Nationwide®
is on your side

Nationwide Peak® fixed indexed annuity

Product guide

# Preparing for a brighter tomorrow

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

## Important details

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

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

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

A fixed indexed annuity is not a stock market investment and does not directly participate in any stock or equity investment.

A fixed indexed annuity may be appropriate for those who want the opportunity to capture upside potential while having a level of protection from market downturns.

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

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

Different versions of Nationwide Peak may be available from different distribution partners. Index availability and rates may vary. Product information for all versions of Nationwide Peak is available on Nationwide.com or can be obtained by calling 1-800-848-6331.

All guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

Federal tax laws are complex and subject to change. The information in this brochure is based on current interpretations of the law. Nationwide doesn't offer tax advice. Please talk with your attorney or tax advisor for answers to specific questions.

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt a financial strategy or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Clients should work with their financial professional to discuss their specific situation.

# A plan for your retirement

Preparing now can put you on a path to financial security and confidence about the future, giving you the freedom to enjoy your time in retirement. That's where Nationwide Peak® may help. It offers protection and growth potential to help you plan for tomorrow.



## Key points

### Nationwide Peak offers:

- Protection from market risk
- Growth potential with guarantees
- Protection for a spouse
- Tax deferral

# Preparing for retirement is more important than ever

## Longer life expectancies

We're living longer, so chances are good we'll also spend more time in retirement. It's important to think about how to fund those extra years.

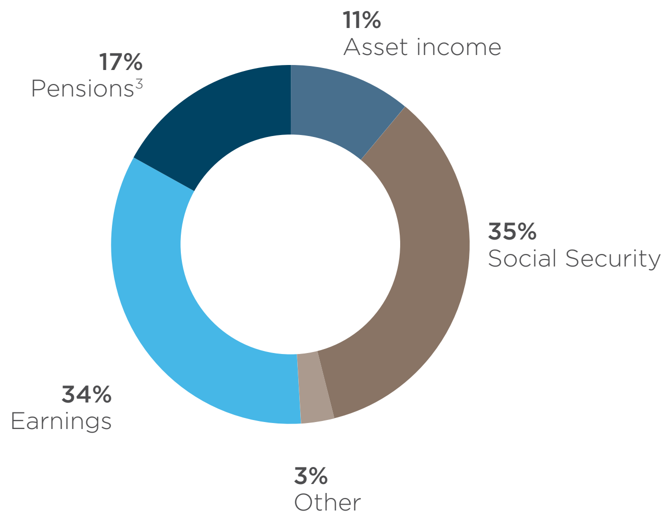
The average 65-year-old couple has a

**73% chance that at least one of them will reach age 90.[1]**

## A shift in responsibility

Pensions used to be a reliable source of retirement income, but the burden of funding retirement has overwhelmingly shifted to the individual.[2]

### Sources of retirement income



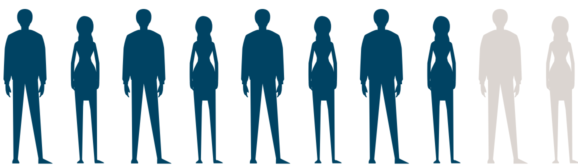

[1] "Insured Retirement: The Changing Face of Retirement," IRI Retirement Factbook 2018, 17th edition

[2] "Retirement Income Sources," IRI Retirement Factbook 2018, 17th edition.

[3] Pensions include defined benefit and defined contribution plans.

## Investment concerns

Fears about the stock market and general financial stability are common. As a result, many people have been keeping their money in cash vehicles, like savings accounts, while they look for investments with guarantees.



**74% of investors think there is more than a 10% chance of a stock market crash within the next six months**[4]

## Missed opportunities

Over the last few years, concern about market volatility combined with frustration over low- or no-growth investment opportunities has contributed to a growing surplus of cash.

However, positive market performance in these years means that many people have missed out on the chance to invest retirement savings with the potential for growth.

In early 2019, the cash surplus reached

**$16.3** trillion.[5]

[4] Yale School of Management Stock Market Confidence Indexes,™ May 2017.

[5] BEA, Federal Reserve, St. Louis Fed, J.P. Morgan Asset management - Guide to the Markets, as of 1/31/2019.

