Nationwide®

Be ready for market risk when it matters most

The Nationwide VIT Managed Funds, available exclusively through Nationwide variable annuities

Because the Nationwide VIT (NVIT) Managed Funds are available only within a variable annuity, it's important that you understand some basic information about them.

What are variable annuities, and what do they offer?

Variable annuities are contracts you buy from an insurance company to help you accumulate assets for retirement. They are called variable because their value will fluctuate based on the performance of the investment options that you and your investment professional select.

Variable annuities offer:

Lifetime income — a stream of income you can't outlive, accessed either through a process called annuitization or through systematic withdrawals

Living benefits — benefits for you, such as guaranteed accumulation or guaranteed withdrawal benefits

Death benefits — guarantees for your beneficiaries, such as a level of protection from investment loss

Tax deferral — the potential for your investment to accumulate faster than taxable investments because you don't pay taxes on gains until you take a withdrawal

Investment choices — access to a wide range of professionally managed investment options available only with annuities

How much do annuities cost?

Because of the unique features your annuity can contain, the fees and charges will vary. They may include mortality and expense fees, administrative fees, contract fees and the expense of your investment options. You can get more specific information about fees from your financial professional.

What's inside?

The NVIT Managed Funds are investment options available for purchase only through Nationwide variable annuities. They are not offered or made available directly to the public. This brochure may be used only as part of a complete and balanced presentation of a Nationwide variable annuity and cannot be presented as a stand-alone communication.

It's important to know that annuities are long-term, tax-deferred investments designed for retirement and may fluctuate in value. They're a contract between you and an insurance company, and they allow you to create a fixed or variable stream of income through a process called annuitization. They also provide a variable rate of return based on the performance of the underlying investments.

As with most things in life, annuities do have limitations. If you decide to take your money out early, you may face fees called surrender charges. If you're not yet 59½, you may also have to pay an additional 10% federal tax penalty on top of ordinary income taxes. A death benefit is available with most variable annuities, and if you do take an early withdrawal, your death benefit and the cash value of the annuity contract will be reduced.

You should also know that annuities contain guarantees and protections that are subject to the issuing insurance company's ability to pay for them. But these guarantees don't apply to the performance of the underlying investment options, which are subject to investment risk, including the possible loss of your principal.

A critical time for managing market risk

You have probably worried about having enough money for retirement ever since you started building your nest egg. But in the years just before and just after you retire, you may find that you worry about this a lot more.

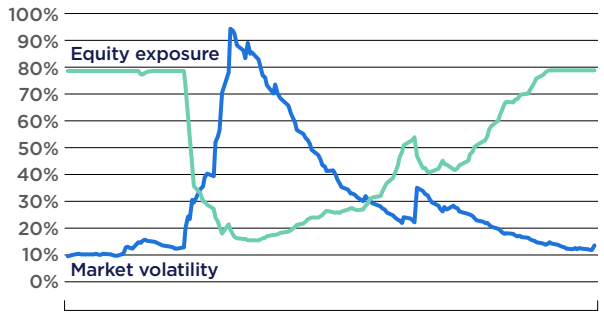
Why? Because at this time, a drop in the value of your portfolio can dramatically alter the quality of your retirement and possibly result in running out of money sooner than planned. Especially in times of high market volatility, it becomes more important to manage the risks that market downturns can have on your portfolio.

A different approach to managing market risk

The NVIT Managed Funds from Nationwide are long-term investments that offer solutions for managing risk in highly volatile markets. These funds are designed to help you grow and preserve the value of your portfolio for retirement.

The funds seek to manage investment risk through a diversified portfolio of stocks and bonds. A risk management overlay adjusts the funds' overall effective equity exposure dynamically to help manage the impact that market volatility can potentially have on the value of your retirement portfolio (refer to the illustrations below).

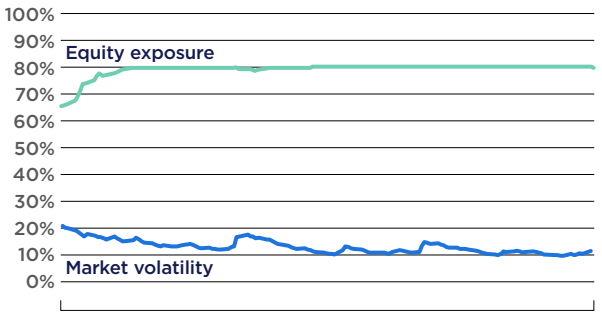
This example reflects a spike in volatility and the reduction in equity exposure based upon the spike.



January 1, 2020, to September 30, 2020

This example shows actual volatility within the S&P Price Index and the equity exposure in the NVIT Investor Destinations Managed Growth Fund.

