.334087	10.883502	5.32%	10,836
2016.....	9.313145	10.334087	10.96%	6,098
2015*.....	10.000000	9.313145	-6.87%	0
<b>BlackRock Variable Series Funds, Inc. - BlackRock Total Return V.I. Fund: Class III - Q/NQ</b>				
2017.....	9.854941	10.003539	1.51%	395
2016*.....	10.000000	9.854941	-1.45%	396
<b>Columbia Funds Variable Insurance Trust - CTIVP - AQR Managed Futures Strategy Fund: Class 2 - Q/NQ</b>				
2017*.....	10.000000	10.091827	0.92%	308
<b>Columbia Funds Variable Series Trust II - Columbia VP High Yield Bond Fund: Class 2 - Q/NQ</b>				
2017*.....	10.000000	10.183290	1.83%	51
<b>Delaware VIP Trust - Delaware VIP Small Cap Value Series: Service Class - Q/NQ</b>				
2017.....	11.756427	12.922577	9.92%	965
2016.....	9.118521	11.756427	28.93%	215
2015*.....	10.000000	9.118521	-8.81%	517
<b>Dreyfus Investment Portfolios - MidCap Stock Portfolio: Service Shares - Q/NQ</b>				
2017.....	11.801561	13.353207	13.15%	1,500
2016.....	10.415622	11.801561	13.31%	2,421
2015.....	10.863731	10.415622	-4.12%	922
<b>Eaton Vance Variable Trust - Eaton Vance VT Floating-Rate Income Fund: Initial Class - Q/NQ</b>				
2017.....	10.242317	10.420575	1.74%	15,492
2016.....	9.558575	10.242317	7.15%	981
2015*.....	10.000000	9.558575	-4.41%	472
<b>Fidelity Variable Insurance Products Fund - VIP Balanced Portfolio: Service Class 2 - Q/NQ</b>				
2017.....	10.163078	11.606839	14.21%	7,036
2016.....	9.659009	10.163078	5.22%	0
2015*.....	10.000000	9.659009	-3.41%	0
<b>Fidelity Variable Insurance Products Fund - VIP Growth &amp; Income Portfolio: Service Class 2 - Q/NQ</b>				
2017.....	11.235772	12.886674	14.69%	4,222
2016*.....	10.000000	11.235772	12.36%	1,911
<b>Fidelity Variable Insurance Products Fund - VIP Growth Portfolio: Service Class 2 - Q/NQ</b>				
2017.....	10.132288	13.435320	32.60%	17,279
2016.....	10.245461	10.132288	-1.10%	3,480
2015*.....	10.000000	10.245461	2.45%	813
<b>Fidelity Variable Insurance Products Fund - VIP Investment Grade Bond Portfolio: Service Class 2 - Q/NQ</b>				
2017.....	9.951958	10.178941	2.28%	1,070
2016*.....	10.000000	9.951958	-0.48%	0

**Maximum Additional Contract Options Elected Total - 1.65%**  
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<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Fidelity Variable Insurance Products Fund - VIP Real Estate Portfolio: Service Class 2 - Q/NQ</b>				
2017.....	10.783787	11.006378	2.06%	635
2016.....	10.395987	10.783787	3.73%	1,139
2015*.....	10.000000	10.395987	3.96%	503
<b>Fidelity Variable Insurance Products Fund - VIP Strategic Income Portfolio: Service Class 2 - Q/NQ</b>				
2017.....	10.122275	10.706911	5.78%	9,768
2016.....	9.527725	10.122275	6.24%	21,336
2015.....	9.878838	9.527725	-3.55%	4,188
<b>Franklin Templeton Variable Insurance Products Trust - Franklin Founding Funds Allocation VIP Fund: Class 2 - Q/NQ</b>				
2017.....	14.434997	15.898164	10.14%	9,186
2016.....	12.967322	14.434997	11.32%	97
2015.....	14.058379	12.967322	-7.76%	0
<b>Franklin Templeton Variable Insurance Products Trust - Franklin Income VIP Fund: Class 2 - Q/NQ</b>				
2017.....	11.104331	11.978092	7.87%	10,114
2016.....	9.901558	11.104331	12.15%	2,175
2015.....	10.831818	9.901558	-8.59%	845
<b>Franklin Templeton Variable Insurance Products Trust - Franklin Mutual Global Discovery VIP Fund: Class 2 - Q/NQ</b>				
2017.....	12.391245	13.235236	6.81%	93
2016.....	11.231074	12.391245	10.33%	0
2015.....	11.852145	11.231074	-5.24%	0
<b>Franklin Templeton Variable Insurance Products Trust - Templeton Global Bond VIP Fund: Class 2 - Q/NQ</b>				
2017.....	9.502210	9.525822	0.25%	18,616
2016.....	9.385395	9.502210	1.24%	13,349
2015*.....	10.000000	9.385395	-6.15%	6,522
<b>Goldman Sachs Variable Insurance Trust - Goldman Sachs Global Trends Allocation Fund: Service Shares - Q/NQ</b>				
2017.....	9.971319	11.093151	11.25%	0
2016.....	9.716673	9.971319	2.62%	0
2015.....	10.489923	9.716673	-7.37%	0
<b>Goldman Sachs Variable Insurance Trust - Goldman Sachs High Quality Floating Rate Fund: Advisor Shares - Q/NQ</b>				
2017.....	9.679150	9.639427	-0.41%	932
2016.....	9.747428	9.679150	-0.70%	0
2015.....	9.967273	9.747428	-2.21%	0
<b>Guggenheim Variable Funds - Global Managed Futures Strategy - Q/NQ</b>				
2017.....	6.169109	6.596049	6.92%	5,649
2016.....	7.358894	6.169109	-16.17%	5,508
2015.....	7.599995	7.358894	-3.17%	3,733
<b>Guggenheim Variable Funds - Long Short Equity Fund - Q/NQ</b>				
2017.....	13.694520	15.469797	12.96%	208
2016.....	13.833010	13.694520	-1.00%	0
2015.....	13.890053	13.833010	-0.41%	1,451

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<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Guggenheim Variable Funds - Multi-Hedge Strategies - Q/NQ</b>				
2017.....	8.828991	9.002806	1.97%	0
2016.....	9.020325	8.828991	-2.12%	0
2015.....	9.005171	9.020325	0.17%	1,111
<b>Invesco - Invesco V.I. Balanced-Risk Allocation Fund: Series II Shares - Q/NQ</b>				
2017.....	10.723358	11.583878	8.02%	2,721
2016.....	9.776880	10.723358	9.68%	1,130
2015.....	10.398508	9.776880	-5.98%	0
<b>Invesco - Invesco V.I. Equally-Weighted S&amp;P 500 Fund: Series II Shares - Q/NQ</b>				
2017.....	10.605188	12.342638	16.38%	8,834
2016.....	9.463320	10.605188	12.07%	16,281
2015*.....	10.000000	9.463320	-5.37%	3,756
<b>Invesco - Invesco V.I. International Growth Fund: Series II Shares - Q/NQ</b>				
2017.....	9.038441	10.910074	20.71%	0
2016.....	9.254136	9.038441	-2.33%	0
2015*.....	10.000000	9.254136	-7.46%	0
<b>Ivy Variable Insurance Portfolios - Asset Strategy: Class II - Q/NQ</b>				
2017.....	11.035496	12.837294	16.33%	0
2016.....	11.515886	11.035496	-4.17%	0
2015.....	12.775433	11.515886	-9.86%	1,705
<b>Ivy Variable Insurance Portfolios - Energy: Class II - Q/NQ</b>				
2017.....	10.391943	8.928580	-14.08%	3,759
2016.....	7.852631	10.391943	32.34%	7,291
2015*.....	10.000000	7.852631	-21.47%	405
<b>Janus Henderson VIT Balanced Portfolio: Service Shares - Q/NQ</b>				
2017.....	10.081565	11.713926	16.19%	20,484
2016.....	9.825412	10.081565	2.61%	5,652
2015*.....	10.000000	9.825412	-1.75%	0
<b>Janus Henderson VIT Enterprise Portfolio: Service Shares - Q/NQ</b>				
2017.....	10.640674	13.300440	25.00%	6,997
2016.....	9.650597	10.640674	10.26%	385
2015*.....	10.000000	9.650597	-3.49%	339
<b>Janus Henderson VIT Flexible Bond Portfolio: Service Shares - Q/NQ</b>				
2017.....	9.970544	10.135277	1.65%	4,689
2016.....	9.917031	9.970544	0.54%	5,415
2015*.....	10.000000	9.917031	-0.83%	928
<b>Janus Henderson VIT Global Technology Portfolio: Service Shares - Q/NQ</b>				
2017.....	11.226765	16.001619	42.53%	6,148
2016.....	10.025841	11.226765	11.98%	1,093
2015*.....	10.000000	10.025841	0.26%	595