# Understanding Nationwide Peak®

As life expectancies increase and the responsibility of funding retirement shifts to the individual, a product that offers growth potential and **principal** protection is more important than ever. That's where a fixed indexed annuity may help.

Nationwide Peak is a single-purchase-payment deferred fixed indexed annuity with features that help protect your money as you accumulate retirement savings.

## Protection from market risk

**We guarantee that you won't lose any of your initial investment or credited earnings due to the performance of the underlying index.**

Just keep in mind that if you decide to withdraw assets from your annuity, your principal could be reduced by **contingent deferred sales charges** (CDSC)/surrender charge.

## Growth potential with guarantees[6]

**With Nationwide Peak, you have the potential for higher credited earnings than traditional fixed investments might offer.**

**Here's how it works:**

You can choose to place your money in two different types of accounts: a fixed account and an index account with multiple index options.

**Fixed account:** You'll receive a fixed interest rate guaranteed for your first one-year term. After that, you'll receive renewal rates guaranteed for each annual term.

**Index account:** You can choose one or more indices where you have the opportunity for earnings based on the performance of the underlying index or indices, up to a maximum amount (for example, 5%), referred to as a cap.

You can allocate your money into one or both accounts, and the total allocation needs to equal 100%.

Nationwide Peak also offers tiers for both the fixed and index accounts that allow you to earn more based on how much you invest in your annuity. See page 10 for more information on tiers.

[6] Guarantees and protections are subject to the claims-paying ability of Nationwide Life and Annuity Insurance Company.

**principal:** The total amount of money you've invested.

**surrender charge/contingent deferred sales charges:** A fee you may be charged if you take money from your contract before a specified time.

## Protection for a spouse

A Joint Option on the death benefit allows the annuity contract owner to name a spouse as a co-annuitant.

### It allows the death benefit to be paid to either surviving spouse, no matter who passes away first or who owns the contract.

The surviving spouse also has the option to continue the annuity contract at the death benefit value. Any remaining surrender charge/CDSC or MVA would no longer apply to the contract.

## Tax deferral to help your contract value grow

### Your annuity value may grow tax deferred.

This has the potential to increase your **contract value**.

Here's how it works:

- **Your contract value earns interest**
- **Your interest earns interest**
- **You earn interest on the money you would've otherwise paid in taxes**

If the interest earned in an annuity wasn't tax deferred, you'd have to pay taxes on it. But since it's tax deferred, that money stays in the annuity — deferring taxes while you accumulate more assets. Over time, the potential of tax-deferred growth can build a larger account value than that of a similar taxable account achieving the same rate of interest.

**contract value:** The value of your contract.

# Nationwide Peak® in action

## Here's a look at how Nationwide Peak works.

Debra's 58 years old. She has carefully saved money to prepare for retirement, but because of market downturns, she's afraid she might not have enough.