This example reflects a period when volatility remained low and the equity exposure was elevated based upon the low volatility.



March 10, 2021, to September 30, 2021

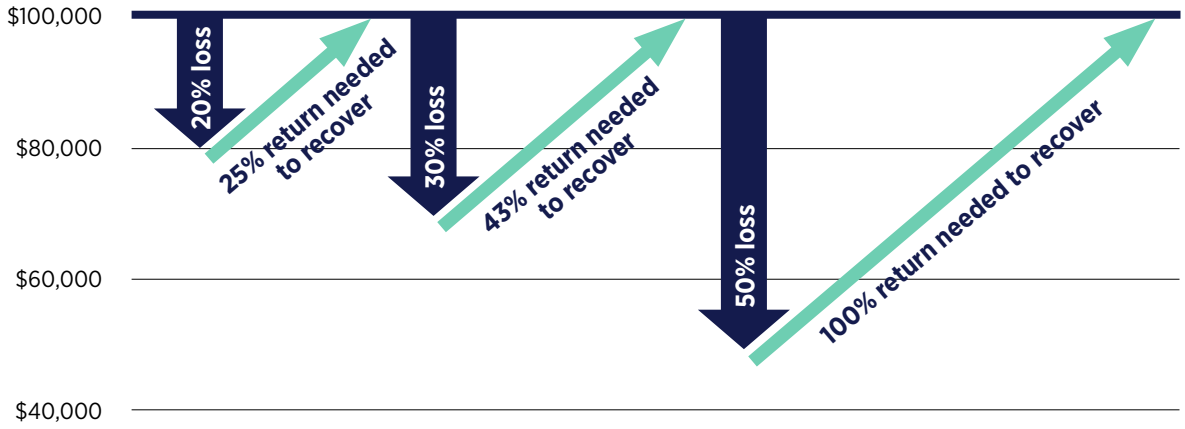
This example shows actual volatility within the S&P Price Index and the equity exposure in the NVIT Investor Destinations Managed Growth Fund.

Keep in mind that diversification does not guarantee returns or protect your portfolio from potential losses, including the possible loss of principal.

Why it's important to manage volatility

It's simple mathematics: The more you lose, the more you need to gain back in percentage terms to recover fully from your losses. For example, after losing 20% of your portfolio value in a market downturn, you'll need a gain of 25% to recover. And as losses magnify, it becomes even harder for you to get back to where you started.

