

Retirement Planning *101*

Your guide to helping you prepare
for a more secure retirement



Let's get started.

Your two major sources of income through retirement likely will be your retirement plan and Social Security benefits.

On average, Social Security benefits will provide about 40% of what you need.¹ Experts suggest you may need 70-90% of your current income just to maintain your standard of living in retirement, so you may be looking at a gap between the income you need through retirement and what your Social Security may provide.²

However, few of us are “average.” Besides, you may want to consider:

- Increases in medical and long-term care costs
- Benefits not keeping up with inflation³
- Outliving your resources

All things considered, relying solely on Social Security benefits may lead to an income gap, especially in the latter years of retirement. Use this booklet to consider ways you can fill that gap before it starts — by saving every payday throughout your career.

¹ “Better Information on Income Replacement Rates Needed to Help Workers Plan for Retirement,” Government Accountability Office, www.gao.gov/products/GAO-16-242 (March 2016); “Understanding the Benefits,” Social Security Administration, www.ssa.gov/pubs/EN-05-10024.pdf (July 2017). Calculated as amount of pre-retirement income the GAO says an average person needs in retirement less the amount of income the SSA says Social Security replaces, on average.

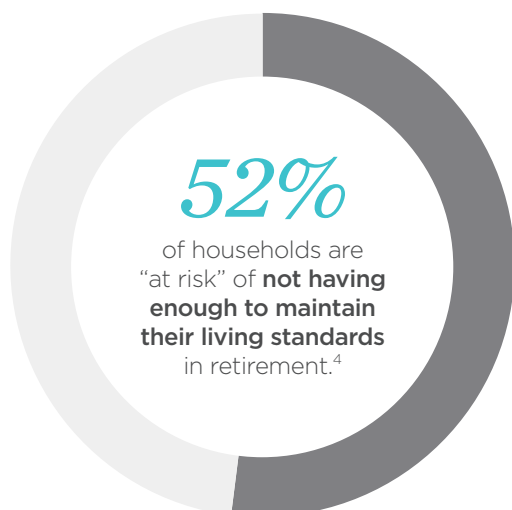
² “America’s Retirement Savings Crisis,” Jackson National, www.jackson.com/financialfreedomstudio/articles/2018/01/americas-retirement-savings-crisis.html (January 2018); “How Much Money Do You Need to Retire?” The Balance, www.thebalance.com/how-much-money-do-you-need-to-retire-2466425 (August 2018); “How Much Money Do I Need to Retire?” AARP, www.aarp.org/work/retirement-planning/info-2015/nest-egg-retirement-amount.html (accessed October 2018); “Retirement Planning Tips,” North American Securities Administrators Association, www.nasaa.org/2232/retirement-planning-tips (accessed October 2018); “Taking the Mystery Out of Retirement Planning,” Department of Labor, www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/publications/taking-the-mystery-out-of-retirement-planning.pdf (December 2014).

³ “Why Social Security’s annual increase doesn’t actually keep up with cost of living,” PBS NewsHour, www.pbs.org/newshour/economy/making-sense/why-social-securitys-annual-increase-doesnt-actually-keep-up-with-cost-of-living (October 2018); “Why Doesn’t My Social Security Benefit Keep Pace With Inflation?” The Motley Fool, www.fool.com/retirement/2018/09/04/why-doesnt-my-social-security-benefit-keep-pace-wi.aspx (September 2018); “Social Security’s COLA increase probably won’t help retirees much” MarketWatch, www.marketwatch.com/story/social-securitys-cola-increase-probably-wont-help-retirees-much-2018-09-19 (September 2018).

Retirement *realities*

03

RETIREMENT *realities*



\$275,000

Amount a 65-year-old couple
can expect in **total out-of-
pocket health care expenses**
through retirement.⁵

90

Age that an estimated
1 in 4 65-year-olds today
will reach. 1 in 10 are
expected to live past 95.⁶



10 minutes

Time it takes to get an idea of your current retirement
readiness using **My Interactive Retirement PlannerSM**,
available in the Learning Center of your Plan website.

