

1st Quarter 2024

Data as of December 31, 2023

Nationwide Market InsightsSM

Our perspective on the market and economic forces influencing investment planning and retirement





Nationwide Market InsightsSM

One of the challenges of planning for a more secure financial future comes in understanding the market and economic forces that affect investment performance and influence investment decisions. With *Nationwide Market Insights*, we present insights and informative commentary about the economy and the financial markets from Nationwide's staff of economists. You can share *Nationwide Market Insights* with clients to help answer questions about investment performance and inspire greater confidence in the guidance you provide.

When you work with Nationwide, you not only get tools and resources from Nationwide Economics, but also the strength and stability of a Fortune 100 company standing behind the wide range of financial products we offer — from mutual funds and annuities to life insurance and retirement plans.

Plus, you can count on consultative support from the Nationwide Team of Specialists for assistance with the retirement planning challenges you and your clients face. Contact your wholesaler to learn more about *Nationwide Market Insights* and other resources available from Nationwide Economics or the many solutions Nationwide offers.

Executive Summary

Risk assets ended 2023 on a strong note as Fed policymakers signaled no more rate hikes and investors gained more optimism that the U.S. economy could achieve a soft landing. Interest rates declined as bond investors anticipated the imminent arrival of Fed easing. We think Fed policymakers will wait until at least May to begin cutting rates since the balance of risks and looser financial conditions argue in favor of taking a gradual, data-dependent approach.

The economy proved to be incredibly resilient in 2023, despite the Fed lifting the fed funds target range to a restrictive 5.25 – 5.5 percent. We see the economy weakening in 2024 and continue to forecast a mild recession — though the latest economic data provide credibility to expectations of the Fed successfully achieving a soft landing. Inflation has cooled quicker than most anticipated, though stubborn wage and housing price pressures on the services side of the economy are preventing a faster decline in price pressures. We anticipate that labor market conditions will become less tight as the economy falls into a short and shallow recession, but mass layoffs are unlikely.

Table of contents

Financial Markets

Central banks	4
Fixed Income	7
Equities	12
Currencies	20
Commodities	21

U.S. Economy

GDP growth forecast	23
Consumers	26
Businesses	32
Inflation	37
Housing	38

Financial Markets

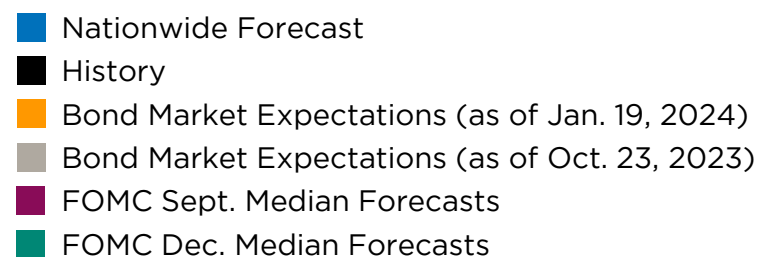
Highlights

- 4 Fed officials appear confident that policy is set at the right level to hit their inflation goal
- 6 Looser financial conditions may delay the timing of the first Fed rate cut
- 11 Tight corporate bond spreads reflect optimism over the economy and Fed policy easing
- 15 Equity rally in 2023 was driven by the Magnificent Seven
- 18 Recession-induced equity price declines tend to unwind quickly