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<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>JPMorgan Insurance Trust - JPMorgan Insurance Trust Global Allocation Portfolio: Class 2 - Q/NQ</b>				
2017.....	9.855958	11.326905	14.92%	8,503
2016.....	9.468281	9.855958	4.09%	0
2015*.....	10.000000	9.468281	-5.32%	0
<b>JPMorgan Insurance Trust - JPMorgan Insurance Trust Income Builder Portfolio: Class 2 - Q/NQ</b>				
2017.....	10.068821	11.062549	9.87%	0
2016.....	9.639467	10.068821	4.45%	0
2015*.....	10.000000	9.639467	-3.61%	0
<b>Lazard Retirement Series, Inc. - Lazard Retirement Emerging Markets Equity Portfolio: Service Shares - Q/NQ</b>				
2017.....	8.601727	10.814437	25.72%	5,535
2016.....	7.240929	8.601727	18.79%	3,196
2015.....	9.209577	7.240929	-21.38%	2,630
<b>Legg Mason Partners Variable Equity Trust - ClearBridge Variable Aggressive Growth Portfolio: Class II - Q/NQ</b>				
2017.....	9.170840	10.461970	14.08%	323
2016.....	9.237743	9.170840	-0.72%	0
2015*.....	10.000000	9.237743	-7.62%	0
<b>Legg Mason Partners Variable Equity Trust - ClearBridge Variable Small Cap Growth Portfolio: Class II - Q/NQ</b>				
2017.....	9.713684	11.838376	21.87%	707
2016.....	9.357844	9.713684	3.80%	0
2015*.....	10.000000	9.357844	-6.42%	371
<b>Legg Mason Partners Variable Income Trust - Western Asset Variable Global High Yield Bond Portfolio: Class II - Q/NQ</b>				
2017.....	10.145921	10.819911	6.64%	2,466
2016.....	8.942338	10.145921	13.46%	1,482
2015.....	9.680843	8.942338	-7.63%	1,224
<b>Lord Abbett Series Fund, Inc. - Short Duration Income Portfolio: Class VC - Q/NQ</b>				
2017.....	10.026512	10.077374	0.51%	932
2016.....	9.852456	10.026512	1.77%	0
2015*.....	10.000000	9.852456	-1.48%	0
<b>Lord Abbett Series Fund, Inc. - Total Return Portfolio: Class VC - Q/NQ</b>				
2017.....	10.132476	10.350807	2.15%	3,512
2016.....	9.880795	10.132476	2.55%	3,512
2015*.....	10.000000	9.880795	-1.19%	3,512
<b>MainStay VP Funds Trust - MainStay VP MacKay Convertible Portfolio: Service 2 Class - Q/NQ</b>				
2017.....	10.906224	11.971540	9.77%	777
2016*.....	10.000000	10.906224	9.06%	475
<b>MFS® Variable Insurance Trust - MFS Utilities Series: Service Class - Q/NQ</b>				
2017.....	9.187681	10.346238	12.61%	9,663
2016.....	8.397817	9.187681	9.41%	1,837
2015*.....	10.000000	8.397817	-16.02%	0

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<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>MFS® Variable Insurance Trust II - MFS Blended Research® Core Equity Portfolio: Service Class - Q/NQ</b>				
2017.....	10.166907	12.046607	18.49%	693
2016.....	9.555770	10.166907	6.40%	0
2015*.....	10.000000	9.555770	-4.44%	0
<b>MFS® Variable Insurance Trust II - MFS Global Tactical Allocation Portfolio: Service Class - Q/NQ</b>				
2017.....	11.106842	12.080455	8.77%	0
2016.....	10.655324	11.106842	4.24%	0
2015.....	11.110834	10.655324	-4.10%	0
<b>MFS® Variable Insurance Trust II - MFS International Value Portfolio: Service Class - Q/NQ</b>				
2017.....	9.952768	12.414419	24.73%	5,124
2016.....	9.744936	9.952768	2.13%	1,977
2015*.....	10.000000	9.744936	-2.55%	0
<b>MFS® Variable Insurance Trust III - MFS Mid Cap Value Portfolio: Service Class - Q/NQ</b>				
2017.....	10.594231	11.817041	11.54%	810
2016.....	9.304786	10.594231	13.86%	808
2015*.....	10.000000	9.304786	-6.95%	0
<b>Morgan Stanley Variable Insurance Fund, Inc. - Emerging Markets Debt Portfolio: Class II - Q/NQ</b>				
2017.....	11.452600	12.343862	7.78%	5,655
2016.....	10.530053	11.452600	8.76%	5,434
2015.....	10.834069	10.530053	-2.81%	3,738
<b>Morgan Stanley Variable Insurance Fund, Inc. - Global Infrastructure Portfolio: Class II - Q/NQ</b>				
2017.....	10.137950	11.221962	10.69%	524
2016.....	8.965633	10.137950	13.08%	766
2015.....	10.586013	8.965633	-15.31%	0
<b>Morgan Stanley Variable Insurance Fund, Inc. - Global Real Estate Portfolio: Class II - Q/NQ</b>				
2017.....	11.754144	12.682991	7.90%	7,144
2016.....	11.588895	11.754144	1.43%	6,155
2015.....	11.952838	11.588895	-3.04%	4,500
<b>Morgan Stanley Variable Insurance Fund, Inc. - Global Strategist Portfolio: Class II - Q/NQ</b>				
2017.....	10.799743	12.317893	14.06%	3,341
2016.....	10.408615	10.799743	3.76%	3,341
2015.....	11.322599	10.408615	-8.07%	3,341
<b>Nationwide Variable Insurance Trust - American Century NVIT Multi Cap Value Fund: Class II - Q/NQ</b>				
2017.....	11.275559	12.025802	6.65%	1,119
2016.....	9.536614	11.275559	18.23%	204
2015*.....	10.000000	9.536614	-4.63%	0
<b>Nationwide Variable Insurance Trust - American Funds NVIT Asset Allocation Fund: Class II - Q/NQ</b>				
2017.....	14.116327	16.076820	13.89%	41,219
2016.....	13.167458	14.116327	7.21%	4,944
2015.....	13.257899	13.167458	-0.68%	5,060



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<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - American Funds NVIT Bond Fund: Class II - Q/NQ</b>				
2017.....	10.073228	10.225671	1.51%	1,508
2016.....	9.977316	10.073228	0.96%	1,165
2015*.....	10.000000	9.977316	-0.23%	0
<b>Nationwide Variable Insurance Trust - American Funds NVIT Global Growth Fund: Class II - Q/NQ</b>				
2017.....	9.539954	12.288673	28.81%	1,251
2016.....	9.681430	9.539954	-1.46%	544
2015*.....	10.000000	9.681430	-3.19%	337
<b>Nationwide Variable Insurance Trust - American Funds NVIT Growth Fund: Class II - Q/NQ</b>				
2017.....	10.576459	13.294081	25.70%	11,328
2016.....	9.859736	10.576459	7.27%	0
2015*.....	10.000000	9.859736	-1.40%	0
<b>Nationwide Variable Insurance Trust - American Funds NVIT Growth-Income Fund: Class II - Q/NQ</b>				
2017.....	10.549645	12.651266	19.92%	36,188
2016.....	9.655592	10.549645	9.26%	31,315
2015*.....	10.000000	9.655592	-3.44%	29,759
<b>Nationwide Variable Insurance Trust - BlackRock NVIT Equity Dividend Fund: Class II - Q/NQ</b>				
2017.....	10.579290	12.245745	15.75%	669
2016.....	9.148556	10.579290	15.64%	0
2015*.....	10.000000	9.148556	-8.51%	0
<b>Nationwide Variable Insurance Trust - BlackRock NVIT Managed Global Allocation Fund: Class II - Q/NQ</b>				
2017.....	9.382024	10.928684	16.49%	197
2016.....	9.263430	9.382024	1.28%	0
2015*.....	10.000000	9.263430	-7.37%	0
<b>Nationwide Variable Insurance Trust - Federated NVIT High Income Bond Fund: Class I - Q/NQ</b>				
2017.....	10.561962	11.090100	5.00%	1,902
2016.....	9.406971	10.561962	12.28%	14,101
2015.....	9.820864	9.406971	-4.21%	0
<b>Nationwide Variable Insurance Trust - Neuberger Berman NVIT Multi Cap Opportunities Fund: Class II - Q/NQ</b>				
2017.....	10.984679	13.479044	22.71%	6,739
2016*.....	10.000000	10.984679	9.85%	0
<b>Nationwide Variable Insurance Trust - Neuberger Berman NVIT Socially Responsible Fund: Class II - Q/NQ</b>				
2017.....	10.490974	12.213208	16.42%	0
2016.....	9.687214	10.490974	8.30%	0
2015*.....	10.000000	9.687214	-3.13%	0
<b>Nationwide Variable Insurance Trust - NVIT Bond Index Fund: Class I - Q/NQ</b>				
2017.....	9.978337	10.120433	1.42%	16,911
2016.....	9.920899	9.978337	0.58%	7,361
2015.....	10.073068	9.920899	-1.51%	0