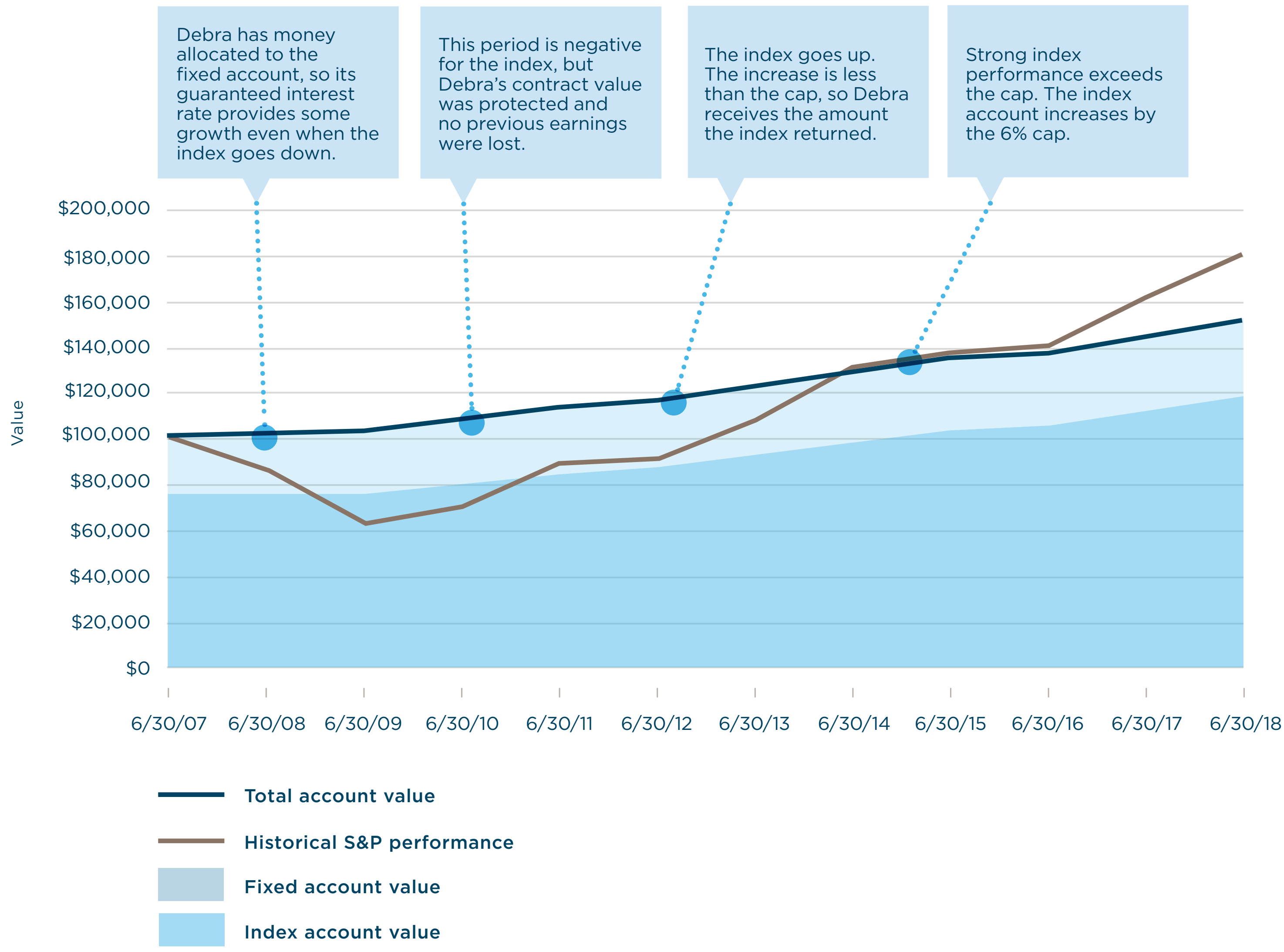
Debra and her investment professional decide that Nationwide Peak would be a good fit for her goals and preferences.

### What she's looking for:

- **Protection from downturns in the market**
- **Growth potential**
- **A way to increase her assets to cover health care expenses as she ages**

### Here's how Debra allocated the money in her annuity:

- $100,000 purchase payment
  - $75,000 in the index account
  - $25,000 in the fixed account
- Index cap: 6%
- Fixed rate: 3%




Hypothetical assumptions: Nationwide Peak 75% indexed allocation (historical performance of S&P 500); 25% fixed allocation; 3% fixed rate; 6% cap; purchased on 6/30/2007, held for 10 years and reported on the next day. This example assumes that the crediting factors remained the same over the illustrated ten years. Crediting factors may be changed after each term. This illustration is not a projection or prediction of future performance. The performance could be significantly different than the investment performance shown and shouldn't be considered a representation of performance or investor experience of the index(es) in the future. Withdrawals will reduce the contract value; this illustration does not demonstrate the impact of withdrawals.

# Getting answers to your questions is important

The following pages contain product highlights about Nationwide Peak. They're meant to help you and your financial professional talk about the product and its features and to decide how it could help you achieve your long-term goals.

### Q: What will it cost me?

**A:** There are no annual contract or administration fees. However, if you need to withdraw money from your contract during the surrender charge/CDSC period, you may have to pay a penalty and a **market value adjustment** (MVA), if applicable. If distributions occur prior to age 59½, you may be subject to a 10% early withdrawal federal tax penalty, have to pay surrender charge/CDSC, and if applicable, a market value adjustment.