Fed has pivoted and markets are looking for rate cuts

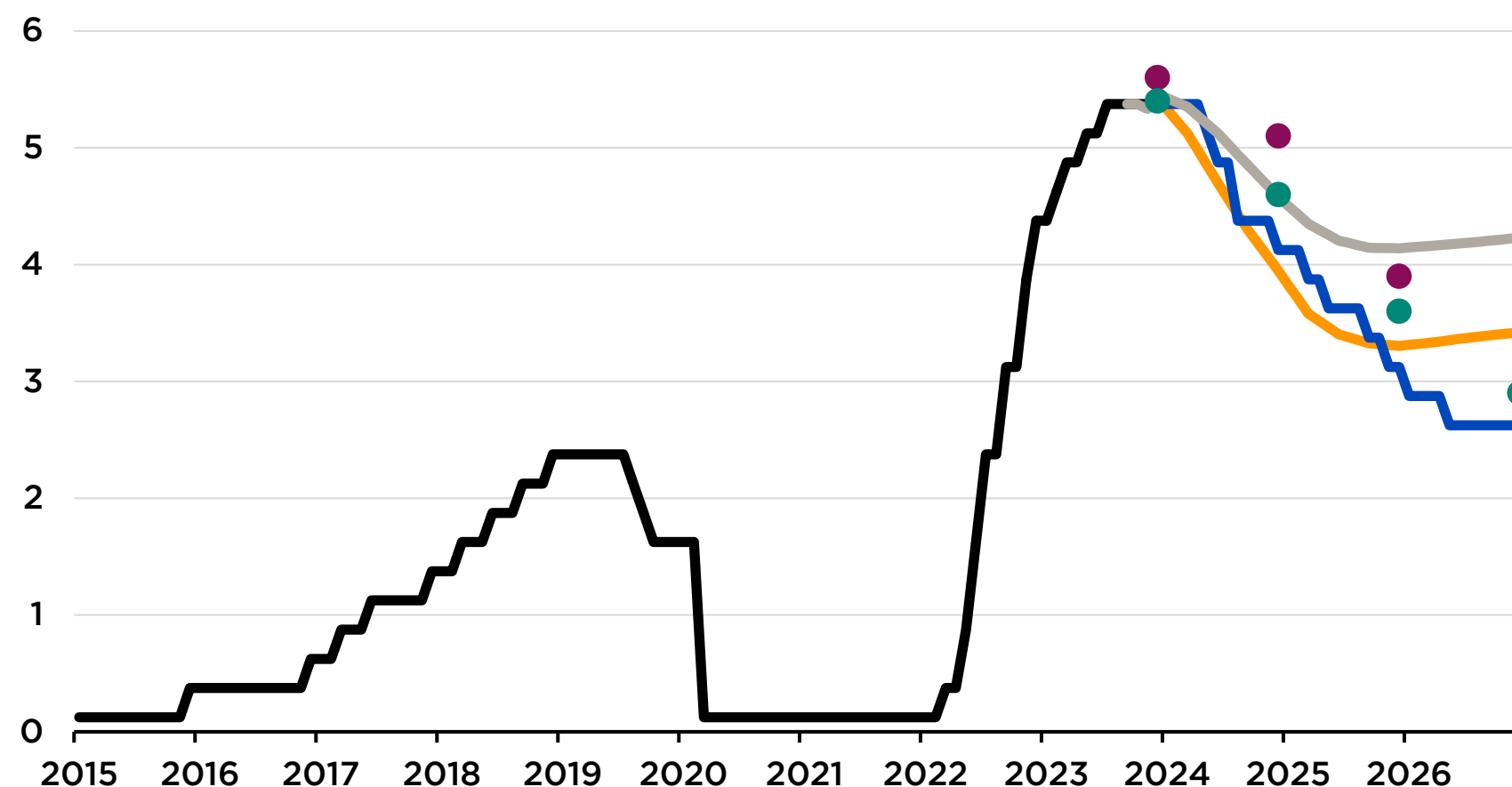
Fed officials have indicated no additional rate hikes if the economy and inflation maintain their current course, but policy will stay restrictive. We expect the Fed's first rate cut to come around mid-2024.

Investors are eager for policy loosening in early 2024, but this expectation is too optimistic in our view. Inflation remains above the Fed's objective, and a cut in Q1 2024 risks increasing price pressures.