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<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Aggressive Fund: Class II - Q/NQ</b>				
2017.....	15.193818	17.902559	17.83%	4,918
2016.....	14.255721	15.193818	6.58%	4,811
2015.....	14.753660	14.255721	-3.38%	4,815
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Balanced Fund: Class II - Q/NQ</b>				
2017.....	13.006016	14.333652	10.21%	967
2016.....	12.462381	13.006016	4.36%	942
2015.....	12.807136	12.462381	-2.69%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Capital Appreciation Fund: Class II - Q/NQ</b>				
2017.....	14.104395	16.064952	13.90%	5,217
2016.....	13.362036	14.104395	5.56%	5,122
2015.....	13.769170	13.362036	-2.96%	5,116
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Conservative Fund: Class II - Q/NQ</b>				
2017.....	11.401933	11.927371	4.61%	8,522
2016.....	11.081516	11.401933	2.89%	8,430
2015.....	11.350744	11.081516	-2.37%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth &amp; Income Fund: Class II - Q/NQ</b>				
2017.....	10.099833	11.400454	12.88%	0
2016.....	9.728235	10.099833	3.82%	0
2015.....	10.335251	9.728235	-5.87%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Managed Growth Fund: Class II - Q/NQ</b>				
2017.....	10.047456	11.640291	15.85%	0
2016.....	9.618044	10.047456	4.46%	0
2015.....	10.280775	9.618044	-6.45%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderate Fund: Class II - Q/NQ</b>				
2017.....	13.567182	15.208003	12.09%	2,143
2016.....	12.923239	13.567182	4.98%	0
2015.....	13.281632	12.923239	-2.70%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Aggressive Fund: Class II - Q/NQ</b>				
2017.....	14.472552	16.806524	16.13%	130
2016.....	13.676452	14.472552	5.82%	0
2015.....	14.118780	13.676452	-3.13%	0
<b>Nationwide Variable Insurance Trust - NVIT Cardinal(SM) Moderately Conservative Fund: Class II - Q/NQ</b>				
2017.....	12.523375	13.534954	8.08%	2,389
2016.....	12.012408	12.523375	4.25%	0
2015.....	12.345451	12.012408	-2.70%	0
<b>Nationwide Variable Insurance Trust - NVIT Core Bond Fund: Class II - Q/NQ</b>				
2017.....	10.157306	10.407707	2.47%	6,432
2016.....	9.834977	10.157306	3.28%	6,418
2015*.....	10.000000	9.834977	-1.65%	0

**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Core Plus Bond Fund: Class II - Q/NQ</b>				
2017.....	10.657271	10.876755	2.06%	0
2016.....	10.485780	10.657271	1.64%	0
2015.....	10.717122	10.485780	-2.16%	0
<b>Nationwide Variable Insurance Trust - NVIT DFA Capital Appreciation Fund: Class II - Q/NQ</b>				
2017.....	12.458390	14.444926	15.95%	146
2016.....	11.371857	12.458390	9.55%	0
2015.....	11.939824	11.371857	-4.76%	0
<b>Nationwide Variable Insurance Trust - NVIT DFA Moderate Fund: Class II - Q/NQ</b>				
2017.....	11.914808	13.339723	11.96%	0
2016.....	11.137481	11.914808	6.98%	0
2015.....	11.527405	11.137481	-3.38%	0
<b>Nationwide Variable Insurance Trust - NVIT Emerging Markets Fund: Class II - Q/NQ</b>				
2017.....	8.959483	12.444649	38.90%	8,987
2016.....	8.475525	8.959483	5.71%	0
2015*.....	10.000000	8.475525	-15.24%	0
<b>Nationwide Variable Insurance Trust - NVIT Government Bond Fund: Class II - Q/NQ</b>				
2017.....	9.831827	9.847253	0.16%	601
2016.....	9.948466	9.831827	-1.17%	0
2015*.....	10.000000	9.948466	-0.52%	0
<b>Nationwide Variable Insurance Trust - NVIT Government Money Market Fund: Class II - Q/NQ</b>				
2017.....	8.893133	8.765684	-1.43%	0
2016.....	9.041740	8.893133	-1.64%	7,206
2015.....	9.193430	9.041740	-1.65%	1,700
<b>Nationwide Variable Insurance Trust - NVIT International Equity Fund: Class II - Q/NQ</b>				
2017.....	9.036016	11.293603	24.98%	1,757
2016.....	9.129339	9.036016	-1.02%	0
2015*.....	10.000000	9.129339	-8.71%	0
<b>Nationwide Variable Insurance Trust - NVIT International Index Fund: Class I - Q/NQ</b>				
2017.....	9.404456	11.551606	22.83%	13,021
2016.....	9.474376	9.404456	-0.74%	3,629
2015.....	9.726665	9.474376	-2.59%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Aggressive Fund: Class II - Q/NQ</b>				
2017.....	10.827457	12.611946	16.48%	19,473
2016.....	10.056465	10.827457	7.67%	0
2015.....	10.328277	10.056465	-2.63%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Balanced Fund: Class II - Q/NQ</b>				
2017.....	10.502780	11.479773	9.30%	3,352
2016.....	10.045367	10.502780	4.55%	3,511
2015.....	10.231667	10.045367	-1.82%	0

**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Capital Appreciation Fund: Class II - Q/NQ</b>				
2017.....	10.685988	12.066587	12.92%	0
2016.....	10.084307	10.685988	5.97%	0
2015.....	10.308323	10.084307	-2.17%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Conservative Fund: Class II - Q/NQ</b>				
2017.....	10.249869	10.654088	3.94%	16,358
2016.....	9.995195	10.249869	2.55%	10,375
2015.....	10.136047	9.995195	-1.39%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Managed Growth &amp; Income Fund: Class II - Q/NQ</b>				
2017.....	10.224408	11.467155	12.15%	513
2016.....	9.834155	10.224408	3.97%	514
2015.....	10.334098	9.834155	-4.84%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Managed Growth Fund: Class II - Q/NQ</b>				
2017.....	10.260378	11.803383	15.04%	3,042
2016.....	9.754053	10.260378	5.19%	0
2015.....	10.326112	9.754053	-5.54%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderate Fund: Class II - Q/NQ</b>				
2017.....	10.634940	11.812104	11.07%	35,875
2016.....	10.091997	10.634940	5.38%	24,578
2015.....	10.295774	10.091997	-1.98%	21,776
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderately Aggressive Fund: Class II - Q/NQ</b>				
2017.....	10.728606	12.312054	14.76%	24,699
2016.....	10.055266	10.728606	6.70%	5,735
2015.....	10.299134	10.055266	-2.37%	0
<b>Nationwide Variable Insurance Trust - NVIT Investor Destinations Moderately Conservative Fund: Class II - Q/NQ</b>				
2017.....	10.453557	11.228614	7.41%	9,316
2016.....	10.055027	10.453557	3.96%	19,240
2015.....	10.226854	10.055027	-1.68%	0
<b>Nationwide Variable Insurance Trust - NVIT Large Cap Growth Fund: Class II - Q/NQ</b>				
2017.....	9.967422	12.457112	24.98%	936
2016.....	9.808108	9.967422	1.62%	818
2015*.....	10.000000	9.808108	-1.92%	330
<b>Nationwide Variable Insurance Trust - NVIT Managed American Funds Asset Allocation Fund: Class II - Q/NQ</b>				
2017.....	10.251856	11.853085	15.62%	9,544
2016.....	9.602582	10.251856	6.76%	0
2015*.....	10.000000	9.602582	-3.97%	0
<b>Nationwide Variable Insurance Trust - NVIT Managed American Funds Growth-Income Fund: Class II - Q/NQ</b>				
2017.....	10.356643	12.396341	19.69%	7,835
2016.....	9.568725	10.356643	8.23%	1,007
2015*.....	10.000000	9.568725	-4.31%	0

**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Mid Cap Index Fund: Class I - Q/NQ</b>				
2017.....	11.479317	13.072001	13.87%	25,209
2016.....	9.702734	11.479317	18.31%	14,587
2015.....	10.122039	9.702734	-4.14%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi Sector Bond Fund: Class I - Q/NQ</b>				
2017.....	9.964926	10.421500	4.58%	3,866
2016.....	9.325305	9.964926	6.86%	532
2015.....	9.763968	9.325305	-4.49%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager International Growth Fund: Class II - Q/NQ</b>				
2017.....	12.166599	15.022228	23.47%	0
2016.....	12.683673	12.166599	-4.08%	0
2015.....	12.981459	12.683673	-2.29%	382
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager International Value Fund: Class II - Q/NQ</b>				
2017.....	8.639529	10.412286	20.52%	0
2016.....	8.367264	8.639529	3.25%	0
2015.....	8.988151	8.367264	-6.91%	553
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Growth Fund: Class II - Q/NQ</b>				
2017.....	17.026432	21.749998	27.74%	1,066
2016.....	16.973506	17.026432	0.31%	0
2015.....	16.734538	16.973506	1.43%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Large Cap Value Fund: Class II - Q/NQ</b>				
2017.....	17.082748	19.214708	12.48%	3,824
2016.....	14.967003	17.082748	14.14%	0
2015.....	15.759715	14.967003	-5.03%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Growth Fund: Class II - Q/NQ</b>				
2017.....	16.880182	21.171943	25.42%	687
2016.....	16.182651	16.880182	4.31%	1,627
2015.....	16.511242	16.182651	-1.99%	311
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Mid Cap Value Fund: Class II - Q/NQ</b>				
2017.....	20.067481	22.468749	11.97%	608
2016.....	17.350571	20.067481	15.66%	2,045
2015.....	18.165883	17.350571	-4.49%	0
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Growth Fund: Class II - Q/NQ</b>				
2017.....	9.482863	11.625611	22.60%	922
2016.....	8.922527	9.482863	6.28%	2,610
2015*.....	10.000000	8.922527	-10.77%	562
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Cap Value Fund: Class II - Q/NQ</b>				
2017.....	11.363892	12.155252	6.96%	714
2016.....	9.198002	11.363892	23.55%	3,882
2015*.....	10.000000	9.198002	-8.02%	0

