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**Nationwide New Heights® Select fixed indexed annuities** | U.S. equity centric index guide

# Loomis Sayles Discovery Index

Designed to drive results in both growth and fragile market conditions

# An opportunity for growth through changing markets

The Loomis Sayles Discovery Index (the "Index") is a growth-oriented index designed to identify the current market environment and reallocate to assets with the aim of providing stable and consistent long-term appreciation through changing markets. It features:

### Broad diversification

The Index leverages a combination of U.S. growth and value equities, short-term fixed income futures, and commodity futures to offer a broad range of assets for diversification.

### Forward-looking framework

Using a predictive forecasting methodology, the Index aims to identify the current market environment and dynamically reallocate between growth and value equities to the equity style that tends to perform best during those periods.[1]

### Dynamic optimization

The Index allocates to U.S. equities and two alternative strategies with low correlation aiming to capture returns across various equity and rate environments.

**Designed by Loomis Sayles**

LOOMIS | SAYLES

Founded in 1926, Loomis Sayles leverages deep proprietary research and integrated risk analysis led by a team of MIT-educated scientists, and researchers from other eminent universities. The firm currently manages over $359 B in assets — using foresight and flexibility to pursue sustainable returns.

Source: Loomis Sayles as of 6/30/24.

[1] Broadly speaking, "Growth" investing is a philosophy based on investing in companies expected to grow at a higher rate than the market average, while "Value" investing is a philosophy of selecting assets based on their sound business fundamentals and undervalued pricing.

# Broadly diversified strategies to smooth and seek potential returns

The Loomis Sayles Discovery Index seeks to offer opportunities for growth through an equity strategy, global rates alternative strategy and a commodities alternative strategy. The Index features 23 underlying assets amongst three asset classes that provide the flexibility to adapt to a variety of market environments.

### U.S. Equity Strategy

The U.S. Equity Strategy is composed of the U.S. Large Cap Growth Index and U.S. Large Cap Value Index. The Strategy reallocates daily between growth and value equities aiming to drive returns in all market conditions.

### Global Rates Alternative Strategy

The Global Rates Alternative Strategy is composed of 19 underlying assets. These include short-term rates across the United States, Europe and the United Kingdom. The Strategy optimizes daily to reduce sensitivity to changing interest rates.

### Commodities Alternative Strategy

The Commodities Alternative Strategy aims to generate positive returns during inflationary periods by taking long exposure to long-dated commodity futures while also taking short exposure to short-dated commodity futures.[2]

[2] Commodities are representative of the BBG Commodity Forward Indices.

This brochure was designed to provide information on the Loomis Sayles Discovery Index and should be used in conjunction with the Nationwide New Heights® Select fixed indexed annuity materials. It does not describe the New Heights® Select product or historical crediting rates of the product. For more information on New Heights® Select, please ask your financial professional for a product brochure.

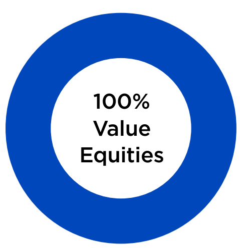
The Index cannot be invested into directly, and past performance is not indicative of future results.

# Loomis' proprietary forecasting methodology

The Index is designed to forecast the current equity market using a predictive methodology that historically has had success in discovering the health of the equity market.[3] It determines whether equities are in a resilient, moderate growth or fragile market. Based on the equity market, the Index reallocates between growth and value equities.

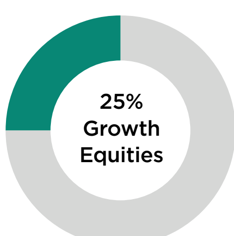

## Resilient market

Within resilient markets, individual stock returns are moving independently based on their fundamentals. During these periods, the equity portion of the Index will allocate to 100% growth equities.




## Moderate growth market

During a moderate growth environment, the equity component of the Index shifts 100% to value equities. Value equities are generally high-quality companies that provide dividends, which can help contribute to the total return.



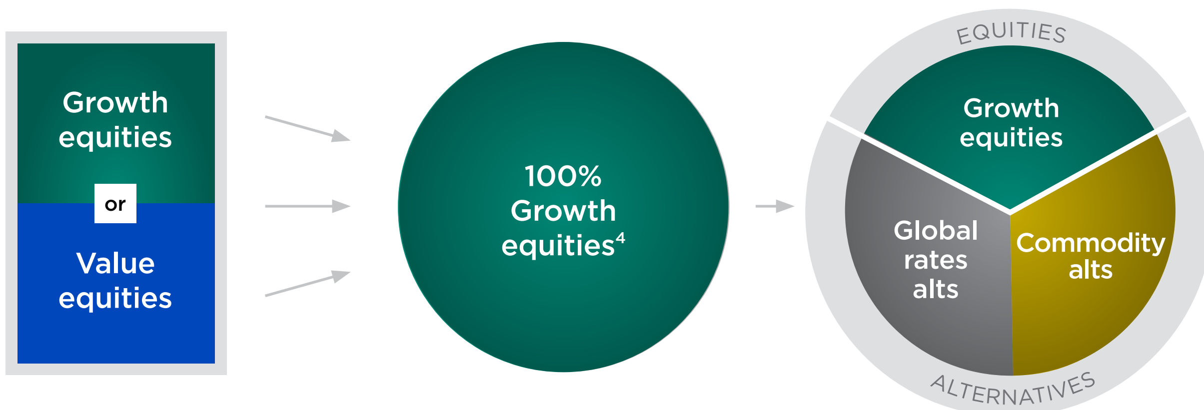

## Fragile market

In a fragile market, individual stock returns become highly connected, which indicates an elevated level of market risk. During these periods, the equity portion of the Index is reduced to 25% growth equities, lowering risk while still providing the opportunity to benefit from a recovery.