Fed funds expectations

Percent



Source: Federal Reserve, Bloomberg, CME, SOFR Futures Data, Nationwide Economics

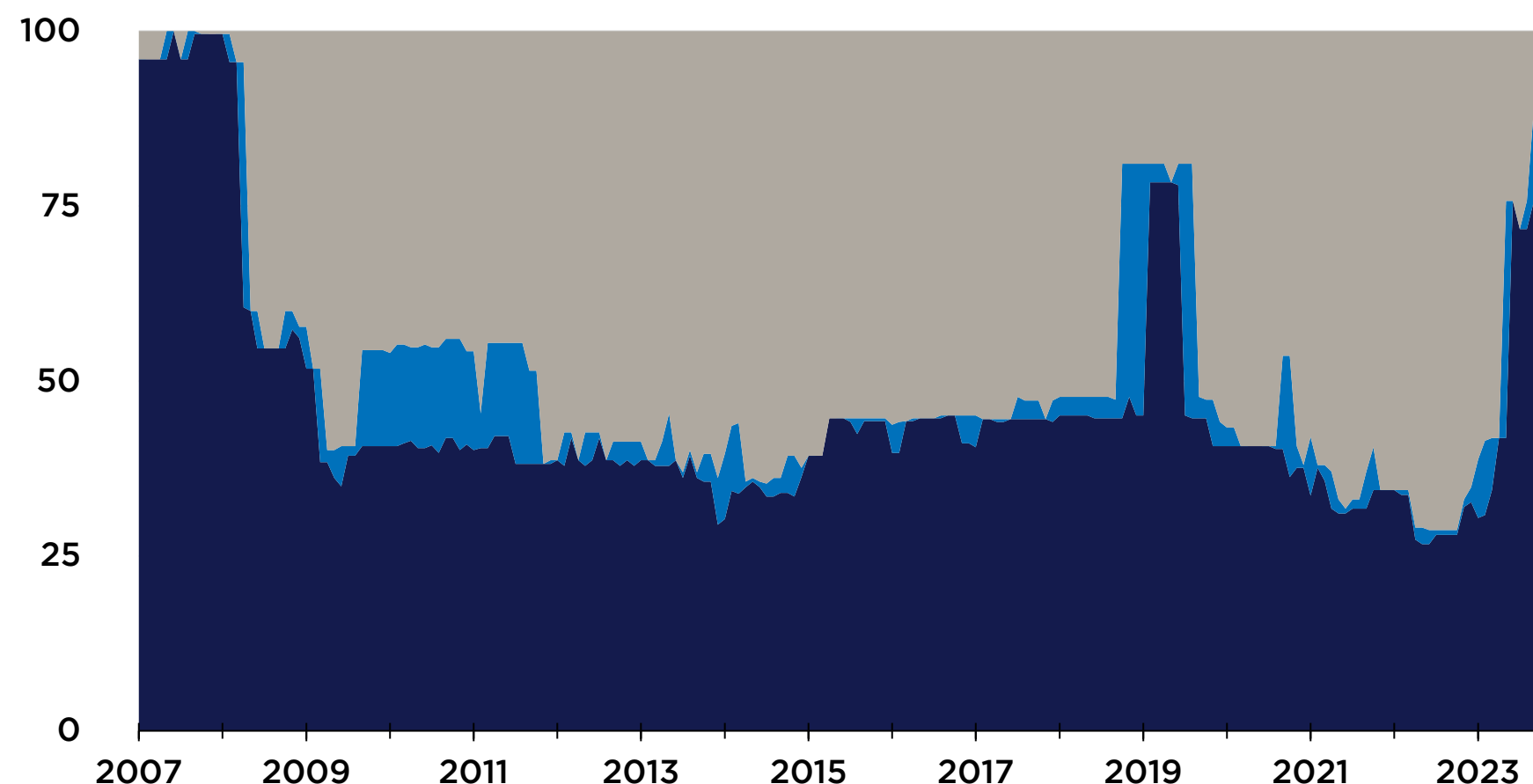
Global central bank tightening cycle is finished

Global central banks, led by the Federal Reserve, European Central Bank, Bank of England, have signaled that additional rate hikes are unlikely as economic activity and inflation are trending in an encouraging direction. But a rapid loosening in policy is unlikely with inflation still above most central banks' targets.

