



Nationwide®

J.P. Morgan Mozaic II<sup>SM</sup> Index

# An opportunity to pursue steady growth in a variety of markets

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NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

## A powerful combination for retirement

Nationwide® has licensed the J.P. Morgan Mozaic II<sup>SM</sup> Index for use in Nationwide fixed indexed annuities.<sup>1</sup> Nationwide has combined its industry-leading best practices and a commitment to putting its members first with J.P. Morgan's index design expertise to create one of the most innovative products in our history.

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**Nationwide** is a U.S.-based Fortune 100 company with a strong and stable financial foundation.<sup>2</sup> One of the largest insurance companies in the industry, Nationwide brings a rich history of disciplined investing dating back nearly 100 years.

**J.P. Morgan** is a global leader in investment banking and financial services with a proven track record of award-winning index design. J.P. Morgan leverages its deep expertise and best-in-class infrastructure to provide both retail and institutional investors with indexes based on their various objectives.

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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.

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<sup>1</sup> Fixed indexed annuities are not an investment and do not directly invest in the stock market or any index.

<sup>2</sup> Based on revenue, Fortune magazine (June 5, 2023).

# A new opportunity for growth

**The J.P. Morgan Mozaic II<sup>SM</sup> Index (the Index)** utilizes some of the same investment philosophies used by the largest institutional investors to seek positive returns in both good and bad market environments. With a strategy to potentially generate consistent returns while managing volatility, the Index is founded upon 3 core principles:

- **Broad diversification**

The Index utilizes a diversified group of asset classes such as equities, fixed-income securities and commodities to provide greater opportunities for growth than a single asset class.

- **Greatest momentum**

Each month, the Index selects the asset classes with the highest returns to capitalize on proven and persistent performance.

- **Volatility smoothing**

The Index proactively rebalances the selected asset classes each month to provide a more stable return.

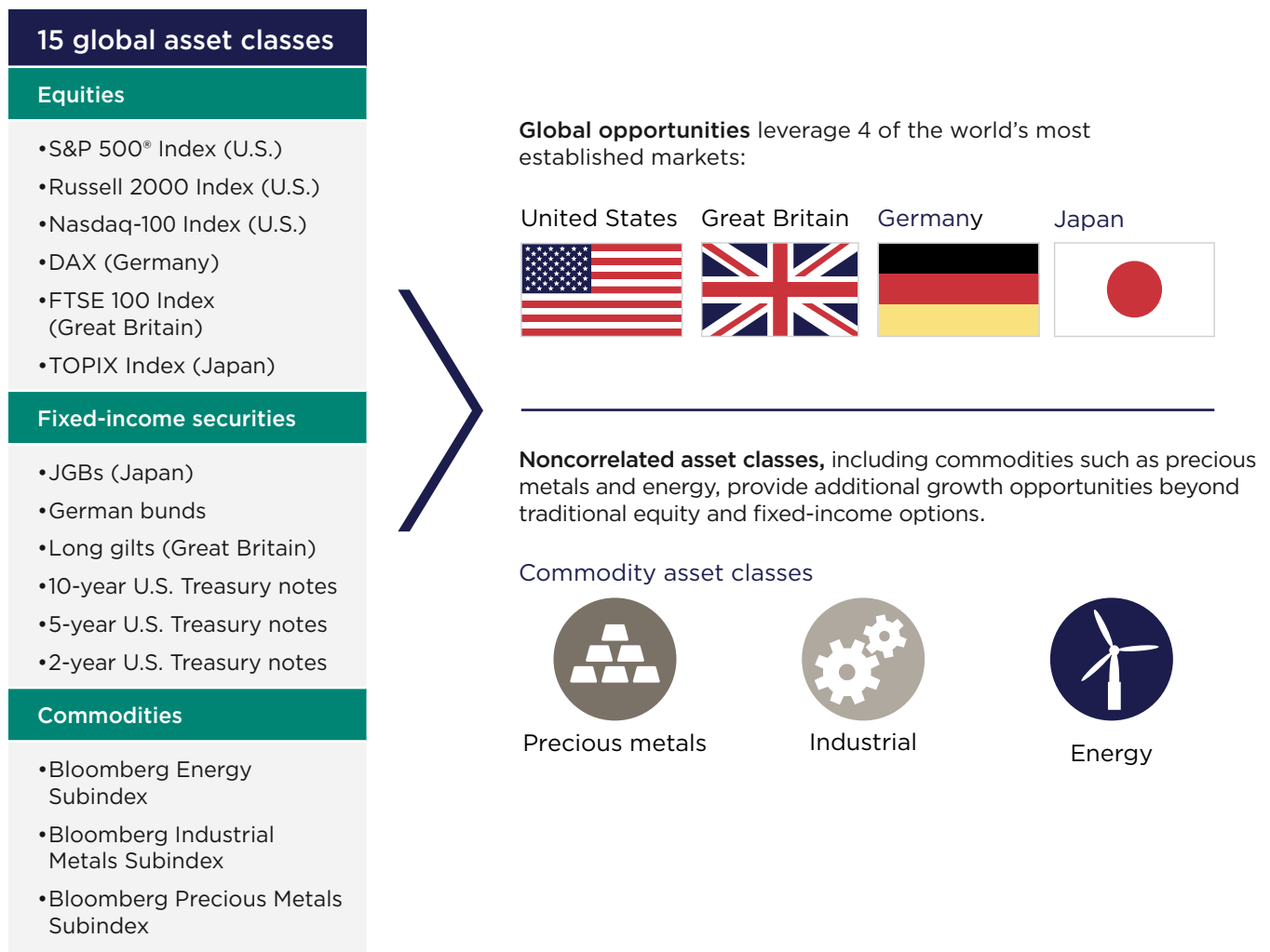
For more information on the J.P. Morgan Mozaic II Index, please visit [jpmorganindices.com](http://jpmorganindices.com).