**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Nationwide Variable Insurance Trust - NVIT Multi-Manager Small Company Fund: Class II - Q/NQ</b>				
2017.....	10.999196	12.246150	11.34%	0
2016.....	9.125884	10.999196	20.53%	0
2015*.....	10.000000	9.125884	-8.74%	0
<b>Nationwide Variable Insurance Trust - NVIT Nationwide Fund: Class II - Q/NQ</b>				
2017.....	10.405239	12.305958	18.27%	98
2016.....	9.517369	10.405239	9.33%	1,029
2015*.....	10.000000	9.517369	-4.83%	1,029
<b>Nationwide Variable Insurance Trust - NVIT Real Estate Fund: Class II - Q/NQ</b>				
2017.....	11.503198	12.008982	4.40%	2,297
2016.....	10.912424	11.503198	5.41%	403
2015.....	11.761235	10.912424	-7.22%	477
<b>Nationwide Variable Insurance Trust - NVIT S&amp;P 500® Index Fund: Class I - Q/NQ</b>				
2017.....	11.045838	13.203147	19.53%	102,331
2016.....	10.057421	11.045838	9.83%	43,289
2015.....	10.108576	10.057421	-0.51%	0
<b>Nationwide Variable Insurance Trust - NVIT Short Term Bond Fund: Class II - Q/NQ</b>				
2017.....	9.722404	9.713426	-0.09%	0
2016.....	9.644746	9.722404	0.81%	0
2015.....	9.840120	9.644746	-1.99%	0
<b>Nationwide Variable Insurance Trust - NVIT Small Cap Index Fund: Class II - Q/NQ</b>				
2017.....	11.352317	12.748937	12.30%	13,041
2016.....	9.549221	11.352317	18.88%	10,973
2015.....	10.207781	9.549221	-6.45%	0
<b>Nationwide Variable Insurance Trust - Templeton NVIT International Value Fund: Class I - Q/NQ</b>				
2017.....	8.827767	10.655051	20.70%	117
2016.....	8.876479	8.827767	-0.55%	0
2015*.....	10.000000	8.876479	-11.24%	0
<b>Neuberger Berman Advisers Management Trust - U.S. Equity Index PutWrite Strategy Portfolio: Class S - Q/NQ</b>				
2017.....	9.158214	9.609360	4.93%	0
2016.....	9.371863	9.158214	-2.28%	0
2015.....	10.036999	9.371863	-6.63%	0
<b>Oppenheimer Variable Account Funds - Oppenheimer Global Fund/VA: Service Shares - Q/NQ</b>				
2017.....	11.459421	15.364527	34.08%	16,192
2016.....	11.669488	11.459421	-1.80%	117
2015.....	11.444970	11.669488	1.96%	0
<b>Oppenheimer Variable Account Funds - Oppenheimer International Growth Fund/VA: Service Shares - Q/NQ</b>				
2017.....	9.096827	11.313274	24.37%	6,018
2016.....	9.507180	9.096827	-4.32%	3,897
2015*.....	10.000000	9.507180	-4.93%	3,758



**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>Oppenheimer Variable Account Funds - Oppenheimer Main Street Small Cap Fund®/VA: Service Shares - Q/NQ</b>				
2017.....	10.334802	11.578727	12.04%	2,245
2016.....	8.929631	10.334802	15.74%	2,773
2015*.....	10.000000	8.929631	-10.70%	0
<b>PIMCO Variable Insurance Trust - All Asset Portfolio: Advisor Class - Q/NQ</b>				
2017.....	10.362553	11.555613	11.51%	0
2016.....	9.331646	10.362553	11.05%	112
2015.....	10.448212	9.331646	-10.69%	0
<b>PIMCO Variable Insurance Trust - Commodity RealReturn® Strategy Portfolio: Advisor Class - Q/NQ</b>				
2017.....	6.373502	6.396945	0.37%	486
2016.....	5.641176	6.373502	12.98%	0
2015.....	7.716070	5.641176	-26.89%	0
<b>PIMCO Variable Insurance Trust - Emerging Markets Bond Portfolio: Advisor Class - Q/NQ</b>				
2017.....	12.473693	13.468318	7.97%	154
2016.....	11.202227	12.473693	11.35%	91
2015.....	11.666088	11.202227	-3.98%	0
<b>PIMCO Variable Insurance Trust - Foreign Bond Portfolio (U.S. Dollar-Hedged): Advisor Class - Q/NQ</b>				
2017*.....	10.000000	10.074150	0.74%	0
<b>PIMCO Variable Insurance Trust - Foreign Bond Portfolio (Unhedged): Advisor Class - Q/NQ</b>				
2017.....	10.042968	10.938046	8.91%	108
2016.....	9.922894	10.042968	1.21%	0
2015.....	10.869292	9.922894	-8.71%	0
<b>PIMCO Variable Insurance Trust - Income Portfolio: Advisor Class - Q/NQ</b>				
2017*.....	10.000000	10.355032	3.55%	3,363
<b>PIMCO Variable Insurance Trust - Short-Term Portfolio: Advisor Class - Q/NQ</b>				
2017.....	9.961576	10.023505	0.62%	8,749
2016.....	9.903479	9.961576	0.59%	0
2015*.....	10.000000	9.903479	-0.97%	0
<b>PIMCO Variable Insurance Trust - Total Return Portfolio: Advisor Class - Q/NQ</b>				
2017.....	10.560804	10.887371	3.09%	8,048
2016.....	10.467077	10.560804	0.90%	2,555
2015.....	10.607078	10.467077	-1.32%	884
<b>PIMCO Variable Insurance Trust - Unconstrained Bond Portfolio: Advisor Class - Q/NQ</b>				
2017.....	9.991289	10.308972	3.18%	6,597
2016.....	9.708653	9.991289	2.91%	3,570
2015.....	10.051235	9.708653	-3.41%	3,570
<b>Putnam Variable Trust - Putnam VT Equity Income Fund: Class IB - Q/NQ</b>				
2017.....	10.477946	12.240213	16.82%	90
2016.....	9.374216	10.477946	11.77%	0
2015*.....	10.000000	9.374216	-6.26%	0

**Maximum Additional Contract Options Elected Total - 1.65%**  
**Variable account charges of the daily net assets of the variable account - 1.65%**

<u>Period</u>	<u>Beginning Value</u>	<u>Ending Value</u>	<u>Percentage Change</u>	<u>Units</u>
<b>T. Rowe Price Equity Series, Inc. - T. Rowe Price Health Sciences Portfolio: II - Q/NQ</b>				
2017.....	8.024433	10.047592	25.21%	17,319
2016.....	9.137892	8.024433	-12.19%	3,928
2015*.....	10.000000	9.137892	-8.62%	3,447
<b>The Merger Fund VL - The Merger Fund VL - Q/NQ</b>				
2017.....	9.838702	9.924936	0.88%	1,851
2016.....	9.764817	9.838702	0.76%	514
2015.....	10.019337	9.764817	-2.54%	0
<b>VanEck VIP Trust - Global Hard Assets Fund: Class S - Q/NQ</b>				
2017.....	9.749589	9.400136	-3.58%	9,917
2016.....	6.911979	9.749589	41.05%	8,574
2015*.....	10.000000	6.911979	-30.88%	5,300
<b>VanEck VIP Trust - VanEck VIP Global Gold Fund: Class S - Q/NQ</b>				
2017*.....	10.000000	10.774141	7.74%	898

## Appendix C: Contract Types and Tax Information

### Types of Contracts

The contracts described in this prospectus are classified according to the tax treatment to which they are subject under the Internal Revenue Code (the "Code"). Following is a general description of the various contract types. Eligibility requirements, tax benefits (if any), limitations, and other features of the contracts will differ depending on contract type.

#### ***Non-Qualified Contracts***

A non-qualified contract is a contract that does not qualify for certain tax benefits under the Code, such as deductibility of purchase payments, and which is not an IRA, Roth IRA, SEP IRA, Simple IRA, or tax sheltered annuity.

Upon the death of the owner of a non-qualified contract, mandatory distribution requirements are imposed to ensure distribution of the entire balance in the contract within a required period.

Non-qualified contracts that are owned by natural persons allow the deferral of taxation on the income earned in the contract until it is distributed or deemed to be distributed. Non-qualified contracts that are owned by non-natural persons, such as trusts, corporations, and partnerships are generally subject to current income tax on the income earned inside the contract, unless the non-natural person owns the contract as an agent of a natural person.

#### ***Charitable Remainder Trusts***

Charitable Remainder Trusts are trusts that meet the requirements of Section 664 of the Code. Non-Qualified Contracts that are issued to Charitable Remainder Trusts will differ from other Non-Qualified Contracts in three respects:

- (1) Waiver of sales charges. In addition to any sales load waivers included in the contract, Charitable Remainder Trusts may also withdraw the difference between:
  - (a) the contract value on the day before the withdrawal; and
  - (b) the total amount of purchase payments made to the contract (less an adjustment for amounts surrendered).
- (2) Contract ownership at annuitization. On the annuitization date, if the contract owner is a Charitable Remainder Trust, the Charitable Remainder Trust will continue to be the contract owner and the annuitant will NOT become the contract owner.
- (3) Recipient of death benefit proceeds. With respect to the death benefit proceeds, if the contract owner is a Charitable Remainder Trust, the death benefit is payable to the Charitable Remainder Trust. Any designation in conflict with the Charitable Remainder Trust's right to the death benefit will be void.