- Restrictive [Real policy rate > 0.25%]
- Neutral [Real policy rate < 0.25% and > -0.25%]
- Loose [Real policy rate < -0.25%]

Stance of global central bank policy

Percent



Deflated with core CPI inflation where available.

Source: Haver Analytics, Nationwide Economics

Includes: U.S., Mexico, Brazil, Canada, UK, Eurozone, China, Japan, India, South Korea, South Africa, Indonesia, Malaysia, Thailand, Colombia, Chile, Sweden and Norway. Countries in sample represent about 75% of global GDP.

U.S. conditions have unwound their recent tightening

Financial conditions have unwound all the tightening that occurred over late summer and through the fall of 2023. This presents an obstacle for the timing of the first Fed rate cut since looser conditions could foment stronger economic activity and inflation.

Goldman Sachs Financial Conditions Index
Index



Source: Bloomberg, Nationwide Economics

Treasury yields ended 2023 on a high note

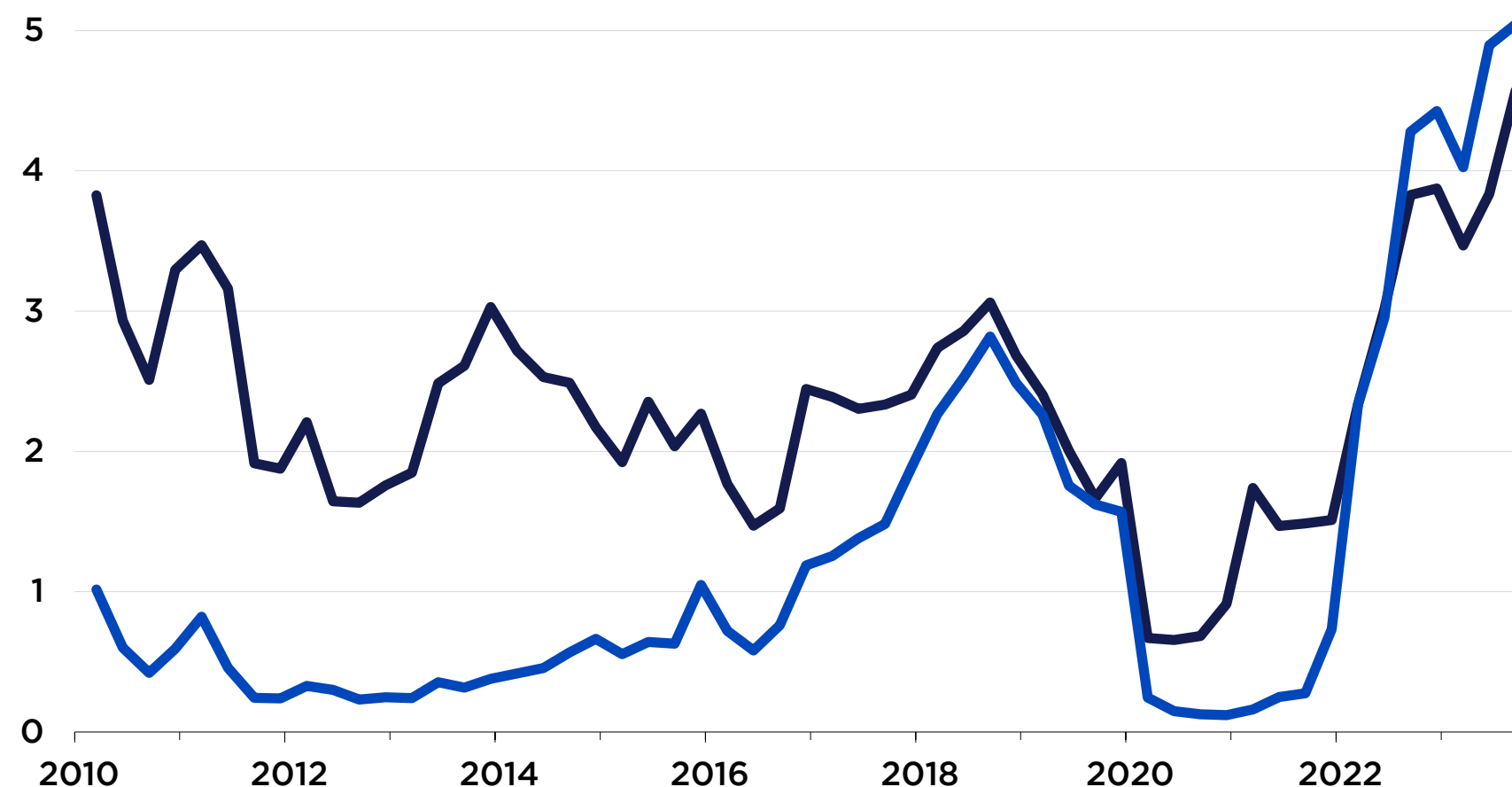
Yields on 2-year and 10-year U.S. Treasuries on average increased in Q4 2023 as economic growth outperformed expectations and the Fed maintained a hawkish tone.