⁴ “National Retirement Risk Index,” Center for Retirement Research at Boston College, crr.bc.edu/special-projects/national-retirement-risk-index (September 2016).

⁵ “Retiree Health Care Costs Continue to Surge,” Fidelity Viewpoints (September 2017). Estimate based on a hypothetical couple retiring in 2017, with average life expectancies of 85 for a male and 87 for a female.

⁶ Data compiled by the Social Security Administration (accessed October 2016). Average life expectancy for a male is 85 years; for a female, 87.

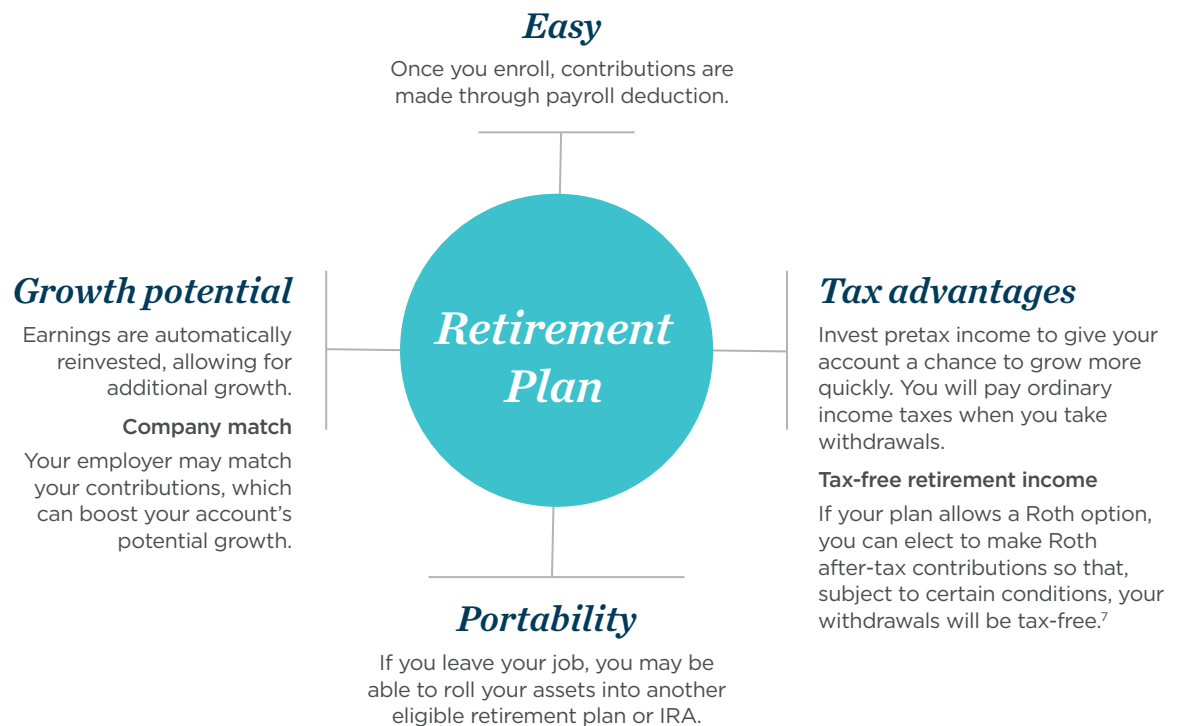
Benefits of *plan participation*

04

Sometimes, less is more. Retirement is not one of those times.

Your Social Security benefits alone may not provide the income you may need through retirement. That's why your employer sponsors a retirement plan — a tax-advantaged long-term investment savings plan created specifically for employees like you.

Why you should participate in the Plan:



TIP: Get to know My Interactive Retirement PlannerSM, a powerful resource available on your Plan website. Within 10 minutes, you will understand why enrolling in your employer's retirement plan is so important.

