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Retirement Plans

Participant education program

Avoiding
emotional investing

Whether or not you’ve enrolled in your company’s retirement plan, we want you to have access to education that can help you prepare for retirement. Use this brochure to learn how to deal with emotions appropriately, as you make investment decisions for your retirement assets.

Emotional investing

Emotional investing is allowing emotions to direct investment decisions.

How it works

The investment markets tend to involve many uncertain possibilities. Uncertain possibilities trigger emotions:

- Excitement
- Fear
- Optimism
- Anxiety

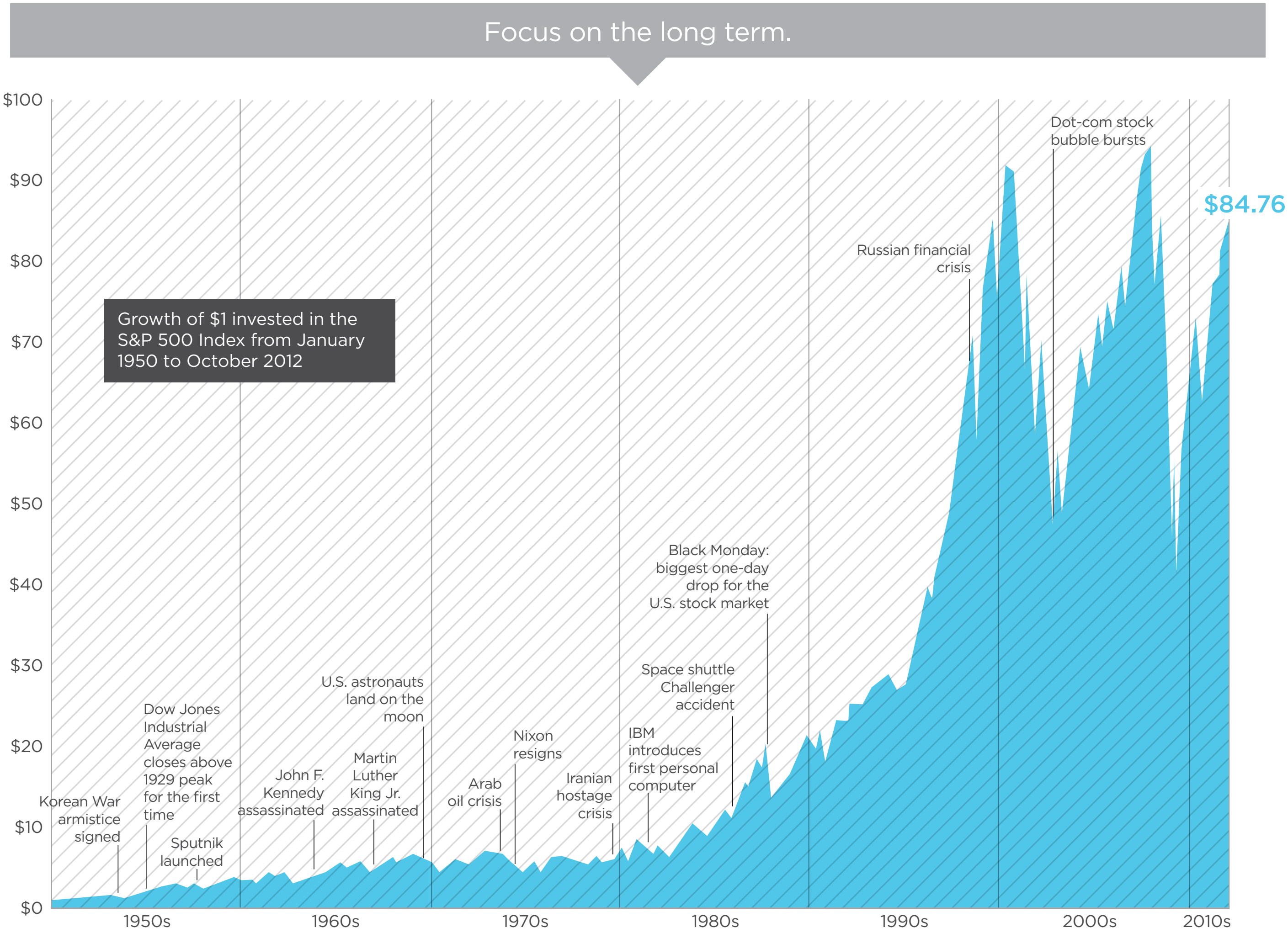
How you deal with these possibilities can impact decision-making and, ultimately, the potential growth of your retirement account.