However, yields fell at the very end of last year amid signs that the economy was losing momentum and after Fed Chair Powell indicated that additional rate hikes were unlikely as long as inflation continued to moderate.

■ 2-year
■ 10-year

10-year and 2-year U.S. Treasury yields

Percent



Source: Bloomberg, Nationwide Economics

Real rates take a step back, but stay positive

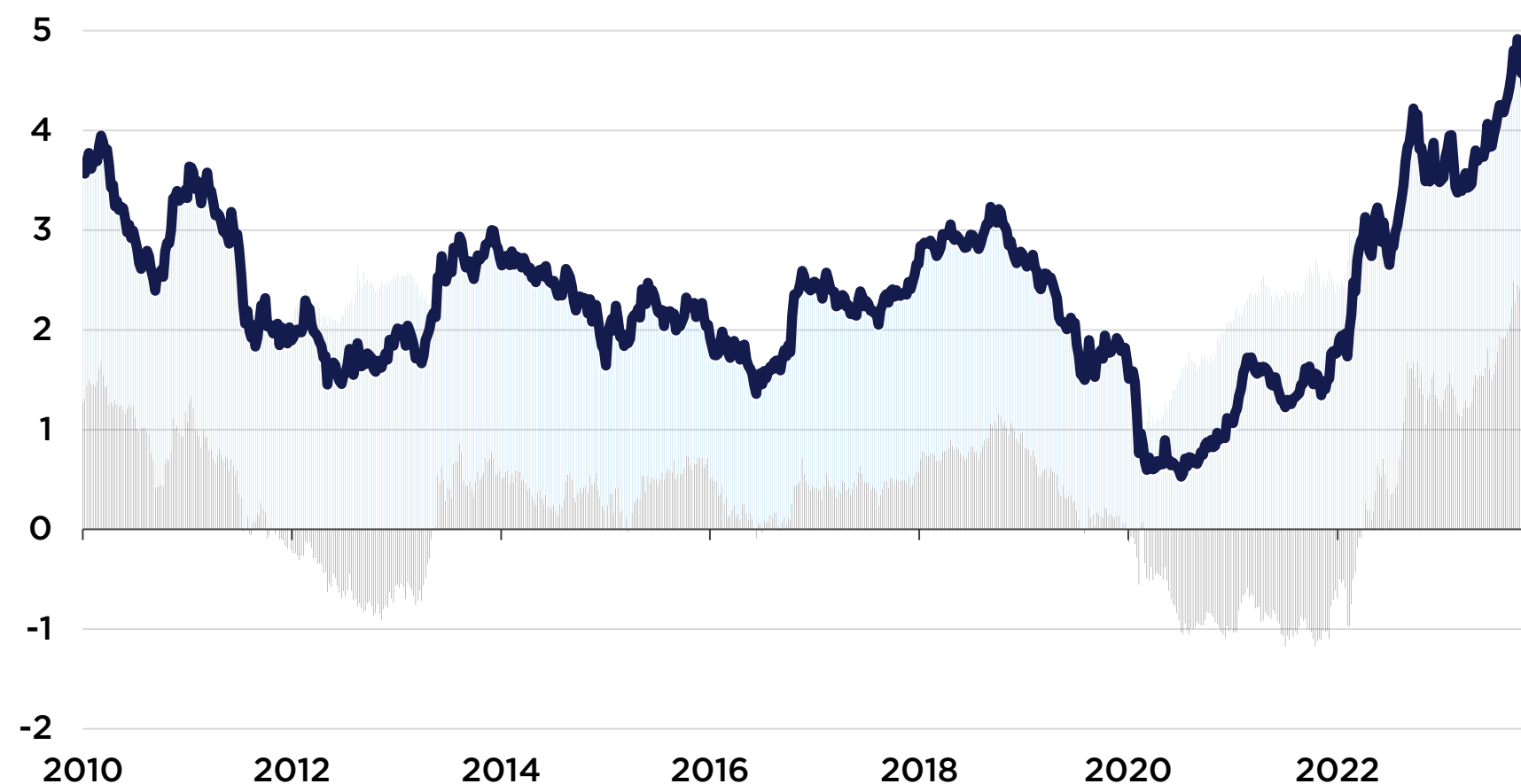
The nominal 10-year U.S. Treasury yield ended Q4 2023 lower than where it began the quarter.