While these provisions are intended to facilitate a Charitable Remainder Trust's ownership of this contract, the rules governing Charitable Remainder Trusts are numerous and complex. A Charitable Remainder Trust that is considering purchasing this contract should seek the advice of a qualified tax and/or financial advisor prior to purchasing the contract. An annuity that has a Charitable Remainder Trust endorsement is not a Charitable Remainder Trust; the endorsement is merely to facilitate ownership of the contract by a Charitable Remainder Trust.

#### ***Individual Retirement Annuities (IRAs)***

IRAs are contracts that satisfy the provisions of Section 408(b) of the Code, including the following requirements:

- the contract is not transferable by the owner;
- the premiums are not fixed;
- if the contract owner is younger than age 50, the annual premium cannot exceed \$5,500; if the contract owner is age 50 or older, the annual premium cannot exceed \$6,500 (although rollovers of greater amounts from Qualified Plans, Tax Sheltered Annuities, certain 457 governmental plans, and other IRAs can be received);
- certain minimum distribution requirements must be satisfied after the owner attains the age of 70½;
- the entire interest of the owner in the contract is nonforfeitable; and
- after the death of the owner, additional distribution requirements may be imposed to ensure distribution of the entire balance in the contract within the statutory period of time.

Depending on the circumstance of the owner, all or a portion of the contributions made to the account may be deducted for federal income tax purposes.

IRAs may receive rollover contributions from other individual retirement accounts, other individual retirement annuities, tax sheltered annuities, certain 457 governmental plans, and qualified retirement plans (including 401(k) plans).

When the owner of an IRA attains the age of 70½, the Code requires that certain minimum distributions be made. In addition, upon the death of the owner of an IRA, mandatory distribution requirements are imposed by the Code to ensure distribution of the entire contract value within the required statutory period. Due to recent changes in Treasury Regulations, the amount used to compute the mandatory distributions may exceed the contract value.

Failure to make the mandatory distributions can result in an additional penalty tax of 50% of the excess of the amount required to be distributed over the amount that was actually distributed.

For further details regarding IRAs, refer to the disclosure statement provided when the IRA was established and the annuity contract's IRA endorsement.

As used herein, the term "individual retirement plans" shall refer to both individual retirement annuities and individual retirement accounts that are described in Section 408 of the Code.

### ***One-Rollover-Per-Year Limitation***

A contract owner can receive a distribution from an IRA and roll it into another IRA within 60 days from the date of the distribution and not have the amount of the distribution included in taxable income. Only one rollover per year from a contract owner's IRA is allowed. The one year period begins on the date the contract owner receives the IRA distribution, and not on the date the IRA was rolled over. The Internal Revenue Service ("IRS") has interpreted this one-rollover-per-year limitation as applying separately to each IRA a contract owner owns.

However, on March 20, 2014, the IRS issued Announcement 2014-15 in which it decided to follow the Tax Court's interpretation of the one rollover per year rule in the Bobrow case. In Bobrow, the Tax Court interpreted the one-rollover-per-year limitation as applying in the aggregate to all the IRAs that a taxpayer owns. This means that a contract owner cannot make an IRA rollover distribution if, within the previous one year period, an IRA rollover distribution was taken from any other IRAs owned. Also, rollovers between an individual's Roth IRAs would prevent a separate rollover within the 1-year period between the individual's traditional IRAs, and vice versa. The IRS began applying this new interpretation to any IRA rollover distribution that occurs on or after January 1, 2015.

Direct transfers IRA funds between IRA trustees are not subject to the one rollover per year limitation because such transfers are not considered rollover distributions. Also, a rollover from a traditional IRA to a Roth IRA (a conversion) is not subject to the one roll over per year limitation, and such a rollover is disregarded in applying the one rollover per year limitation to other rollovers.

### ***Roth IRAs***

Roth IRA contracts are contracts that satisfy the provisions of Section 408A of the Code, including the following requirements:

- the contract is not transferable by the owner;
- the premiums are not fixed;
- if the contract owner is younger than age 50, the annual premium cannot exceed \$5,500; if the contract owner is age 50 or older, the annual premium cannot exceed \$6,500 (although rollovers of greater amounts from other Roth IRAs and other individual retirement plans can be received);
- the entire interest of the owner in the contract is nonforfeitable; and
- after the death of the owner, certain distribution requirements may be imposed to ensure distribution of the entire balance in the contract within the statutory period of time.

A Roth IRA can receive a rollover from an individual retirement plan or another eligible retirement plan; however, the amount rolled over from the individual retirement plan or other eligible retirement plan to the Roth IRA is required to be included in the owner's federal gross income at the time of the rollover, and will be subject to federal income tax. However, a rollover or conversion of an amount from an IRA or eligible retirement plan after December 31, 2017 cannot be recharacterized back to an IRA.

For further details regarding Roth IRAs, please refer to the disclosure statement provided when the Roth IRA was established and the annuity contract's IRA endorsement.

### ***Simplified Employee Pension IRAs (SEP IRA)***

A SEP IRA is a written plan established by an employer for the benefit of employees which permits the employer to make contributions to an IRA established for the benefit of each employee.

An employee may make deductible contributions to a SEP IRA subject to the same restrictions and limitations as an IRA. In addition, the employer may make contributions to the SEP IRA, subject to dollar and percentage limitations imposed by both the Code and the written plan.

A SEP IRA plan must satisfy:

- minimum participation rules;
- top-heavy contribution rules;
- nondiscriminatory allocation rules; and
- requirements regarding a written allocation formula.

In addition, the plan cannot restrict withdrawals of non-elective contributions, and must restrict withdrawals of elective contributions before March 15<sup>th</sup> of the following year.

When the owner of a SEP IRA attains the age of 70½, the Code requires that certain minimum distributions be made. Due to recent changes in Treasury Regulations, the amount used to compute the minimum distributions may exceed the contract value. In addition, upon the death of the owner of a SEP IRA, mandatory distribution requirements are imposed by the Code to ensure distribution of the entire contract value within the required statutory period.

### ***Simple IRAs***

A Simple IRA is an Individual Retirement Annuity that is funded exclusively by a qualified salary reduction arrangement and satisfies:

- vesting requirements;
- participation requirements; and
- administrative requirements.

The funds contributed to a Simple IRA cannot be commingled with funds in other individual retirement plans or SEP IRAs.

A Simple IRA cannot receive rollover distributions except from another Simple IRA.

When the owner of a Simple IRA attains the age of 70½, the Code requires that certain minimum distributions be made. Due to recent changes in Treasury Regulations, the amount used to compute the minimum distributions may exceed the contract value. In addition, upon the death of the owner of a Simple IRA, mandatory distribution requirements are imposed by the Code to ensure distribution of the entire contract value within the required statutory period.

### ***Investment Only (Qualified Plans)***

Contracts that are owned by Qualified Plans are not intended to confer tax benefits on the beneficiaries of the plan; they are used as investment vehicles for the plan. The income tax consequences to the beneficiary of a Qualified Plan are controlled by the operation of the plan, not by operation of the assets in which the plan invests.

Beneficiaries of Qualified Plans should contact their employer and/or trustee of the plan to obtain and review the plan, trust, summary plan description and other documents for the tax and other consequences of being a participant in a Qualified Plan.

## **Federal Tax Considerations**

### ***Federal Income Taxes***

The tax consequences of purchasing a contract described in this prospectus will depend on:

- the type of contract purchased;
- the purposes for which the contract is purchased; and
- the personal circumstances of individual investors having interests in the contracts.

Existing tax rules are subject to change, and may affect individuals differently depending on their situation. Nationwide does not guarantee the tax status of any contracts or any transactions involving the contracts.

The following is a brief summary of some of the federal income tax considerations related to the types of contracts sold in connection with this prospectus. In addition to the federal income tax, distributions from annuity contracts may be subject to state and local income taxes. Nothing in this prospectus should be considered to be tax advice. Purchasers and prospective purchasers of the contract should consult a financial consultant, tax advisor, or legal counsel to discuss the taxation and use of the contracts.

#### *IRAs, SEP IRAs, and Simple IRAs*

Distributions from IRAs, SEP IRAs, and Simple IRAs are generally taxed as ordinary income when received. If any of the amounts contributed to the Individual Retirement Annuity was non-deductible for federal income tax purposes, then a portion of each distribution is excludable from income.

If distributions of income from an IRA are made prior to the date that the owner attains the age of 59½ years, the income is subject to the regular income tax, and an additional penalty tax of 10% is generally applicable. (For Simple IRAs, the 10% penalty is increased to 25% if the distribution is made during the 2-year period beginning on the date that the individual first participated in the Simple IRA.) The 10% penalty tax can be avoided if the distribution is:

- made to a beneficiary on or after the death of the owner;
- attributable to the owner becoming disabled (as defined in the Code);
- part of a series of substantially equal periodic payments made not less frequently than annually made for the life (or life expectancy) of the owner, or the joint lives (or joint life expectancies) of the owner and his or her designated beneficiary;
- used for qualified higher education expenses; or
- used for expenses attributable to the purchase of a home for a qualified first-time buyer.

If the contract owner dies before the contract is completely distributed, the balance will be included in the contract owner's gross estate for tax purposes.