J.P. Morgan, one of the world's leading financial services firms, designed and launched the Index to provide a diversified asset allocation with the opportunity to perform in growing and shrinking markets.

# Help manage risk with diversification

The J.P. Morgan Mozaic II Index integrates core diversification elements within its asset allocation strategy.

It invests in multiple asset classes across equities, fixed-income securities and commodities.



The Index's 15 asset classes create the flexibility to adapt to a variety of market conditions and help contribute to the Index's consistent positive returns.

Indexes cannot be invested into directly and are unmanaged. Past performance of an index is not an indicator of future results.

# Harness positive momentum

The J.P. Morgan Mozaic II Index's asset selection is based on the historic tendency for asset classes exhibiting recent returns to be more likely to continue to deliver performance. Each month, the Index chooses up to 9 asset classes exhibiting the highest returns and strategically allocates to each to smooth volatility within the Index and create more consistent returns.

## Monthly rebalancing generates strong growth opportunities



### Step 1— Evaluate

Each month, the Index measures the 6-month returns of all 15 available asset classes.



### Step 2— Select

The Index then selects the 9 asset classes with the greatest returns over the previous 6 months.



### Step 3— Weight

Each selected asset class is strategically weighted to provide a more stable return.

**Stop loss feature:** In addition to the monthly rebalancing process, the performance of the Index is assessed each day. If on any day the overall Index's weekly return is less than -3%, all allocations are removed for 1 week (the Index is effectively uninvested). This could reduce the risk of potential short-term loss in the Index during a period of significant market distress, but it could also cause the Index to miss a potential recovery in the underlying asset classes.

# Smoothing volatility to create stable returns

A diversified approach can smooth out the ups and downs, otherwise known as volatility. Lowering your portfolio's volatility could help your investment deliver more consistent growth over longer periods of time.