Lower real rates were largely responsible for the decrease as economic performance pointed to softer GDP growth compared to Q3's ebullient expansion. Lower inflation prints and inflation expectations also drove nominal interest rates lower.

- 10-year nominal Treasury yield
- 10-year inflation breakeven
- 10-year real TIPS yield

Breakdown of the 10-year U.S. Treasury yield

Percent



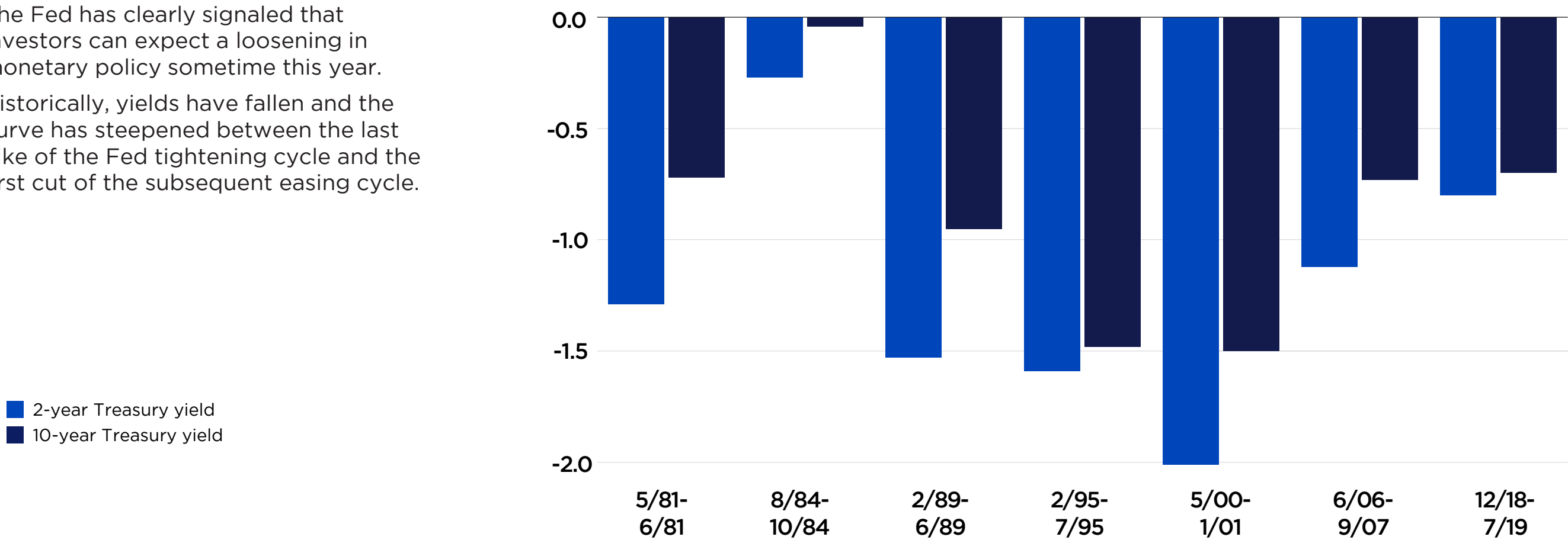
Source: Bloomberg, Nationwide Economics

Treasuries rally between tightening and easing cycles

The Fed has clearly signaled that investors can expect a loosening in monetary policy sometime this year.

Historically, yields have fallen and the curve has steepened between the last hike of the Fed tightening cycle and the first cut of the subsequent easing cycle.

Changes in 10-year and 2-year U.S. Treasury yields between Fed tightening, easing cycles
Percentage points



Source: Federal Reserve Board of Governors, Nationwide Economics

Which asset class gained and lost in 2023?

High yield performed the best among all the major assets classes in 2023, posting the highest positive return.

On the other end of the spectrum, Treasuries recorded the lowest gain.

Yearly changes by asset class

Percent