Emotional cycle

By reacting emotionally to market conditions, you could end up buying when selling might be more prudent, and selling when buying opportunities are emerging.

Market volatility

Market volatility is the rate at which market prices go up and down, and usually refers to periods of quick price fluctuations.



This chart represents the growth of a hypothetical dollar invested in the S&P 500 Index on January 1, 1950. Since then, the S&P 500 Index has gained an average of more than 10% annually, despite nine bear ("down") markets during this period.

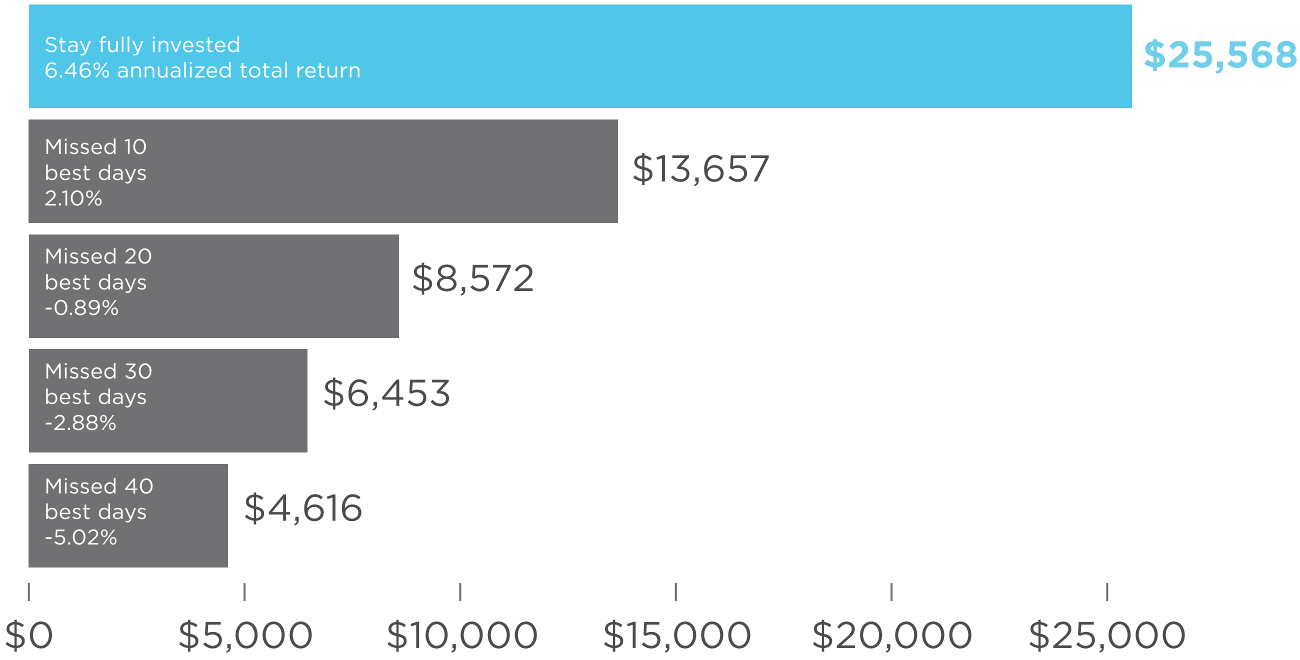
Recognizing that volatility is natural market activity can relieve anxiety — so you can make prudent, informed decisions aligned with your long-term needs.