⁷ Under current tax law, withdrawals will be tax-free if the withdrawal is made on account of death, disability or attainment of age 59½, and the withdrawal is made five years or more after the January 1 of the first year a Roth contribution was made to the plan.

This information is general in nature and is not intended to be tax, legal, accounting or other professional advice. The information provided is based on current laws, which are subject to change at any time, and has not been endorsed by any government agency.



The earlier you start saving, the less it may cost per pay period to reach your goal.

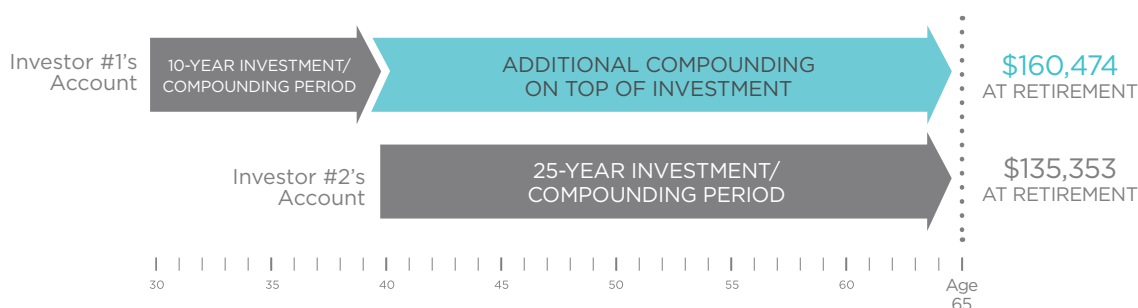
That's because your biweekly contributions and any earnings get continually reinvested. This process, called compounding, uses time to help your money make money for you. Like all investing strategies, compounding is not guaranteed to provide enough money through retirement. But it can be a powerful engine for potential asset growth, especially through long-term savings programs such as a retirement plan.

The snowball effect of compounding

In the example below, Investor #1 invests \$2,000 per year beginning at age 30 and then stops investing after 10 years (\$20,000 total contribution). Although she's no longer contributing to the account, she leaves her money in the account to grow for an additional 25 years.

Investor #2 procrastinates and doesn't start investing until age 40. He contributes \$2,000 per year for a total of 25 years up until the day he retires (\$50,000 total contribution).

Although Investor #1 invested \$30,000 less than Investor #2, she ended up with a much higher account balance at retirement. That's because she gave her money 10 more years to grow.



This illustration is a hypothetical compounding calculation assuming a 7% annual rate of return. It is not intended to serve as a projection or prediction of the investment results of any specific investment. Investments are not guaranteed. Depending on your underlying investments, your return may be higher or lower. Interest compounded annually based on beginning-year contributions. No taxes or fees are reflected in this example, which would lower the results displayed.

Source: Nationwide® (2014).

Get to know *investing*

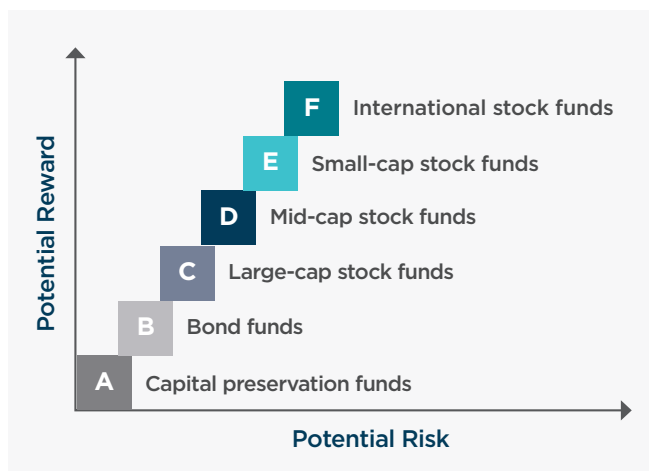
06

What funds should I invest in?

That's a question only you can answer.