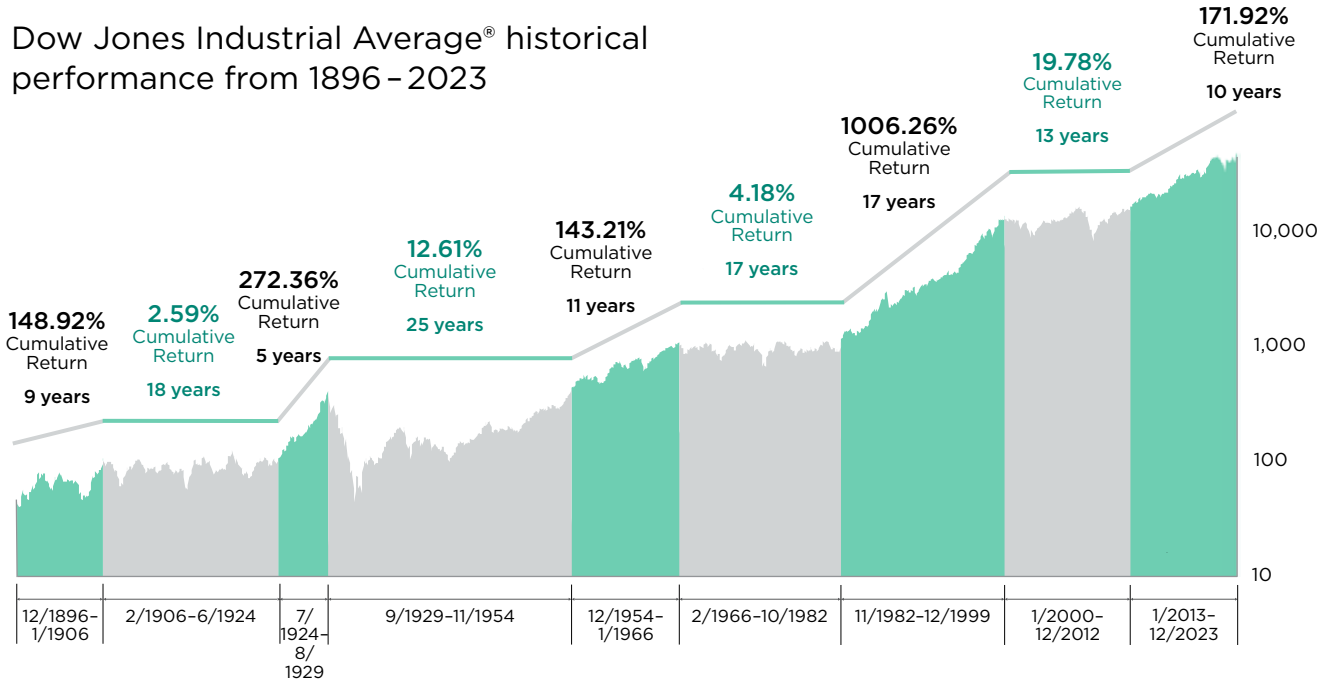
Avoiding the catch-up game



Playing this catch-up game could mean spending more time recovering from market losses than accumulating assets for retirement. This is a good reason why you may want to manage your portfolio with an eye toward lessening the impact of market downturns, no matter where you are in relation to retirement.

What does market volatility look like?

Markets go through changes all the time, rising and falling in value as investors make trades and seek gains. Stock markets have typically been among the most volatile, going through multiyear cycles of steady growth followed by long periods of sideways and choppy performance, as shown below.



Logarithmic graph of the Dow Jones Industrial Average from December 1896 to December 2023, latest data available.

Data source: Federal Reserve Bank of St. Louis.

The performance displayed represents past performance, which is no guarantee of future results. The Dow Jones Industrial Average is unmanaged and unavailable for direct investment. Returns do not reflect any dividends, management fees, transaction costs or expenses.

Traditional asset allocation strategies have historically been effective during periods of steady growth, managing risk among individual investments and capturing market gains. But when markets turn volatile and downturns affect investments across the board, traditional asset allocation portfolios may not be enough to manage widespread market risk.

When market performance is choppy and volatile over consecutive years, managing risk and achieving growth may require a different approach.

NVIT Managed Funds: Managing risk in volatile markets

The NVIT Managed Funds are designed to help manage risk in volatile markets. The funds combine a traditional asset allocation portfolio to help manage risk among individual investments with a dynamic overlay to help manage market volatility risk.

CORE PORTFOLIO

Diversified asset allocation

The core portfolio follows a diversified model of stock and/or bond investments. You can choose from seven core portfolio options, which include actively managed funds as well as passively managed index funds.

Nationwide Fund Advisors selects funds and subadvisers for the underlying core portfolio and monitors their performance.

DYNAMIC OVERLAY

Volatility management with index futures

To help manage market volatility risk, each fund includes a dynamic overlay that uses equity derivatives to adjust the effective equity exposure of the entire fund.

The effective equity exposure may be as low as 0% when our evaluation indicates a highly volatile and declining stock market, and it can range as high as 65% to 100% in a bull market, depending on which fund is owned.

In low-volatility periods and when stock prices are rising, the effective equity exposure can increase beyond the core portfolio allocation to seek market gains.

Nationwide Asset Management manages each fund's dynamic overlay.

We evaluate market volatility daily, using a proprietary quantitative process that measures select technical market indicators and seeks to limit projected portfolio volatility. This empirical process allows us to avoid subjective decision-making and maintain the integrity of our volatility measurements.

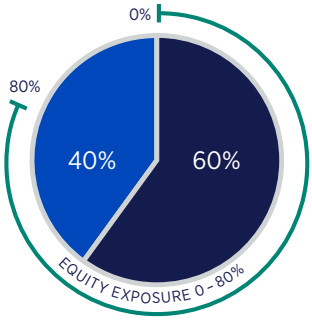
Funds managed for market volatility

Each fund's volatility overlay, managed by Nationwide Asset Management, increases or decreases the fund's overall equity exposure to manage the volatility level of each fund. The risk management processes are tailored to each fund and include daily evaluations of equity market volatility to determine adjustments to each fund's equity exposure.