Market timing

Market timing is a strategy through which an investor tries to time when the market, or a specific option, is about to change directions, and buys or sells based on that timing.

Time — not timing — is the better way to capitalize on market gains.

$10,000 invested in a the Dow Jones Industrial Average (12/31/98-12/31/13)



The chart above illustrates how trying to time the market may lead an investor to miss out on the best performing days.

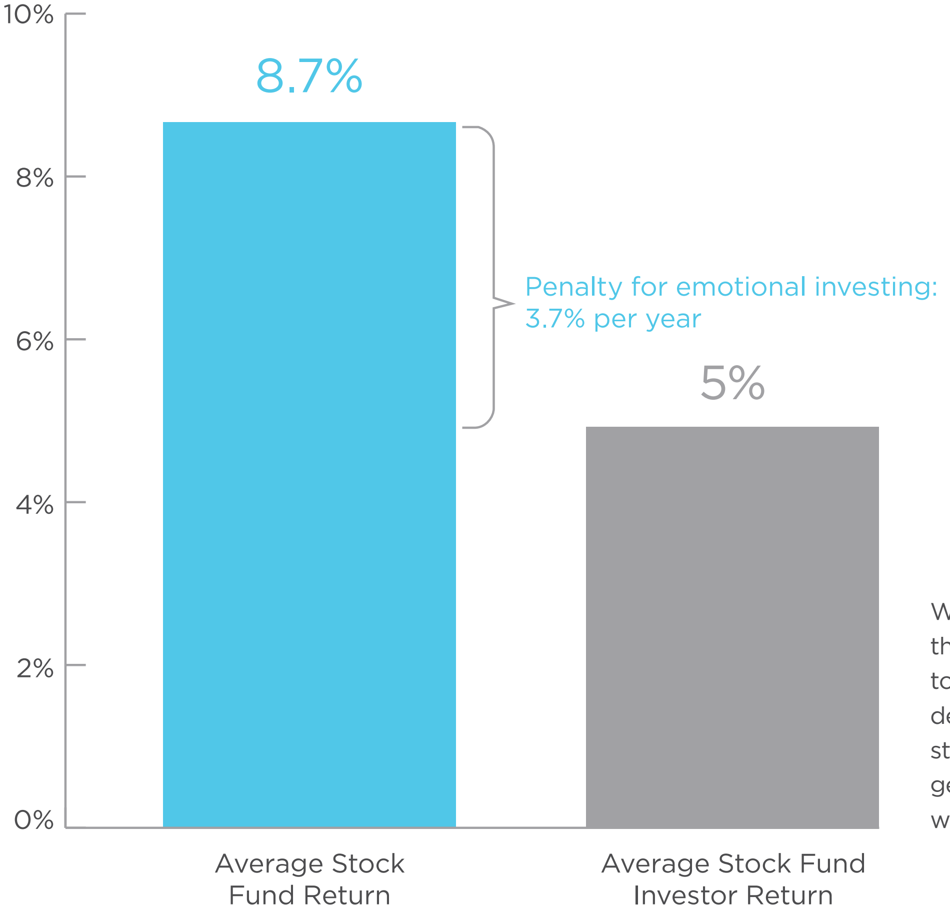
Being out of the market on the "wrong" days can be costly for your overall growth potential.

Performance penalty

The performance penalty is the outcome of an individual's emotional decision-making about investments. Wilshire Associates, an independent investment management firm, coined the term, observing: "Average investors are notoriously emotional when making investment decisions, resulting in self-defeating behavior."

Keep emotions out of your investment decisions

Emotional decision-making tends to curb performance over the long term.



Worries and anxieties can get the better of you, leading you to constantly question your decisions. Developing and sticking to an investment plan geared to your long-term goals will likely lead to better results.

Source: DALBAR, Lipper via Wilshire Fund Management, *Examining Institutional and Average Investor Performance*, Wilshire Fund Management. 2013 The "Average Stock Fund Return" figures represent the average return for all funds listed in Lipper's U.S. Diversified Equity fund classification model.