The core investment options in the retirement plan are mutual funds,⁸ which are portfolios of underlying stocks, bonds and other investment options. Each fund is managed by a professional money manager and has a stated objective or investment style. Select funds to have a mix of asset classes that meet your personal criteria and to match your comfort with market risk.

For more information on specific investment options, go to www.nationwide.com/investmentoptions and enter your plan number <XXX.XXXXX>. Select Comparative Chart of Investment Options. Under each fund name, you can link to the prospectus and/or fact sheet.



Every investment has a risk level associated with it. That risk level generally corresponds with the likelihood of a reward, based on time and market conditions. The higher the risk, the greater the potential for growth, but at a higher risk of losing value. The lower the risk, the less the potential for return, but at a lower risk of losing value.

- A Capital preservation funds** invest primarily in options that can be turned into cash relatively easily. Returns may not keep pace with inflation, and may produce a negative rate of return when fund expenses are factored in.
- B Bond funds** tend to be categorized by the types of bonds the manager invests in. These funds have the same interest rate, inflation and credit risks associated with the underlying bonds owned by the fund.
- C Large-cap stock funds** tend to be dominated by well-established companies that may have less room to grow and, thus, may not have the same growth potential as mid- or small-cap funds.
- D Mid-cap stock funds** invest in mid-sized companies. These funds may have less liquidity than funds investing in larger, established companies, and may be subject to greater price volatility and risk than the overall stock market.
- E Small-cap stock funds** invest primarily in small companies. These funds may have less liquidity, may be subject to greater price volatility and may involve greater market risk than the overall market.
- F International stock funds** invest primarily outside of the United States, which involves risks not associated with investing primarily in the U.S., such as currency fluctuation, political instability, foreign regulations, differences in accounting and limited availability of information.

⁸ Certain investment options may not be mutual funds. If so, the option(s) will be clearly defined with a stated investment purpose in a fact sheet available as described above.

Investing involves market risk, including possible loss of principal. No investment strategy can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience.



Find your comfort zone.

Depending on your age, risk tolerance, investing experience and personal preference, you may consider one of these investment strategies a good fit for you.

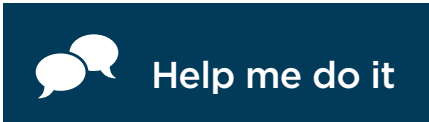
 <i>Help me do it</i>	 <i>Do it myself</i>	 <i>Do it for me</i>
Select target date retirement fund	Select your investments from the options available through the Plan	Your retirement account investments are managed by professionals
Fund manager manages asset diversification to become more conservative as retirement year gets nearer	Manage your asset mix to achieve a comfortable balance of risk vs. growth potential	Your investment strategy is personalized to your Risk Profile and age
You may need to make adjustments to your investment strategy as your needs, projected retirement date or other personal factors change over time	Revisit your investment strategy as your needs change over time	Your investments are managed and adjusted over time and can be updated anytime your needs change

Please remember there is no assurance that the investment objective of any fund (or that of any underlying fund) will be achieved, nor that a diversified portfolio will produce better results than a nondiversified portfolio. Asset allocation and diversification do not guarantee returns or insulate an investor from potential losses, including possible loss of principal.

Even with professional management, there is no guarantee that your investment objectives will be met. There is no guarantee that professional management of your retirement assets will provide enough income at or through retirement.

Target date funds are designed for people who plan to begin withdrawing money during or near a specific target date, such as at retirement. These funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. The Funds offer continuous rebalancing over time to become more conservative as investors approach their planned retirement date. In addition to the expenses of the target date funds, an investor is indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds. The principal value of the fund is not guaranteed at any time, including the target date.

Finding your *investment strategy*



Choose convenience. Consider a target date fund.

Consider just one fund from the menu of target date retirement funds, which manage investment mix to become gradually more conservative as the retirement date described by the fund's name approaches. Because these funds are already diversified among asset classes to meet the fund's investment objectives, they are designed to be used as the sole investment vehicle for your Plan account.