Index annual growth		
Year	S&P 500 Index	J.P. Morgan Mozaic II Index <sup>3</sup>
1996	5.25%	2.42%
1997	31.01%	8.09%
1998	26.67%	7.63%
1999	19.53%	4.30%
2000	-10.14%	6.30%
2001	-13.04%	2.37%
2002	-23.37%	6.74%
2003	26.38%	14.42%
2004	8.99%	4.13%
2005	3.00%	6.43%
2006	13.62%	4.63%
2007	3.53%	6.77%
2008	-38.49%	4.27%
2009	23.45%	2.32%
2010	12.78%	6.71%
2011	0.00%	5.74%
2012	13.41%	4.51%
2013	29.60%	7.65%
2014	11.39%	10.23%
2015	-0.73%	0.09%
2016	9.54%	11.82%
2017	19.42%	6.68%
2018	-6.24%	-0.32%
2019	28.88%	6.84%
2020	16.26%	-2.11%
2021	26.89%	5.76%
2022	-19.44%	-10.54%
Compound annual return	6.70%	5.01%

More consistent returns

Nationwide fixed indexed annuities offer the flexibility to allocate across multiple index options or choose only one. And at the end of each contract year, the owner can adjust their index allocations for the following year.

Capped fixed indexed annuity earnings		
Year	S&P 500 Index elected with a 5% cap	J.P. Morgan Mozaic II Index <sup>3</sup> elected with a 6% cap
1996	5.00%	2.42%
1997	5.00%	6.00%
1998	5.00%	6.00%
1999	5.00%	4.30%
2000	0.00%	6.00%
2001	0.00%	2.37%
2002	0.00%	6.00%
2003	5.00%	6.00%
2004	5.00%	4.13%
2005	3.00%	6.00%
2006	5.00%	4.63%
2007	3.53%	6.00%
2008	0.00%	4.27%
2009	5.00%	2.32%
2010	5.00%	6.00%
2011	0.00%	5.74%
2012	5.00%	4.51%
2013	5.00%	6.00%
2014	5.00%	6.00%
2015	0.00%	0.09%
2016	5.00%	6.00%
2017	5.00%	6.00%
2018	0.00%	0.00%
2019	5.00%	6.00%
2020	5.00%	0.00%
2021	5.00%	5.76%
2022	0.00%	0.00%
Compound annual return	3.47%	4.50%

Fewer years with no returns

As you can see, the J.P. Morgan Mozaic II Index would have provided more consistent annual returns than the S&P 500 Index — **4.50% vs. 3.47%** — resulting in a higher average annual return for the period.

This illustration is for hypothetical purposes only and is not representative of actual performance of a Nationwide fixed indexed annuity. The illustration assumes a \$100,000 purchase payment with 100% allocation to the index account, a 6% cap on the J.P. Morgan Mozaic II Index and a 5% cap on the S&P 500 Index.

The data is from Nov. 1, 1996, through Dec. 30, 2022.