CORE PORTFOLIO
DYNAMIC OVERLAY
Bonds/Cash
Equity

NVIT BLACKROCK MANAGED GLOBAL ALLOCATION FUND

Asset allocation and maximum equity exposure



Management type
Active

Fund description
A fund that invests directly in the BlackRock Global Allocation Fund

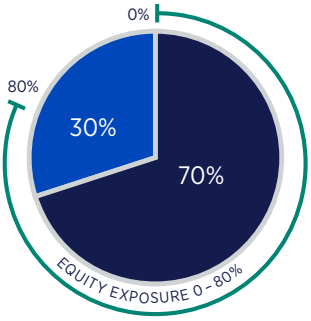
Objective:
- High total return
- Preservation of capital

Target equity exposure for core portfolio
60%

Maximum equity exposure with dynamic overlay
80%

NVIT MANAGED AMERICAN FUNDS ASSET ALLOCATION FUND

Asset allocation and maximum equity exposure



Management type
Active

Fund description
A fund that invests in underlying funds managed by American Funds

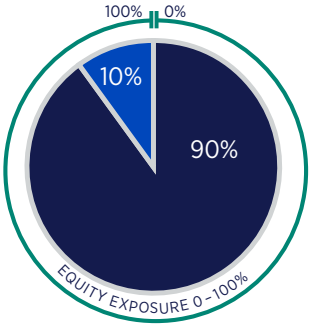
Objective:
- High total return
- Preservation of capital

Target equity exposure for core portfolio
70%

Maximum equity exposure with dynamic overlay
80%, not to exceed the underlying portfolio +10%

NVIT MANAGED AMERICAN FUNDS GROWTH-INCOME FUND

Asset allocation and maximum equity exposure



Management type
Active

Fund description
A fund that invests directly in the American Funds Growth-Income Fund

Objective:
- Long-term growth of capital and income

Target equity exposure for core portfolio
90%

Maximum equity exposure with dynamic overlay
100%

Volatility overlay triggers
- Stock market volatility
- Underlying fund's equity percentage
- Underlying fund's asset class exposure

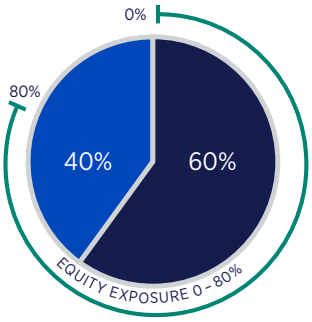
Funds managed for market and fund volatility

Each fund's volatility overlay, managed by Nationwide Asset Management, increases or decreases the fund's overall equity exposure to manage the volatility level of each fund. The risk management processes are tailored to each fund and include daily evaluation of both fund price volatility and equity market volatility to determine adjustments to each fund's equity exposure.

CORE PORTFOLIO · DYNAMIC OVERLAY · Bonds/Cash · Equity

NVIT BLUEPRINT® MANAGED GROWTH FUND

Asset allocation and maximum equity exposure



Management type
Active

Fund description
A fund of funds investing in a moderate allocation of actively managed NVIT funds

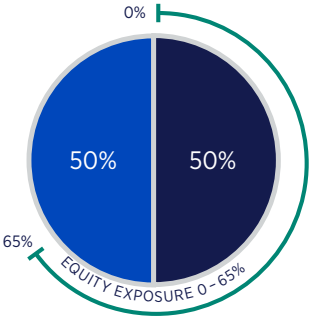
Objective:
- Growth
- Investment income
- Preservation of capital

Target equity exposure for core portfolio
60%

Maximum equity exposure with dynamic overlay
80%

NVIT BLUEPRINT® MANAGED GROWTH & INCOME FUND

Asset allocation and maximum equity exposure



Management type
Active

Fund description
A fund of funds investing in a balanced allocation of actively managed NVIT funds

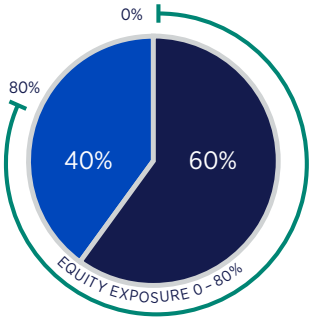
Objective:
- High level of total return
- Preservation of capital

Target equity exposure for core portfolio
50%

Maximum equity exposure with dynamic overlay
65%

NVIT INVESTOR DESTINATIONS MANAGED GROWTH FUND

Asset allocation and maximum equity exposure



Management type
Passive

Fund description
A fund of funds investing in a moderate allocation to the NVIT Index funds

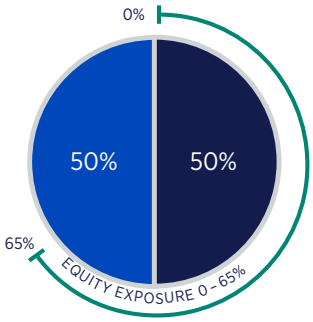
Objective:
- Growth
- Investment income
- Preservation of capital

Target equity exposure for core portfolio
60%

Maximum equity exposure with dynamic overlay
80%

NVIT INVESTOR DESTINATIONS MANAGED GROWTH & INCOME FUND

Asset allocation and maximum equity exposure



Management type
Passive

Fund description
A fund of funds investing in a balanced allocation to the NVIT Index funds

Objective:
- High level of total return
- Preservation of capital

Target equity exposure for core portfolio
50%

Maximum equity exposure with dynamic overlay
65%

Volatility overlay triggers

• Fund price volatility • Stock market volatility • Underlying fund's equity percentage • Underlying fund's asset class exposure

A dynamic approach to managing risk

If you're concerned about the impact that market downturns may have on your variable annuity portfolio, the NVIT Managed Funds offer a different approach to managing these heightened risks.