#### *Roth IRAs*

Distributions of earnings from Roth IRAs are taxable or nontaxable depending upon whether they are "qualified distributions" or "non-qualified distributions." A "qualified distribution" is one that is made after the Roth IRA has satisfied the five-year rule and meets one of the following requirements:

- it is made on or after the date on which the contract owner attains age 59½;
- it is made to a beneficiary (or the contract owner's estate) on or after the death of the contract owner;
- it is attributable to the contract owner's disability; or
- it is used for expenses attributable to the purchase of a home for a qualified first-time buyer.

The five-year rule is satisfied if a five taxable-year period has passed. The five taxable-year period begins with the first taxable year in which a contribution is made to any Roth IRA established for the owner.

A qualified distribution is not included in gross income for federal income tax purposes.

A non-qualified distribution is not includable in gross income to the extent that the distribution, when added to all previous distributions, does not exceed the total amount of contributions made to the Roth IRA. Any non-qualified distribution in excess of total contributions is includable in the contract owner's gross income as ordinary income in the year that it is distributed to the contract owner.

Special rules apply for Roth IRAs that have proceeds received from an individual retirement plan prior to January 1, 1999 if the owner elected the special four-year income averaging provisions that were in effect for 1998.

If non-qualified distributions of income from a Roth IRA are made prior to the date that the owner attains the age of 59½ years, the income is subject to both the regular income tax and an additional penalty tax of 10%. The penalty tax can be avoided if the distribution is:

- made to a beneficiary on or after the death of the owner;
- attributable to the owner becoming disabled (as defined in the Code);
- part of a series of substantially equal periodic payments made not less frequently than annually made for the life (or life expectancy) of the owner, or the joint lives (or joint life expectancies) of the owner and his or her designated beneficiary;



- for qualified higher education expenses; or
- used for expenses attributable to the purchase of a home for a qualified first-time buyer.

If the contract owner dies before the contract is completely distributed, the balance will be included in the contract owner's gross estate for tax purposes.

#### *Non-Qualified Contracts - Natural Persons as Contract Owners*

Generally, the income earned inside a non-qualified annuity contract that is owned by a natural person is not taxable until it is distributed from the contract.

Distributions before the annuitization date are taxable to the contract owner to the extent that the cash value of the contract exceeds the contract owner's investment in the contract at the time of the distribution. In general, the investment in the contract is equal to the purchase payments made with after-tax dollars reduced by any nontaxable distribution. Distributions, for this purpose, include full and partial surrenders, any portion of the contract that is assigned or pledged as collateral for a loan, amounts borrowed from the contract, or any portion of the contract that is transferred by gift. For these purposes, a transfer by gift may occur upon annuitization if the contract owner and the annuitant are not the same individual.

With respect to annuity distributions on or after the annuitization date, a portion of each annuity payment is excludable from taxable income. The amount excludable from each annuity payment is determined by multiplying the annuity payment by a fraction which is equal to the contract owner's investment in the contract, divided by the expected return on the contract. Once the entire investment in the contract is recovered, all distributions are fully includable in income. The maximum amount excludable from income is the investment in the contract. If the annuitant dies before the entire investment in the contract has been excluded from income, and as a result of the annuitant's death no more payments are due under the contract, then the unrecovered investment in the contract may be deducted on his or her final tax return.

Commencing after December 31, 2010, the Code provides that if only a portion of a non-qualified annuity contract is annuitized for either (a) a period of 10 years or greater, or (b) for the life or lives of one or more persons, then the portion of the contract that has been annuitized would be treated as if it were a separate annuity contract. This means that an annuitization date can be established for a portion of the annuity contract (rather than requiring the entire contract to be annuitized at once) and the above description of the taxation of annuity distributions after the annuitization date would apply to the portion of the contract that has been annuitized. The investment in the contract is required to be allocated pro rata between the portion of the contract that is annuitized and the portion that is not. All other benefits under the contract (e.g., death benefit) would also be reduced pro rata. For example, if 1/3 of the cash value of the contract were to be annuitized, the death benefit would also be reduced by 1/3.

In determining the taxable amount of a distribution that is made prior to the annuitization date, all annuity contracts issued after October 21, 1988 by the same company to the same contract owner during the same calendar year will be treated as one annuity contract.

A special rule applies to distributions from contracts that have investments that were made prior to August 14, 1982. For those contracts, distributions that are made prior to the annuitization date are treated first as the nontaxable recovery of the investment in the contract as of that date. A distribution in excess of the amount of the investment in the contract as of August 14, 1982, will be treated as taxable income.

The Code imposes a penalty tax if a distribution is made before the contract owner reaches age 59½. The amount of the penalty is 10% of the portion of any distribution that is includable in gross income. The penalty tax does not apply if the distribution is:

- the result of a contract owner's death;
- the result of a contract owner's disability (as defined in the Code);
- one of a series of substantially equal periodic payments made over the life (or life expectancy) of the contract owner or the joint lives (or joint life expectancies) of the contract owner and the beneficiary selected by the contract owner to receive payment under the annuity payment option selected by the contract owner; or
- is allocable to an investment in the contract before August 14, 1982.

If the contract owner dies before the contract is completely distributed, the balance will be included in the contract owner's gross estate for tax purposes.



### *Non-Qualified Contracts - Non-Natural Persons as Contract Owners*

The previous discussion related to the taxation of non-qualified contracts owned by individuals. Different rules (the so-called "non-natural persons" rules) apply if the contract owner is not a natural person.

Generally, contracts owned by corporations, partnerships, trusts, and similar entities are not treated as annuity contracts for most purposes of the Code. Therefore, income earned under a non-qualified contract that is owned by a non-natural person is taxed as ordinary income during the taxable year in which it is earned. Taxation is not deferred, even if the income is not distributed out of the contract. The income is taxable as ordinary income, not capital gain.

The non-natural persons rules do not apply to all entity-owned contracts. For purposes of the non-natural persons rule, a contract that is owned by a non-natural person as an agent of an individual is treated as owned by the individual. This would cause the contract to be treated as an annuity under the Code, allowing tax deferral. However, this exception does not apply when the non-natural person is an employer that holds the contract under a non-qualified deferred compensation arrangement for one or more employees.

The non-natural persons rules also do not apply to contracts that are:

- acquired by the estate of a decedent by reason of the death of the decedent;
- issued in connection with certain qualified retirement plans and individual retirement plans;
- purchased by an employer upon the termination of certain qualified retirement plans; or
- immediate annuities within the meaning of Section 72(u) of the Code.

If the annuitant, who is the individual treated as owning the contract, dies before the contract is completely distributed, the balance may be included in the annuitant's gross estate for tax purposes, depending on the obligations that the non-natural owner may have owed to the annuitant.

### **Exchanges**

As a general rule, federal income tax law treats exchanges of property in the same manner as a sale of the property. However, pursuant to Section 1035 of the Code, an annuity contract may be exchanged tax-free for another annuity contract, provided that the obligee (the person to whom the annuity obligation is owed) is the same for both contracts. If the exchange includes the receipt of other property, such as cash, in addition to another annuity contract, special rules may cause a portion of the transaction to be taxable to the extent of the value of the other property.

#### *Tax Treatment of a Partial 1035 Exchange With Subsequent Withdrawal*

In June 2011, the Internal Revenue Service issued Rev. Proc. 2011-38, which addresses the income tax consequences of the direct transfer of a portion of the cash value of an annuity contract in exchange for the issuance of a second annuity contract. Rev. Proc. 2011-38 modified and superseded prior guidance that was contained in Rev. Proc. 2008-24. A direct transfer that satisfies the revenue procedure will be treated as a tax-free exchange under Section 1035 of the Code if, for a period of at least 180 days from the date of the direct transfer, there are no distributions or surrenders from either annuity contract involved in the exchange. In addition, the 180-day period will be deemed to have been satisfied with respect to amounts received as an annuity for a period of 10 years or more, or as an annuity for the life of one or more persons. The taxation of distributions (other than distributions described in the immediately preceding sentence) received from either contract within the 180-day period will be determined using general tax principles to determine the substance of those payments. For example, they could be treated as taxable "boot" in an otherwise tax-free exchange, or as a distribution from the new contract. Rev. Proc. 2011-38 also removed numerous exceptions to the 180-day waiting period that Rev. Proc. 2008-11 provided for in its 12-month waiting period. Please discuss any tax consequences concerning any contemplated or completed transactions with a professional tax advisor.

### **Same-Sex Marriages, Domestic Partnership, and Other Similar Relationships**

The Treasury issued final regulations that address what relationships are considered a marriage for federal tax purposes. The final regulations definition of marriage reflects the United States Supreme Court holdings in *Windsor and Obergefell*, as well as Rev. Proc. 2017-13.

The final regulations define the terms "spouse", "husband", "wife", and "husband and wife" to be gender neutral so that such terms can apply equally to same sex couples and opposite sex couples. The regulations adopt the "place of celebration" rule to determine marital status for federal tax purposes. A marriage of two individuals is recognized for

federal tax purposes if the marriage is recognized by a state, possession, or territory of the US in which the marriage was entered into, regardless of the couples place of domicile. Also a marriage entered into in a foreign jurisdiction will be recognized for federal tax purposes if that marriage would be recognized in at least one state, possession, or territory of the US.