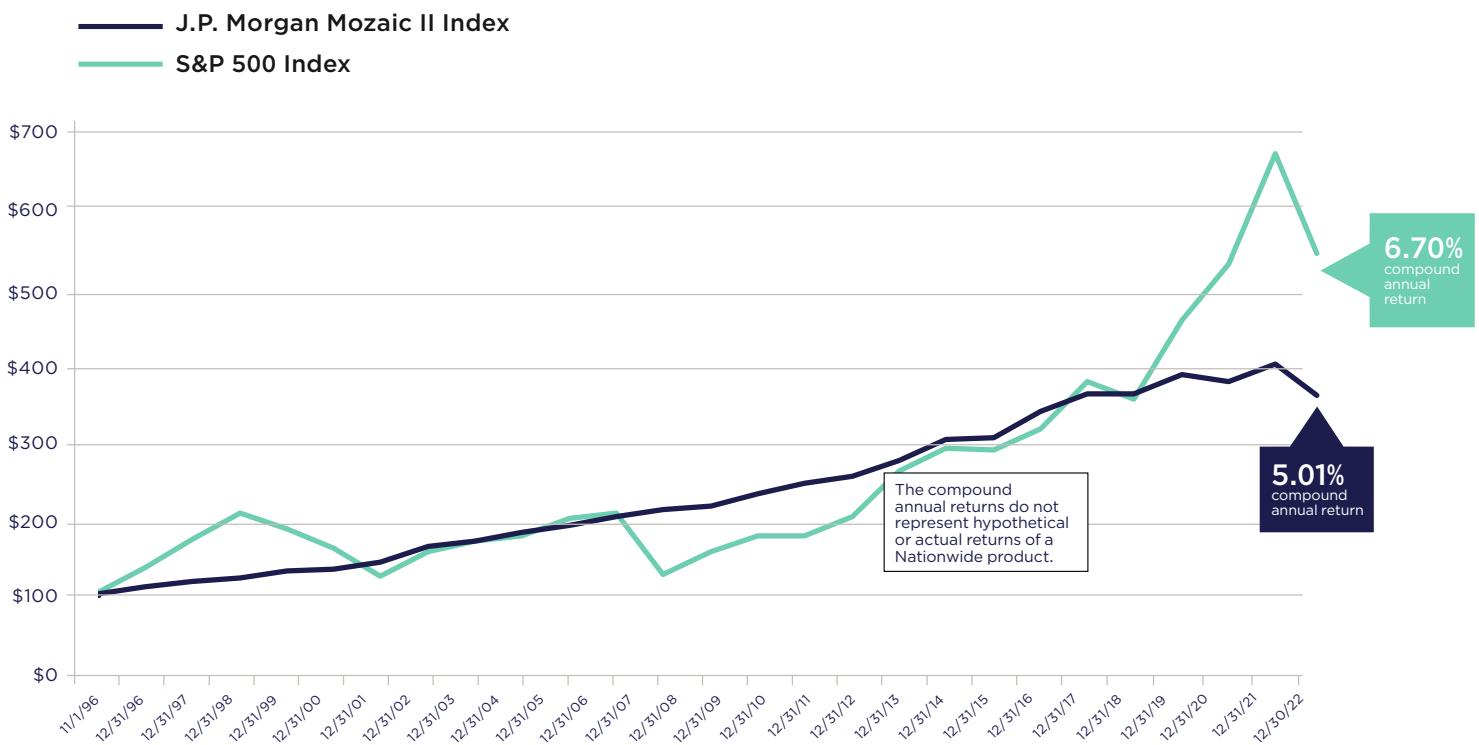
<sup>3</sup> The J.P. Morgan Mozaic II Index was established on Dec. 28, 2016. Any performance shown prior to this date is backtested by applying the index strategy, which was designed with the benefit of hindsight, to historical financial data when all components became available. Backtested performance is hypothetical and has been provided for informational purposes only. The S&P 500 Index results are the actual performance for the full period. Past performance is not indicative of nor does it guarantee future performance. The hypothetical data above does not take index fees or transaction costs into account.

# Seeking consistent positive returns in uncertain times

Leveraging broad diversification, positive momentum and volatility smoothing, the J.P. Morgan Mozaic II Index's consistent backtested returns would have created growth over time.

The graph below shows actual and backtested performance of the Index compared with performance of the S&P 500 throughout the same period.

## Index performance from November 1996 through December 2022



**Note:** Data is from Nov. 1, 1996, through Dec. 30, 2022. The J.P. Morgan Mozaic II Index was established on Dec. 28, 2016. Any performance shown prior to this date is backtested by applying the index strategy, which was designed with the benefit of hindsight, to historical financial data when all components became available. Backtested performance is hypothetical and has been provided for informational purposes only. The S&P 500 Index results are the actual performance for the full period. Past performance is not indicative of nor does it guarantee future performance. The hypothetical data above does not take index fees or transaction costs into account.





For more information on Nationwide fixed indexed annuities, please talk with your financial professional. For more information on the J.P. Morgan Mozaic II Index, please visit [jpmorganindices.com](http://jpmorganindices.com).



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