[3] Source: The Journal of Financial Data Science, Spring of 2019, Do Stocks Stalk Other Stocks in the Complex Network.

# Dynamic optimization process leveraging market forecasts

The Loomis Sayles Discovery Index dynamic equity reallocation process between growth and value equities provides the ability to generate returns from the equity style that tends to perform best during various market environments. The Index then applies two additional strategies to help reduce interest rate risk and combat inflation.




### Forecast market health

The Index utilizes a rules-based methodology that historically has had success in forecasting the health of the equity market based on connectivity of the individual stock returns.

### Allocate to growth or value equities

Based on the market forecasts, the Index categorizes the equity market into one of the three groups (resilient, moderate growth and fragile) and reallocates daily accordingly between growth and value equities.[5]

### Add alternatives

The Index applies two additional strategies daily to reduce sensitivity to interest rates and inflation while providing the opportunity for returns during periods where rates are fluctuating.[5]

The Loomis Sayles Discovery Index rebalances daily to meet its 8% volatility control target level. This daily re-allocation aims to further reduce risk when markets are volatile. While this can lessen the impact of market downturns, it may also limit upside potential.

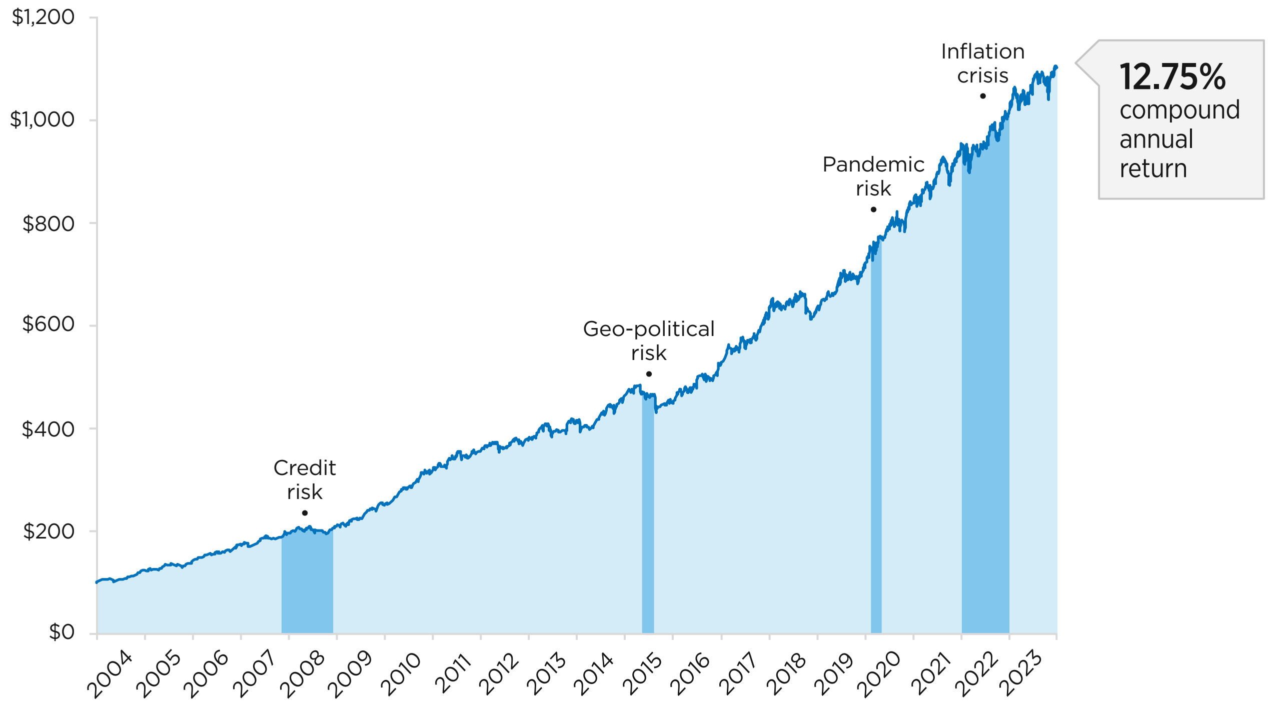
[4] This is a hypothetical example showing a resilient market where the equity portion of the index would allocate to 100% growth equities. In a moderate growth market the equities would be 100% value equities, and a fragile market would be 25% growth equities.

[5] The Index uses a rules-based process for the equity allocation and the addition of the alternative strategies.

# Consistent long-term growth opportunities

Based on back-tested data, the Index would have provided steady growth through a variety of market environments due to its forecasting, dynamic reallocation and risk mitigation strategies. It is important to note that the graph below shows the hypothetical performance of the Index using back-tested data. Back-tested data is not indicative of future results.

## Historical hypothetical index performance




Source: From 12/31/03 to 12/31/23. The Loomis Sayles Discovery Index was launched on 6/14/24. Performance shown prior to 6/14/24 is backtested by applying the Index strategy to historical financial data when all components were available and was designed with the benefit of hindsight. This backtested, hypothetical, historical data has inherent limitations and is provided for illustrative purposes only. It should not be read as a guarantee or an indication of future performance. Results during these periods may have been different (perhaps considerably) had the strategy actually been in existence. Unlike actual performance records, hypothetical or simulated performances, returns or scenarios may not necessarily reflect certain market factors such as liquidity constraints. Past performance is not indicative of nor does it guarantee future performance. The hypothetical performance above would have provided steady growth through some but not all market environments.

**For more information about New Heights Select, please visit www.nationwidenewheights.com**

**For more information on Loomis Sayles Discovery Index, please visit www.loomisdiscovery.com**

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