Finally, the regulations adopts Rev. Proc. 2013-17 holding that relationships entered into as civil unions, or registered domestic partnerships that is not denominated as marriages under state law are not marriages for federal tax purposes. Therefore, the favorable income-tax deferral options afforded by federal tax law to a married spouse under Code Sections 72 and 401(a)(9) are not available to individuals who have entered into these formal relationships.

### ***Withholding***

Pre-death distributions from the contracts are subject to federal income tax. Nationwide is required to withhold the tax from the distributions unless the contract owner requests otherwise. Under some circumstances, the Code will not permit contract owners to waive withholding. Such circumstances include:

- if the payee does not provide Nationwide with a taxpayer identification number; or
- if Nationwide receives notice from the Internal Revenue Service that the taxpayer identification number furnished by the payee is incorrect.

If a contract owner is prohibited from waiving withholding, as described above, the distribution will be subject to withholding rates established by Section 3405 of the Code and is applied against the amount of income that is distributed.

If the distribution is from a Tax Sheltered Annuity, it will be subject to mandatory 20% withholding that cannot be waived, unless:

- the distribution is made directly to another Tax Sheltered Annuity, qualified pension or profit-sharing plan described in Section 401(a), an eligible deferred compensation plan described in Section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A) or individual retirement plan; or
- the distribution satisfies the minimum distribution requirements imposed by the Code.

### ***Non-Resident Aliens***

Generally, a pre-death distribution from a contract to a non-resident alien is subject to federal income tax at a rate of 30% of the amount of income that is distributed.

Nationwide is required to withhold this amount and send it to the Internal Revenue Service. Some distributions to non-resident aliens may be subject to a lower (or no) tax if a treaty applies. In order to obtain the benefits of such a treaty, the non-resident alien must:

- (1) provide Nationwide with a properly completed withholding certificate claiming the treaty benefit of a lower tax rate or exemption from tax; and
- (2) provide Nationwide with an individual taxpayer identification number.

If the non-resident alien does not meet the above conditions, Nationwide will withhold 30% of income from the distribution.

Another exemption from the 30% withholding rate is available if the non-resident alien provides Nationwide with sufficient evidence that:

- (1) the distribution is connected to the non-resident alien's conduct of business in the United States;
- (2) the distribution is includable in the non-resident alien's gross income for United States federal income tax purposes; and
- (3) provide Nationwide with a properly completed withholding certificate claiming the exemption.

Note that for the preceding exemption, the distributions would be subject to the same withholding rules that are applicable to payments to United States persons.

This prospectus does not address any tax matters that may arise by reason of application of the laws of a non-resident alien's country of citizenship and/or country of residence. Purchasers and prospective purchasers should consult a financial consultant, tax advisor or legal counsel to discuss the applicability of laws of those jurisdictions to the purchase or ownership of a contract.

## **FATCA**

Under Sections 1471 through 1474 of the Internal Revenue Code (commonly referred to as FATCA), distributions from a contract to a foreign financial institution or to a nonfinancial foreign entity, each as described by FATCA, may be subject to United States tax withholding at a flat rate equal to 30% of the taxable amount of the distribution, irrespective of the status of any beneficial owner of the contract or of the distribution. Nationwide may require a contract owner to provide certain information or documentation (e.g., Form W-9 or Form W-8BEN) to determine its withholding requirements under FATCA.

### **Federal Estate, Gift and Generation Skipping Transfer Taxes**

The following transfers may be considered a gift for federal gift tax purposes:

- a transfer of the contract from one contract owner to another; or
- a distribution to someone other than a contract owner.

Upon the contract owner's death, the value of the contract may be subject to estate taxes, even if all or a portion of the value is also subject to federal income taxes.

Section 2612 of the Code may require Nationwide to determine whether a death benefit or other distribution is a "direct skip" and the amount of the resulting generation skipping transfer tax, if any. A direct skip is when property is transferred to, or a death benefit or other distribution is made to:

- (a) an individual who is two or more generations younger than the contract owner; or
- (b) certain trusts, as described in Section 2613 of the Code (generally, trusts that have no beneficiaries who are not two or more generations younger than the contract owner).

If the contract owner is not an individual, then for this purpose only, "contract owner" refers to any person:

- who would be required to include the contract, death benefit, distribution, or other payment in his or her federal gross estate at his or her death; or
- who is required to report the transfer of the contract, death benefit, distribution, or other payment for federal gift tax purposes.

If a payment is subject to the generation skipping transfer tax, Nationwide may be required to deduct the amount of the transfer tax from the death benefit, distribution or other payment, and remit it directly to the Internal Revenue Service.

### **Charge for Tax**

Nationwide is not required to maintain a capital gain reserve liability on non-qualified contracts. If tax laws change requiring a reserve, Nationwide may implement and adjust a tax charge.

### **Diversification**

Code Section 817(h) contains rules on diversification requirements for variable annuity contracts. A variable annuity contract that does not meet these diversification requirements will not be treated as an annuity, unless:

- the failure to diversify was accidental;
- the failure is corrected; and
- a fine is paid to the Internal Revenue Service.

The amount of the fine will be the amount of tax that would have been paid by the contract owner if the income, for the period the contract was not diversified, had been received by the contract owner.

If the violation is not corrected, the contract owner will be considered the owner of the underlying securities and will be taxed on the earnings of his or her contract. Nationwide believes that the investments underlying this contract meet these diversification requirements.

Representatives of the Internal Revenue Service have informally suggested, from time to time, that the number of underlying mutual funds available or the number of transfer opportunities available under a variable product may be relevant in determining whether the product qualifies for the desired tax treatment. In 2003, the Internal Revenue Service issued formal guidance, in Revenue Ruling 2003-91, indicating that if the number of underlying mutual funds available in a variable insurance product does not exceed 20, the number of underlying mutual funds alone would not cause the contract to fail to qualify for the desired tax treatment. The Internal Revenue Service has also indicated that exceeding 20

investment options may be considered a factor, along with other factors including the number of transfer opportunities available under the contract, when determining whether the contract qualifies for the desired tax treatment. The revenue ruling did not indicate the actual number of underlying mutual funds that would cause the contract to not provide the desired tax treatment. Should the U.S. Secretary of the Treasury issue additional rules or regulations limiting the number of underlying mutual funds, transfers between underlying mutual funds, exchanges of underlying mutual funds or changes in investment objectives of underlying mutual funds such that the contract would no longer qualify for tax deferred treatment under Section 72 of the Code, Nationwide will take whatever steps are available to remain in compliance.

Based on the above, the contract should be treated as an annuity contract for federal income tax purposes.

## **Required Distributions**

The Code requires that certain distributions be made from the contracts issued in conjunction with this prospectus. Following is an overview of the required distribution rules applicable to each type of contract. Consult a qualified tax or financial advisor for more specific required distribution information.

### ***Required Distributions - General Information***

In general, a beneficiary is an individual or other entity that the contract owner designates to receive death proceeds upon the contract owner's death. The distribution rules in the Code make a distinction between "beneficiary" and "designated beneficiary" when determining the life expectancy that may be used for payments that are made from IRAs, SEP IRAs, Simple IRAs, Roth IRAs and Tax Sheltered Annuities after the death of the contract owner, or that are made from non-qualified contracts after the death of the contract owner. A designated beneficiary is a natural person who is designated by the contract owner as the beneficiary under the contract. Non-natural beneficiaries (e.g. charities or certain trusts) are not designated beneficiaries for the purpose of required distributions and the life expectancy of such a beneficiary is zero.

Life expectancies and joint life expectancies will be determined in accordance with the relevant guidance provided by the Internal Revenue Service and the Treasury Department, including but not limited to Treasury Regulation 1.72-9 and Treasury Regulation 1.401(a)(9)-9.

Required distributions paid upon the death of the contract owner are paid to the beneficiary or beneficiaries stipulated by the contract owner. How quickly the distributions must be made may be determined with respect to the life expectancies of the beneficiaries. For non-qualified contracts, the beneficiaries used in the determination of the distribution period are those in effect on the date of the contract owner's death. For contracts other than non-qualified contracts, the beneficiaries used in the determination of the distribution period do not have to be determined until September 30 of the year following the contract owner's death. If there is more than one beneficiary, the life expectancy of the beneficiary with the shortest life expectancy is used to determine the distribution period. Any beneficiary that is not a designated beneficiary has a life expectancy of zero.

### ***Required Distributions for Non-Qualified Contracts***

Code Section 72(s) requires Nationwide to make certain distributions when a contract owner dies. The following distributions will be made in accordance with the following requirements:

- (1) If any contract owner dies on or after the annuitization date and before the entire interest in the contract has been distributed, then the remaining interest must be distributed at least as rapidly as the distribution method in effect on the contract owner's death.
- (2) If any contract owner dies before the annuitization date, then the entire interest in the contract (consisting of either the death benefit or the contract value reduced by charges set forth elsewhere in the contract) must be distributed within five years of the contract owner's death, provided however:
  - (a) any interest payable to or for the benefit of a designated beneficiary may be distributed over the life of the designated beneficiary or over a period not longer than the life expectancy of the designated beneficiary. Payments must begin within one year of the contract owner's death unless otherwise permitted by federal income tax regulations; and
  - (b) if the designated beneficiary is the surviving spouse of the deceased contract owner, the spouse can choose to become the contract owner instead of receiving a death benefit. Any distributions required under these distribution rules will be made upon that spouse's death.