### Q: How is interest calculated and applied to the fixed account?

**A:** The fixed account earns interest daily.

### Q: How are earnings calculated and applied to the index account?

**A:** Earnings are determined by multiplying the contract value allocated to the index on the last day of the term by the percent change in the index value from the beginning of the index period until the end of the index period, subject to the cap. Earnings are applied at the end of the index period.

### Q: How do the tiers work?

**A:** The tiers give you the opportunity to earn more based on how much you invest in your annuity.

- The fixed account offers two different tiers of fixed rates, based on premium: $0 - $99,999 and $100,000 or more
- The index account offers two different tiers of caps, based on premium: $0 - $99,999 and $100,000 or more

### Q: How long is a term?

**A:** Your initial term begins when your contract is issued, and it lasts until the one-year contract anniversary. Each subsequent one-year term lasts from contract anniversary to contract anniversary.

### Q: When can account allocations be changed?

**A:** Your account allocation can be changed once a year during the 30 days before the end of the term. Allocation changes will be reflected on the first day of the next term, no matter when the transfer is requested within the 30-day window.

### Q: Are there any age limits?

**A:** You can be a contract owner at any age. The maximum issue age for the **annuitant** is 90[7] for single life contracts and 85 for joint life contracts.

**market value adjustment:** An amount that's added to or subtracted from withdrawals you may take, depending on changes in interest rates. May not be applicable in all states. For more details on market value adjustments, see page 12.

**annuitant:** The person whose life is insured by an annuity.

[7] May vary by firm

### Q: What types of contracts are available?

**A:** Nonqualified, Traditional IRA, Roth IRA, SEP IRA, Simple IRA, charitable remainder trust and 401(a)

### Q: What indices are currently available?

**A:** A diverse lineup of indexes is available. To learn more, see the current rate sheets.

### Q: What is the minimum amount needed to open a contract?

**A:** $25,000

### Q: How can I withdraw my money penalty free?

**A:** Nationwide Peak allows you access to your money - without MVA or surrender charge/CDSC in the following circumstances:

- Withdrawals of up to 10% of your contract value (keep in mind that any distributions prior to age 59½ may be subject to a 10% early withdrawal federal tax penalty)
- Long-term care or confinement waiver: 100% of the contract may be withdrawn penalty free if you are confined to a nursing home for a continuous 90-day period after the first contract year (applies to annuitant and co-annuitant); confinement must begin while contract is in force and may not be available in all states
- Terminal illness or injury waiver: 100% of the contract value may be withdrawn penalty-free after the first contract year if terminal illness or injury is diagnosed after the contract is issued (applies to annuitant and co-annuitant); maximum issue age is 80; not available in CA and NJ; In CT only available after the second contract anniversary
- Required minimum distributions (RMD), even if they exceed 10% of your contract value

Please keep in mind that money withdrawn from the index account during the index term will forfeit potential earnings that would have been credited at the end of the term.

### Q: What if I need to make excess withdrawals?

**A:** You may withdraw more than your free withdrawal amount in a given contract year, but keep in mind that charges and penalties may apply. See the product profile for surrender charge/CDSC details.

## Q: How do market value adjustments (MVAs) work?

**A:** If you surrender your contract or withdraw more than the 10% free withdrawal amount in a year before the end of the surrender charge/CDSC period, a market value adjustment may apply. Depending on how interest rates have changed since you bought the annuity, the market value adjustment could add or subtract value. Generally speaking:

- If interest rates have gone up, the market value adjustment will be negative and money will be subtracted from your withdrawal
- If interest rates have gone down, the market value adjustment will be positive and money will be added to your withdrawal

When an MVA applies, it will be based on the portion of a withdrawal or full surrender that is greater than the remaining free withdrawal amount. The MVA is limited so that it cannot reduce principal.

MVA may not be applicable in all states. Please refer to the market value adjustment endorsement in your contract for more details.