Whether you're near retirement, have just entered retirement or have been retired for several years, the NVIT Managed Funds may help you manage the specific risks you face as you seek your retirement goals.

BEFORE RETIREMENT

Your primary goal:
Build assets for future income withdrawals.

Your primary risk:
Portfolio losses just before retirement leave you with little time to recover.

NVIT Managed Funds may help you:
Participate in growth opportunities in the equity markets.

EARLY IN RETIREMENT

Your primary goal:
Manage income withdrawals to last throughout retirement.

Your primary risk:
Declines early in retirement could mean running out of money sooner than planned.

NVIT Managed Funds may help you:
Reduce losses in down markets to preserve values for income withdrawals.

LATER IN RETIREMENT

Your primary goal:
Preserve portfolio values for cash flow needs.

Your primary risk:
A drop in investment value later in retirement could leave less money available for emergency needs, financial support for a surviving spouse or to leave to beneficiaries.

NVIT Managed Funds may help you:
Maintain account values for transfers and emergency needs.

Get started today

Talk to your investment professional to learn more about the NVIT Managed Funds and how they may fit with your overall retirement plan.

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Variable products are sold by prospectus. Both the product and underlying fund prospectuses can be obtained by visiting nationwide.com/prospectus or by calling 1-800-848-6331. Before investing, carefully read and consider the fund's investment objectives, risks, charges, expenses and other important information contained in this and the underlying funds' prospectuses.

Investing involves market risk, including the possible loss of principal, and there is no guarantee that the investment objectives of any fund or those of any underlying fund will be achieved. As with any fund, the value of the funds' investments — and therefore, the value of fund shares — may fluctuate. These changes may occur because of:

Stock market risk — The fund could lose value if individual stocks in which underlying funds invest go down.

Smaller company risk — Smaller companies are usually less stable in price and less liquid, and so are more vulnerable than larger companies to adverse business and economic developments.

Liquidity risk — When there is little or no active trading market for specific securities, it's more difficult to sell securities at or near perceived values, so the value may go down.

Fund-of-funds risk — There are certain risks associated with a structure whereby the fund invests primarily in other mutual funds.

Fixed-income securities risk — Investments in fixed-income securities, such as bonds or other investments with debt-like characteristics, subject the fund to interest rate risk, credit risk, and prepayment and call risk.

Shares of NVIT Funds are not sold to individual investors. They are sold only to separate accounts of insurance companies to fund benefits payable under variable annuity contracts and variable life insurance policies issued by life insurance companies.

There is no assurance that the investment objective of any fund will be achieved.

The Nationwide Variable Insurance Trust (NVIT) Managed Funds are designed to offer traditional long-term asset allocation blended with a strategy that seeks to mitigate risk and manage portfolio volatility. These funds may not be successful in reducing volatility, and it is possible that the funds' volatility management strategies could result in losses greater than if the funds did not use such strategies. Asset allocation is the process of spreading assets across several different investment styles and asset classes. The purpose is to potentially reduce long-term risk and capture potential profits across various asset classes.

Nationwide Fund Advisors (NFA), the Fund's investment adviser, makes both the asset allocation and underlying fund selection decisions for the Fund. Nationwide Asset Management LLC (NWAM) provides asset allocation consulting services to NFA. NWAM also manages the volatility overlay using stock index futures according to Nationwide Funds' quantitative process for evaluating volatility. In addition, NWAM serves as the subadviser to certain other Nationwide Funds. NWAM is a registered investment adviser and wholly owned subsidiary of Nationwide Mutual Insurance Company, and therefore is affiliated with NFA.

Variable annuities are issued by Nationwide Life Insurance Company, Columbus, Ohio. The general distributor for variable products is Nationwide Investment Services Corporation (NISC), member FINRA, Columbus, Ohio. NVIT Funds distributed by Nationwide Fund Distributors LLC (NFD), member FINRA, Columbus, Ohio. NISC and NFD are not affiliated with any subadviser contracted by Nationwide Fund Advisors, with the exception of Nationwide Asset Management LLC, and are not affiliated with Morningstar Inc.

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