In the event that the contract owner is not a natural person (e.g., a trust or corporation), but is acting as an agent for a natural person, for purposes of these distribution provisions:

- (a) the death of the annuitant will be treated as the death of a contract owner;
- (b) any change of annuitant will be treated as the death of a contract owner; and
- (c) in either case, the appropriate distribution will be made upon the death or change, as the case may be.

These distribution provisions do not apply to any contract exempt from Section 72(s) of the Code by reason of Section 72(s)(5) or any other law or rule.

***Required Distributions for IRAs, SEP IRAs, Simple IRAs, and Roth IRAs***

Distributions from IRA, SEP IRA, or Simple IRA must begin no later than April 1 of the calendar year following the calendar year in which the contract owner reaches age 70½. Distributions may be paid in a lump sum or in substantially equal payments over:

- (a) the life of the contract owner or the joint lives of the contract owner and the contract owner's designated beneficiary; or
- (b) a period not longer than the period determined under the table in Treasury Regulation 1.401(a)(9)-9, which is the deemed joint life expectancy of the contract owner and a person 10 years younger than the contract owner. If the designated beneficiary is the spouse of the contract owner, the period may not exceed the longer of the period determined under such table or the joint life expectancy of the contract owner and the contract owner's spouse, determined in accordance with Treasury Regulation 1.72-9, or such additional guidance as may be provided pursuant to Treasury Regulation 1.401(a)(9)-9.

For IRAs, SEP IRAs, and Simple IRAs, required distributions do not have to be withdrawn from this contract if they are being withdrawn from another IRA, SEP IRA, or Simple IRA of the contract owner.

If the contract owner's entire interest in IRA, SEP IRA, or Simple IRA will be distributed in equal or substantially equal payments over a period described in (a) or (b) above, the payments must begin on or before the required beginning date. The required beginning date is April 1 of the calendar year following the calendar year in which the contract owner reaches age 70½. The rules for Roth IRAs do not require distributions to begin during the contract owner's lifetime, therefore, the required beginning date is not applicable to Roth IRAs.

Due to recent changes in Treasury Regulations, the amount used to compute the minimum distribution requirement may exceed the contract value.

If the contract owner dies before the required beginning date (in the case of IRA, SEP IRA, or Simple IRA) or before the entire contract value is distributed (in the case of a Roth IRA), any remaining interest in the contract must be distributed over a period not exceeding the applicable distribution period, which is determined as follows:

- (a) if the designated beneficiary is the contract owner's spouse, the applicable distribution period is the surviving spouse's remaining life expectancy using the surviving spouse's birthday for each distribution calendar year after the calendar year of the contract owner's death. For calendar years after the death of the contract owner's surviving spouse, the applicable distribution period is the spouse's remaining life expectancy using the spouse's age in the calendar year of the spouse's death, reduced by one for each calendar year that elapsed since the calendar year immediately following the calendar year of the spouse's death;
- (b) if the designated beneficiary is not the contract owner's surviving spouse, the applicable distribution period is the designated beneficiary's remaining life expectancy using the designated beneficiary's birthday in the calendar year immediately following the calendar year of the contract owner's death, reduced by one for each calendar year that elapsed thereafter; and
- (c) if there is no designated beneficiary, the entire balance of the contract must be distributed by December 31 of the fifth year following the contract owner's death.

If the contract owner dies on or after the required beginning date, the interest in the IRA, SEP IRA, or Simple IRA must be distributed over a period not exceeding the applicable distribution period, which is determined as follows:

- (a) if the designated beneficiary is the contract owner's spouse, the applicable distribution period is the surviving spouse's remaining life expectancy using the surviving spouse's birthday for each distribution calendar year after the calendar year of the contract owner's death. For calendar years after the death of the contract owner's surviving spouse, the applicable distribution period is the greater of (a) the contract owner's remaining life expectancy using the contract owner's birthday in the calendar year of the contract owner's death, reduced by



one for each year thereafter; or (b) the spouse's remaining life expectancy using the spouse's age in the calendar year of the spouse's death, reduced by one for each calendar year that elapsed since the calendar year immediately following the calendar year of the spouse's death;

- (b) if the designated beneficiary is not the contract owner's surviving spouse, the applicable distribution period is the greater of (a) the contract owner's remaining life expectancy using the contract owner's birthday in the calendar year of the contract owner's death, reduced by one for each year thereafter; or (b) the designated beneficiary's remaining life expectancy using the designated beneficiary's birthday in the calendar year immediately following the calendar year of the contract owner's death, reduced by one for each calendar year that elapsed thereafter; and
- (c) if there is no designated beneficiary, the applicable distribution period is the contract owner's remaining life expectancy using the contract owner's birthday in the calendar year of the contract owner's death, reduced by one for each year thereafter.

If distribution requirements are not met, a penalty tax of 50% is levied on the difference between the amount that should have been distributed for that year and the amount that actually was distributed for that year.

For IRAs, SEP IRAs, and Simple IRAs, all or a portion of each distribution will be included in the recipient's gross income and taxed at ordinary income tax rates. The portion of a distribution that is taxable is based on the ratio between the amount by which non-deductible purchase payments exceed prior non-taxable distributions and total account balances at the time of the distribution. The owner of an IRA, SEP IRA, or Simple IRA must annually report the amount of non-deductible purchase payments, the amount of any distribution, the amount by which non-deductible purchase payments for all years exceed non-taxable distributions for all years, and the total balance of all IRAs, SEP IRAs, or Simple IRAs.

Distributions from Roth IRAs may be either taxable or nontaxable, depending upon whether they are "qualified distributions" or "non-qualified distributions."

### ***Additional Medicare Tax***

Effective January 1, 2013, Section 1411 of the Code imposes a surtax of 3.8% on certain net investment income received by individuals and certain trusts and estates. The surtax is imposed on the lesser of (a) net investment income or (b) the excess of the modified adjusted gross income over a threshold amount. For individuals, the threshold amount is \$250,000 (married filing jointly); \$125,000 (married filing separately); or \$200,000 (single, head of household with qualifying person, or qualifying widow(er) with dependent child). The threshold for an estate or trust that is subject to the surtax is generally equal to the dollar amount at which the highest tax bracket under Code Section 1(e) begins for the taxable year. For 2018, that amount is \$12,500.

Modified adjusted gross income is equal to adjusted gross income with several modifications; consult with a qualified tax advisor regarding how to determine modified adjusted gross income for purposes of determining the applicability of the surtax.

Net investment income includes, but is not limited to, interest, dividends, capital gains, rent and royalty income, and income from nonqualified annuities. It may also include taxable distributions from, and gain from the sale or surrender of, life insurance contracts. Net investment income does not include, among other things, distributions from certain qualified plans (such as IRAs, Roth IRAs, and plans described in Code Sections 401(a), 401(k), 403(a), 403(b) or 457(b)); however, such distributions, to the extent that they are includible in income for federal income tax purposes, are includible in modified adjusted gross income.

## **Tax Changes**

The foregoing tax information is based on Nationwide's understanding of federal tax laws. It is NOT intended as tax advice. All information is subject to change without notice. You should consult with your personal tax and/or financial advisor for more information.

In 2001, the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) was enacted. EGTRRA made numerous changes to the Code, including the following:

- generally lowering federal income tax rates;
- increasing the amounts that may be contributed to various retirement plans, such as individual retirement plans, Tax Sheltered Annuities, and Qualified Plans;

- increasing the portability of various retirement plans by permitting individual retirement plans, Tax Sheltered Annuities, Qualified Plans and certain governmental 457 plans to "roll" money from one plan to another;
- eliminating and/or reducing the highest federal estate tax rates;
- increasing the estate tax credit; and
- for persons dying after 2009, repealing the estate tax.

In 2006, the Pension Protection Act of 2006 made permanent the EGTRRA provisions noted above that increase the amounts that may be contributed to various retirement plans and that expanded the portability of various retirement plans. However, all of the other changes resulting from EGTRRA were scheduled to "sunset," or become ineffective, after December 31, 2010 unless they were extended by additional legislation. The American Taxpayer Relief Act (ATRA) was enacted on January 1, 2013 and made permanent the lower federal income tax rates established under EGTRRA, except for individuals with taxable income above \$400,000 (\$450,000 for married couples) whose tax rate will revert to the pre-EGTRRA tax rate of 39.6%. ATRA also permanently provides for a maximum federal estate tax rate of 40% with an annually inflation-adjusted \$5 million exclusion for estates of persons dying after December 31, 2012. Consult a qualified tax or financial advisor for further information relating to these and other tax issues.

H.R. 1, the Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act made numerous changes to the Code effective January 1, 2018, including the following:

- Lowered the federal individual and corporate income tax rates;
- Doubled the federal estate and gift tax exclusion amount to \$10 million;
- Eliminated the ability to recharacterize the rollover or conversion of amounts from IRAs or eligible retirement plans to a Roth IRA.

## **State Taxation**

The tax rules across the various states and localities are not uniform and therefore are not discussed in this prospectus. Tax rules that may apply to contracts issued in U.S. territories such as Puerto Rico and Guam are also not discussed. Purchasers and prospective purchasers should consult a financial consultant, tax advisor or legal counsel to discuss the taxation and use of the contracts.







All individuals selling this product must be licensed insurance agents and registered representatives.

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