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Treasuries 10.70%	Municipals 3.30%	High Yield 17.10%	High Yield 7.50%	Agencies 1.30%	Corporates 14.50%	TIPS 11.20%	TIPS 6.10%	Agencies -7.90%	High Yield 13.45%
Municipals 9.10%	MBS 1.50%	Corporates 6.10%	Corporates 6.40%	Municipals 1.30%	High Yield 14.30%	Treasuries 10.60%	High Yield 5.30%	Municipals -8.50%	Corporates 8.52%
Corporates 7.50%	Agencies 1.00%	TIPS 4.80%	Municipals 5.40%	MBS 1.00%	Treasuries 8.90%	Corporates 9.90%	Municipals 1.50%	MBS -11.80%	Municipals 6.40%
MBS 6.10%	Treasuries 0.90%	Bloomberg Agg 2.60%	Bloomberg Agg 3.50%	Bloomberg Agg 0.00%	TIPS 8.80%	Bloomberg Agg 7.50%	Corporates -1.00%	High Yield -11.90%	Bloomberg Agg 5.53%
Bloomberg Agg 6.00%	Bloomberg Agg 0.50%	MBS 1.70%	TIPS 3.30%	Treasuries 0.00%	Bloomberg Agg 8.70%	High Yield 7.10%	MBS -1.00%	TIPS -12.60%	Agencies 5.13%
TIPS 4.40%	Corporates -0.70%	Agencies 1.40%	MBS 2.50%	TIPS -1.50%	Municipals 7.50%	Agencies 5.50%	Agencies -1.30%	Bloomberg Agg -13.00%	MBS 5.05%
Agencies 3.60%	TIPS -1.70%	Municipals 0.20%	Treasuries 2.10%	High Yield -2.10%	MBS 6.40%	Municipals 5.20%	Bloomberg Agg -1.50%	Corporates -15.80%	TIPS 3.84%
High Yield 2.50%	High Yield -4.50%	Treasuries -0.20%	Agencies 2.10%	Corporates -2.50%	Agencies 5.90%	MBS 3.90%	Treasuries -3.60%	Treasuries -16.30%	Treasuries 3.21%