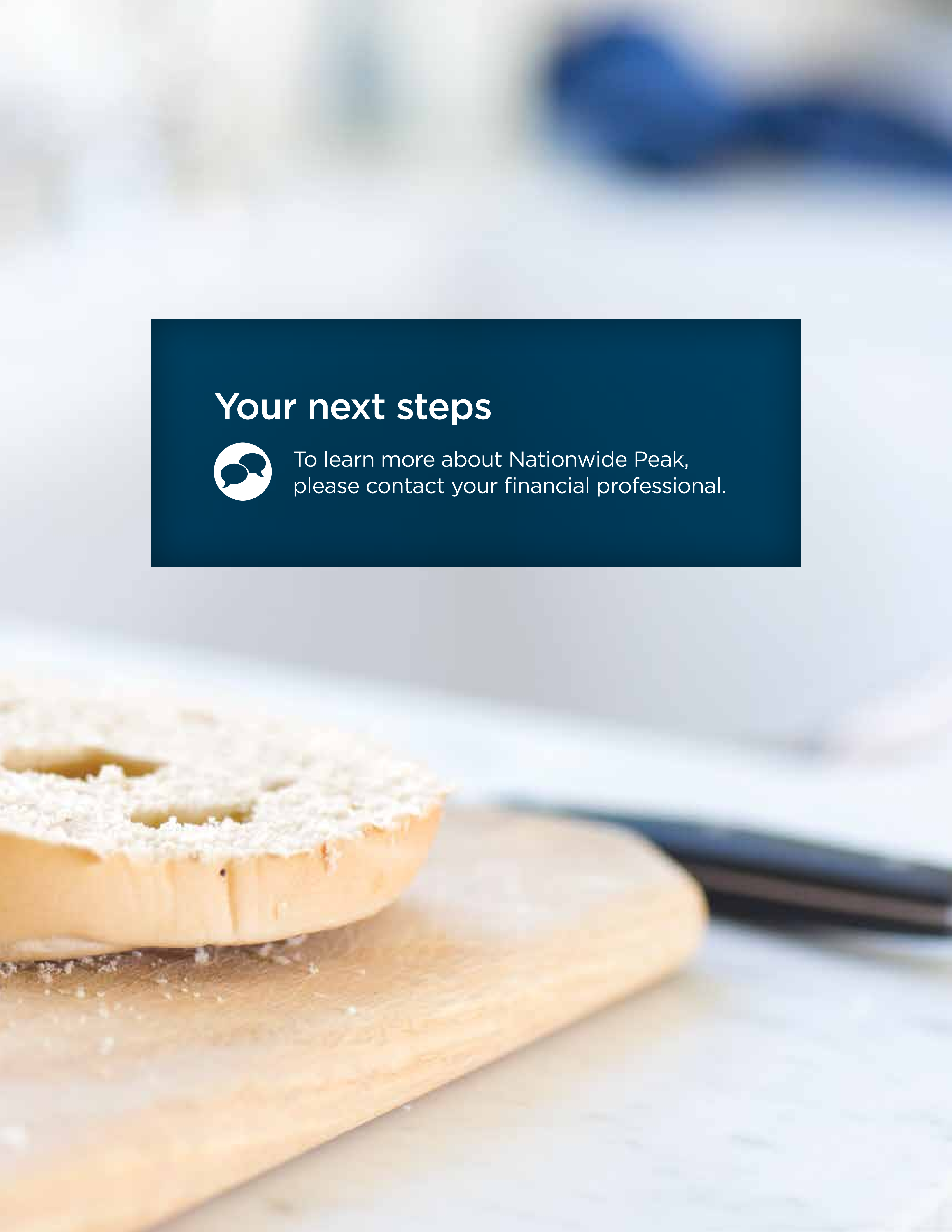
## Q: How are my withdrawals taxed?

**A:** If you take withdrawals or surrender your contract, you may be subject to ordinary federal and state income taxes. You may also be subject to a 10% early withdrawal federal tax penalty if you take withdrawals or surrender your contract before age 59½.

## Q: What happens if the annuitant dies while the contract is still in effect?

**A:** If you are the sole owner and annuitant, when you pass away, a death benefit will be paid to the beneficiaries named in your contract. The death benefit will be equal to the account value.

A Joint Option is also available if the contract owner names a spouse as a co-annuitant. This feature allows a death benefit to be paid to either surviving spouse, no matter who passes away first or who owns the contract. The surviving spouse also has the option to continue the annuity contract at the death benefit value. Any remaining surrender charge/CDSC or MVA would no longer apply to the contract. The death benefit will be equal to the contract value.



## Your next steps

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

Nationwide®

**Guarantees and protections are subject to the claims-paying ability of Nationwide Life and Annuity Insurance Company.**

Nationwide Peak is issued by Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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