Past performance does not predict future results. Investing involves market risk, including possible loss of principal. No investment strategy, including asset allocation, diversification and dollar cost averaging, can assure a profit or guarantee against loss in a declining market.

Risk of safe investing

Safe investing is the practice of moving assets into investments that the investor perceives as having no risk.

"Safe" doesn't necessarily mean "successful."

Year	12-Month CD Rate (%)*	Less Top Federal Tax Rate (%)	Less Inflation (%)	Real Return After Taxes and Inflation (%)
2002	1.28	38.6	1.6	0.00
2003	1.32	35.0	2.3	-1.44
2004	3.03	35.0	2.7	-0.73
2005	4.76	35.0	3.4	-0.30
2006	5.19	35.0	3.2	0.17
2007	4.05	35.0	2.8	-0.17
2008	2.00	35.0	3.8	-2.50
2009	0.86	35.0	-0.4	0.96
2010	0.76	35.0	1.6	-1.11
2011	1.10	35.0	3.2	-2.48

No investing strategy is completely "safe," meaning "you can't lose." For example, money market funds are often thought of as a safe place to park money, but in seven of the 10 years from 2002 through 2011, real returns on 12-month certificates of deposit were flat or negative.

Perhaps the most significant concern for the long-term investor is low risk usually means low returns. Lower yields may be dwarfed by taxes and inflation. And the investor loses the opportunity to reap potential gains, which are often greatest at the earliest point in an upward portion of a market cycle.

Source: Bloomberg Finance L.P.

12-month CD rate is represented by the Bloomberg CD 12-month Index. Rates of inflation are calculated using the current Consumer Price Index published monthly by the Bureau of Labor Statistics (BLS). Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses have been reflected. Individuals cannot invest directly in an index. Data is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed.

*Certificates of Deposit are generally considered liquid assets and are used for short-term durations. CDs are insured by the FDIC for the timely payment of interest, and if held to maturity, provide a guaranteed return of principal and interest.

How to avoid emotional investing

Using an informed process rather than basing decisions on emotions can be a good way to capitalize on opportunities. Below are examples of ways to avoid investing based on emotions.

Be proactive about your process.

- Start by following a defined strategy
- Monitor your progress and adjust as conditions change
- Stop doing what hasn't worked
- Continue doing what has worked, as long as it fits in your long-term strategy

Consider dollar-cost averaging.

- Put a set amount of money into an investment account at regular intervals — dollar-cost averaging — regardless of what the market is doing; this helps remove emotions from buying and selling decisions
- Contribute to a retirement plan every payday to start using dollar-cost averaging

Take a long-term view.

- Make a long-term investment goal and create a plan to support it
- Don't be afraid of downturns — they are a natural part of the market
- Make informed, prudent adjustments when appropriate

For more information or to access your account:

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Learn more about managing your Nationwide retirement plan account.

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This material is not a recommendation to buy, sell, hold or rollover 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 work with their financial professional to discuss their specific situation.

Investing involves market risk, including possible loss of principal. No investment strategy, including asset allocation, diversification and dollar-cost averaging, can assure a profit or guarantee against loss in a declining market.

Dollar-cost averaging does not assure a profit and does not guarantee against loss in a declining market. This type of strategy involves continuous investment in the security regardless of fluctuating price levels of such securities.

Investors should consider their financial ability to continue purchases through periods of low price levels.

Variable products are sold by prospectus. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The product prospectus and underlying fund prospectuses contain this and other important information. Read the prospectuses carefully before investing.

The Nationwide Group Retirement Series includes unregistered group fixed and variable annuities and trust programs. The unregistered group fixed and variable annuities are issued by Nationwide Life Insurance Company. Trust programs and trust services are offered by Nationwide Trust Company, a division of Nationwide Bank. Nationwide Investment Services Corporation, member FINRA. Nationwide Mutual Insurance Company and Affiliated Companies, Home Office: Columbus, OH 43215-2220.

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