

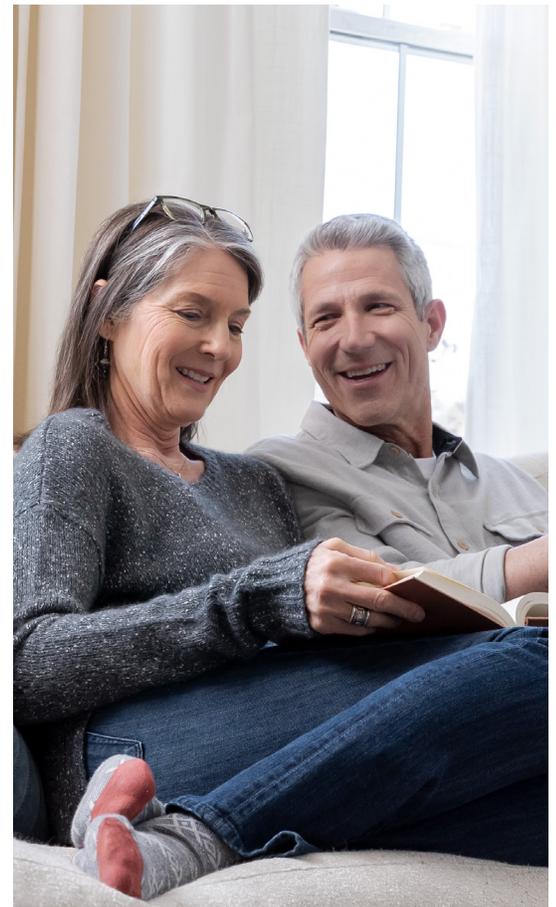
# Laddering income to hedge against inflation

Inflation is here to stay, at least for a while. That's a problem for many people, but especially for retired clients or those about to retire. They already have to deal with inflation risk and rising health care costs. And as the cost of goods and services increases, these clients will have a harder time adapting and maintaining a stream of income that will last their lifetime and let them enjoy retirement.

## Offer clients an efficient, flexible solution by laddering FIA income

Give clients a financial foundation with a fixed indexed annuity (FIA) that can help provide protected lifetime income. Then you can allocate the rest of their portfolio to assets with greater long-term growth potential to help protect against inflation.

Take the inflation protection a step further by splitting the FIA allocation into multiple contracts, each with its own income rider. Clients can turn on the income at different times throughout retirement and give themselves a raise when they need it.



↑ **Greater income flexibility**  
Clients will have multiple sources of income.

📊 **More diversified accumulation**  
Each contract can track a different index.

❤️ **Increased legacy potential**  
Contracts accumulate until their income is needed.

## We simplify laddering annuity income at Nationwide

With our multi-contract form, you can ladder **4 contracts on 1 application**. When your clients turn 1 income rider on, the other contracts can keep growing. Later, when they're ready, your clients can turn on the next rider and increase their income.

