Nationwide® is on your side

J.P. Morgan Cycle℠ Index | Guide

J.P. Morgan Cycle℠ Index

Invest with the business cycle and pursue your retirement goals

As you talk to your insurance professional about your investment options, consider the J.P. Morgan Cycle℠ Index. It's exclusively available within the Nationwide Peak® 10 fixed indexed annuity and is designed to align the portfolio with economic and market conditions as they evolve.

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NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

A powerful partnership working for you

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.

Nationwide® is a U.S.-based Fortune 100 company with a strong and stable financial foundation. One of the largest insurance companies in the industry, Nationwide brings a rich history of disciplined investing dating back more than 90 years.

A+ Standard & Poor's	A+ AM Best	A1 Moody's
Affirmed: 04/30/24	Affirmed: 12/07/23	Affirmed: 11/10/23
Fifth highest of 21 ratings	Second highest of 16 ratings	Fifth highest of 21 ratings

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.

Equity-style rotation tailored to the business cycle

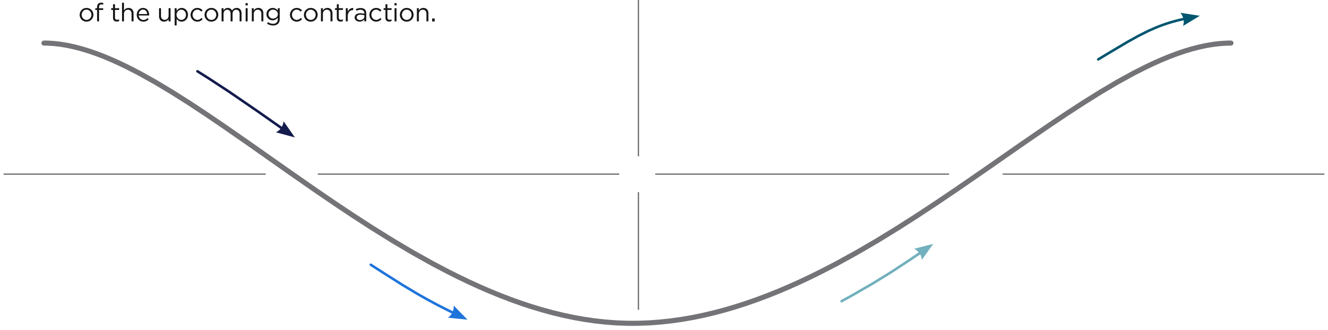
The J.P. Morgan Cycle℠ Index provides timely allocation between domestic-focused equities and bonds based on various factors, market conditions and the current phase of the business cycle. This equity-style rotation is designed to overweight the portfolio with the type of stocks that have historically performed well during each phase of the business cycle.

Slowdown

Low-volatility stocks could help in the event that markets sell off and overall volatility increases because of the upcoming contraction.

Expansion

Momentum stocks with share prices that have recently been performing well might continue to perform well.



Contraction

Quality stocks with strong fundamentals—stable year-over-year earnings growth and low financial leverage—might help ensure against the contraction.

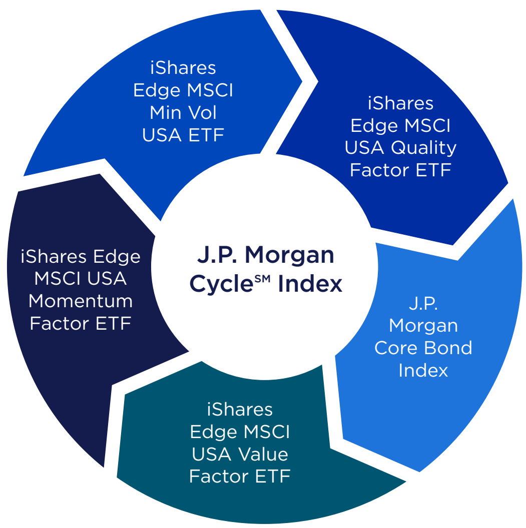
Recovery

Value stocks with low prices compared to fundamentals could provide higher leverage as asset prices increase.

How this investing style works

The J.P. Morgan Cycle℠ Index is composed of five portfolio components. The index regularly rebalances among them based on the specific phase of the business cycle in order to achieve the highest equity weighting and maintain a 5% volatility target.

Investments available



Allocation methodology

The J.P. Morgan Cycle℠ Index monitors leading and lagging economic indicators and takes the following steps each month to help generate more stable growth for the portfolio:

STEP 1	Identify the current phase of the business cycle and choose the corresponding equity allocation.
STEP 2	Rebalance between equities and bonds to help maintain a 5% level of volatility for the portfolio over time.
STEP 3	Rebalance again midmonth whenever economic or market conditions change.

How allocations change with conditions

Along with investing based on the business cycle, the J.P. Morgan Cycle℠ Index is designed to allocate more to equities when the market is stable and more to bonds when the market becomes more volatile. Several examples of allocations during the recent cycle help to illustrate this.[2]

- 16% ISHARES EDGE MSCI USA VALUE FACTOR ETF
- 84% J.P. MORGAN CORE BOND INDEX

During an economic recovery with a volatile market, the index was invested in **value stocks with a large percentage in bonds.**

- 51% ISHARES EDGE MSCI USA MOMENTUM FACTOR ETF
- 49% J.P. MORGAN CORE BOND INDEX

During an economic expansion with a stable market, the index was invested pretty **evenly between momentum stocks and bonds.**

- 18% ISHARES EDGE MSCI USA QUALITY FACTOR ETF
- 82% J.P. MORGAN CORE BOND INDEX

During an economic contraction with a volatile market, the index was invested in **quality stocks with a large percentage in bonds.**