Features and benefits	Target date fund
Simplifies investment decisions by allowing you to select one fund based on goals and needs	✓
Provides asset diversification by investing in a broad variety of asset classes in a single fund	✓
Attempts to maximize return at a risk level that is comfortable for you	✓
Manages investment mix to become gradually more conservative as the retirement date described by the fund's name approaches	✓
Potentially lowers overall cost by having some underlying assets in lower-cost index funds	✓

Because target date funds invest in other funds, investors pay a proportionate share of the costs and expenses of those funds. However, you can feel more confident about your investment decision because — in addition to the features and benefits above — the manager of the fund you select continually monitors the underlying funds and their managers.

Please remember there is no assurance that the investment objective of any fund (or that of any underlying fund) will be achieved, nor that a diversified portfolio will produce better results than a nondiversified portfolio. Diversification does not guarantee returns or insulate an investor from potential losses, including the possible loss of principal.

Target date funds typically use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. It's important to remember that no strategy can assure a profit or prevent a loss in a declining market. A target date fund's principal value is not guaranteed at any time, including the target date, and is not guaranteed to provide enough income through retirement.

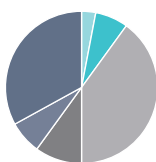


To do it yourself, know your investing style

There's more than one way to get to retirement. Your primary goal might be to keep your risk low, or maybe you just want to maximize possible reward. Maybe you're concerned with how much time you have to save before you retire. That's why it's important to identify a personal investing style that can help you reach your specific goals.

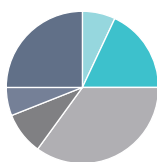
Take a look at the profiles below to see what fund mix might make sense for your portfolio. All the fund types are color-coded according to the previous Risk vs. Reward chart so you can see how risk and reward relate to aggressive, moderate and conservative profiles. For example: the Aggressive profile has more international funds, the Conservative profile has more bonds, and the other three profiles fall somewhere in between. You'll also see how time factors into things in the descriptions below the chart.⁹

	Aggressive	Moderately Aggressive	Moderate	Moderately Conservative	Conservative
International	33%	25%	20%	14%	9%
Small-cap	7%	6%	5%	3%	2%
Mid-cap	10%	9%	7%	6%	4%
Large-cap	40%	35%	28%	22%	15%
Bonds	7%	18%	28%	38%	39%
Capital preservation	3%	7%	12%	17%	31%



Aggressive

Appropriate for an investor with both a high tolerance for risk and a long time horizon. The main objective of this portfolio is to provide high growth without providing current income.



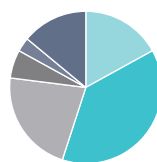
Moderately Aggressive

Designed for an investor with a high tolerance for risk and a longer time horizon. This investor has little need for current income and seeks above-average growth from their investable assets.



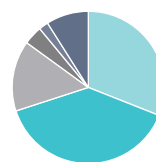
Moderate

Best suits an investor who seeks relatively stable growth and a low level of income. The investor will have a higher tolerance for risk and/or a longer time horizon than a conservative or moderately conservative investor. The main objective is to limit fluctuations to less than those of the overall stock market.



Moderately Conservative

Appropriate for an investor who seeks both modest investment value increases and income from their portfolio. This investor will have either a moderate time horizon or a slightly higher risk tolerance than someone who chooses a Conservative profile.



Conservative

Designed for an investor with a low risk tolerance and/or a short time horizon. It is targeted toward the investor seeking stability and to preserve capital while providing income. Fluctuations in the value of these portfolios tend to be minor.

⁹ The Asset Allocation Tool is provided for educational purposes only. It is not intended to provide personalized investment advice. The Tool, including the Investor Profile Questionnaire and Asset Mix Chart, is made available through license agreement between Wilshire Associates and Nationwide. The questionnaire does not consider all factors necessary in making an investment decision (e.g., personal and financial information and investment objective). In no way should the Asset Allocation Tool, the questionnaire or the chart be viewed as investment advice or establishing any kind of advisory relationship with Wilshire Associates. Wilshire Associates does not endorse and/or recommend any specific financial product that may be used in conjunction with the asset allocation models that are presented. Please consult with your financial professional and obtain the financial product's prospectus (or its equivalent) and read it carefully prior to investing.