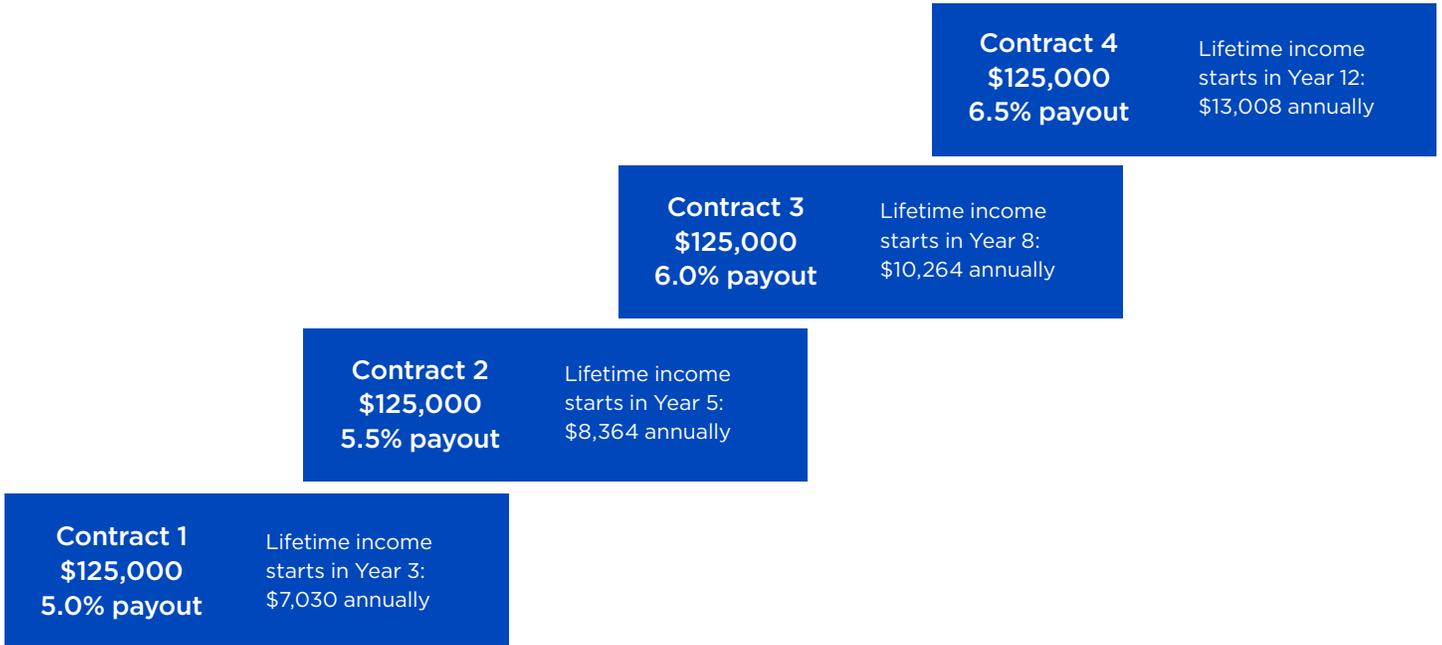
- There's no additional cost associated with the multicontract application or laddering strategy
- You designate the percentage of premium you want to allocate to each contract, and you can select different index and strategy options for each contract, if available
- Each contract must individually meet the minimum premium requirement for the product being purchased

Nonqualified contracts will be aggregated and treated as one annuity for income tax purposes, meaning access to nontaxable basis will be delayed until the gains of all contracts have been distributed and taxed. Distributions of gains taken prior to age 59½ may be subject to the 10% additional tax on premature distributions unless an exception applies. Clients should contact an independent tax advisor for more information.



## Take a look at this example

Mike is 60 years old and concerned about keeping up with inflation and covering rising health care costs in retirement. After talking to his financial professional, he likes the principal protection and growth potential that a FIA would offer. He has \$500,000 to invest, and they discuss splitting it into 4 contracts.



**4 FIA contracts with laddering**  
**\$799,182 cumulative income**



**1 FIA contract without laddering**  
**\$703,215 cumulative income**

This graphic is intended to illustrate the concept of a retirement income ladder using a fixed indexed annuity and does not represent an actual investment option. Hypothetical assumptions: a \$500,000 (\$125,000 spread evenly over 4 contracts) purchase payment in a fixed indexed annuity at the following rates: 4% compound annual growth in years 1-7, single life to age 88. Hypothetical strategy performance: The Lifetime Payout Percentage used to calculate the lifetime income of contract 1 after year 1 is 5%, of contract 2 in year 3 is 5.5%, of contract 3 in year 5 is 6% and of contract 4 in year 7 is 6.5%. Past performance is not an indication of future results.



**To learn more about FIAs and laddering income, contact your marketer.**



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Nationwide and its representatives do not give legal or tax advice. Please consult your attorney or tax advisor for answers to specific questions.

When evaluating the purchase of an annuity, you should be aware that annuities have limitations. They are long-term vehicles designed for retirement purposes. They are not intended to replace emergency funds, to be used as income for day-to-day expenses or to fund short-term savings goals. Please read the prospectus for complete details. Withdrawals are subject to income tax, and withdrawals before age 59½ may be subject to a 10% early withdrawal federal tax penalty.

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