- 31% ISHARES EDGE MSCI MIN VOL USA ETF
- 69% J.P. MORGAN CORE BOND INDEX

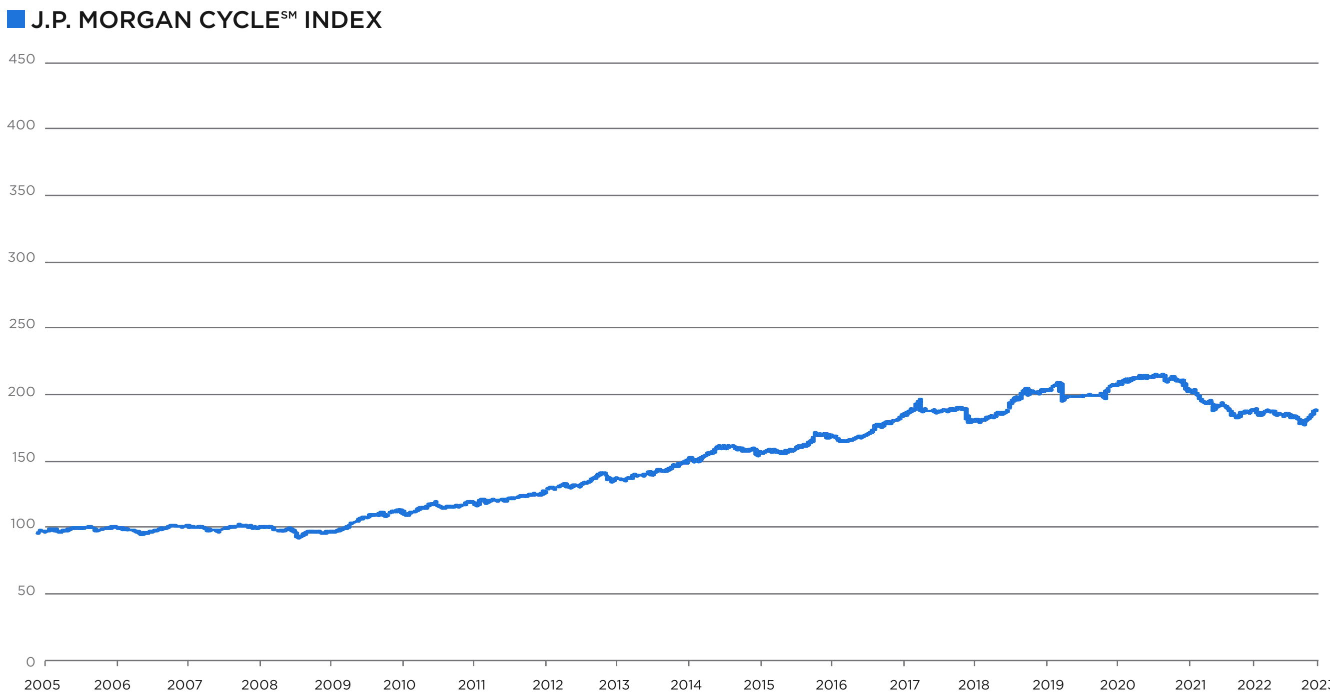
During an economic slowdown with a volatile market, the index was invested in **low-volatility stocks with a large percentage in bonds.**

[2] The calculations for the performance of these underlying indexes includes back-tested performance; please see the details for these calculations that are included on the following page.

How this investing style has performed in the past

Historical performance

Hypothetical performance shows that the J.P. Morgan Cycle℠ Index provided more consistent returns with lower levels of volatility, especially when the overall market was volatile during the financial crisis of 2008 and 2009 and the large-scale lockdowns in the United States in March 2020.



The J.P. Morgan Cycle℠ Index was established November 2, 2020. All 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. Historical performance for the Index represents hypothetical backtested performance using alternative performance for some basket constituents through October 7, 2016; hypothetical backtested performance using the actual performance of each basket constituent from October 10, 2016, through November 2, 2020; and actual performance through December 28, 2023. Backtested performance is hypothetical and has been provided for informational purposes only. Past performance is not indicative of, nor does it guarantee, future performance. The hypothetical data above reflects the 0.5% per annum index fee. Please refer to Nationwide Peak 10 product materials for more information.

To learn more about the J.P. Morgan Cycle® Index, please talk to your insurance professional or visit
jpmorganindices.com/indices/JPUSCYCL.

Nationwide® is on your side

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If you annuitize a nonqualified annuity, a portion of your payment will be considered a return of premium and will not be subject to ordinary income tax. The amount that is taxable will be determined at the time you elect to annuitize the policy.

All annuity contract and rider guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company. Federal tax laws are complex and subject to change. The information in this brochure is based on current interpretations of the law. Nationwide doesn't offer tax advice. Please talk with your attorney or tax advisor for answers to specific questions.

A fixed indexed annuity is not a stock market investment and does not directly participate in any stock or equity investment. A fixed indexed annuity may be appropriate for those who want the opportunity to capture upside potential while having a level of protection from market downturns.

Withdrawals taken before age 59½ may incur a 10% early withdrawal federal tax penalty in addition to ordinary income taxes; withdrawals may trigger surrender charges and reduce your death benefit and contract value. Please keep in mind that annuities have limitations, as they are designed for long-term retirement goals.

The Nationwide Peak fixed indexed annuity, an individual, single-purchase-payment deferred fixed interest and/or indexed annuity, is issued by Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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The J.P. Morgan Cycle Index is an excess return index. Indexes calculated on an excess return basis include calculation elements that reduce index performance. Because of this, an excess return version of an index will have lower performance than a total return version of the same index would, especially in high interest rate environments. Some excess return indexes also deduct a notional charge(s) in calculating index performance. This deduction(s) will reduce the potential positive change in index performance and increase the potential negative change in the index performance.

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