Can I have a professional manage my investments for me?



60% of retirement plan participants wish it were easier to choose the right investments for their plan account.¹⁰

Yes, the Nationwide ProAccount program is a managed account service designed to help take the guesswork out of retirement investing by providing professional management of your investments. It is offered by Nationwide Investment Advisors LLC (NIA), a registered investment adviser.

We've selected Wilshire Associates, a global investment management firm, to serve as the Independent Financial Expert (IFE) for the program. Wilshire is not affiliated with Nationwide, and its decisions are based on a rigorous, disciplined investment process that leverages its deep knowledge of markets and investment strategies.

What NIA does:

- monitors the Independent Financial Expert (Wilshire)
- implements advice generated by Wilshire and monitors its investment strategies
- provides periodic communications and ongoing support

What Wilshire does:

- researches strategies and asset classes to build asset allocation portfolios
- selects investments for the portfolios
- makes adjustments to help keep the portfolio in line with time horizons and market changes

How does it work?

After completing the ProAccount Participant Agreement & Questionnaire, your retirement account will be allocated to a customized investment portfolio based on your age and personal tolerance for investment risk. We'll continue to research, select, monitor and adjust your investments for you over time. Working together, NIA and Wilshire can help you feel more confident about achieving your retirement investment goals. The annual fee for Nationwide ProAccount is detailed in the Participant Agreement.

What are the benefits of using Nationwide ProAccount?

- Expertise from an institutional investment firm that researches and selects the funds for you based on your age and risk tolerance
- Your account is monitored and adjusted over time as market conditions warrant or your needs change
- 90-day trial period to try the service with no obligations — no minimum account balance or cancellation fee

Consider letting Nationwide ProAccount provide professional management of your retirement plan investments.

¹⁰ "Inside the Minds of Plan Participants," AllianceBernstein, www.alliancebernstein.com/investments/us/retirement/inside-the-minds-of-plan-participant.htm (2015).

Nationwide Investment Advisors LLC (NIA) provides investment advice to plan participants enrolled in Nationwide ProAccount. NIA is an SEC-registered investment adviser.

NIA has retained Wilshire® as an Independent Financial Expert for Nationwide ProAccount. Wilshire provides investment allocation portfolios based on participant ages and their personal tolerance for investment risk.

NIA assesses participants an asset-based fee for the managed account services.

Retirement products are offered by Nationwide Trust Company or Nationwide Life Insurance Company.

Wilshire is a registered service mark of Wilshire Associates, which is not an affiliate of Nationwide or NIA.

Your best resource is our people

Got a question? Need help with making account changes?
Want to know more about a particular Plan option or service?

Our mission is to help Americans prepare for and live in retirement.

Contact your Nationwide Retirement Specialist, a Plan representative
dedicated to helping you succeed through Plan participation.



This material is not a recommendation to buy, sell, hold or roll over any asset, adopt an investment strategy, retain a specific investment manager 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. Investors should discuss their specific situation with their financial professional.

Investing involves market risk, including possible loss of principal. No investment strategy can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience.

My Interactive Retirement PlannerSM is a hypothetical compounding example and is not intended to predict or project investment results of any specific investment. Investment return is not guaranteed and will vary depending upon your investments and market experience. Assumptions do not include fees and expenses. If fees were reflected, the return would be less.

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The Nationwide Group Retirement Series includes unregistered group fixed and trust programs. The unregistered group fixed are issued by Nationwide Life Insurance Company. Trust programs and trust services are offered by Nationwide Trust Company. Nationwide Investment Services Corporation (NISC), member FINRA, Columbus, Ohio. Nationwide Mutual Insurance Company and affiliated companies, home office: One Nationwide Plaza, Columbus, OH 43215-2220.

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