Source: Bloomberg, Nationwide Economics

Corporate bond spreads narrowed

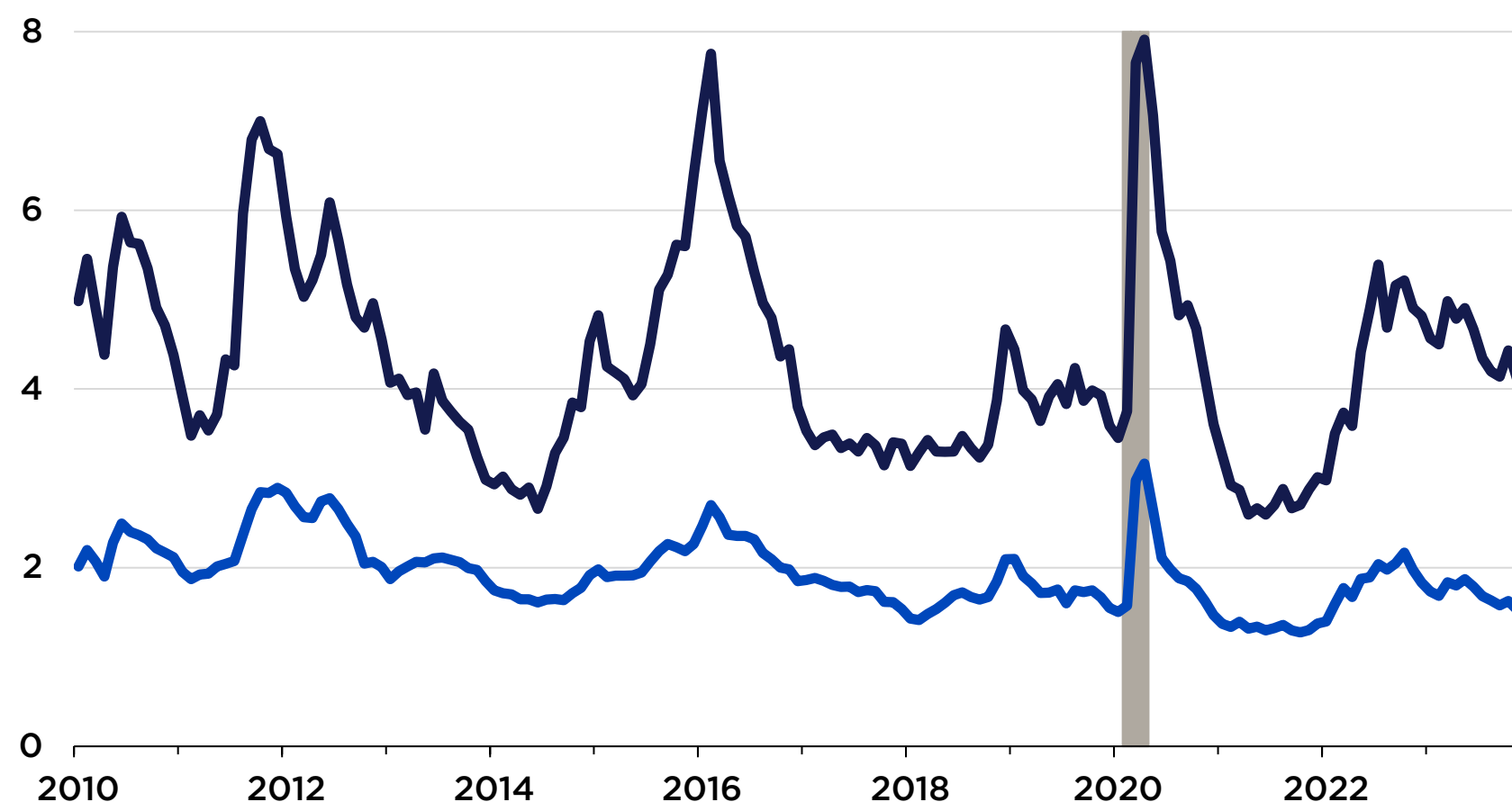
Credit spreads tightened over the course of Q4 as economic activity stayed buoyant and corporate financial performance appeared to stay solid.

Spreads narrowed in 2023 as investors saw a declining risk of a recession over the course of the year. And while signs of financial distress percolated in the business sector, their overall financial position stayed favorable compared to expectations at the start of the year.

■ Investment grade
■ High yield
■ Recession

Investment-grade and high-yield option adjusted spreads

Percent



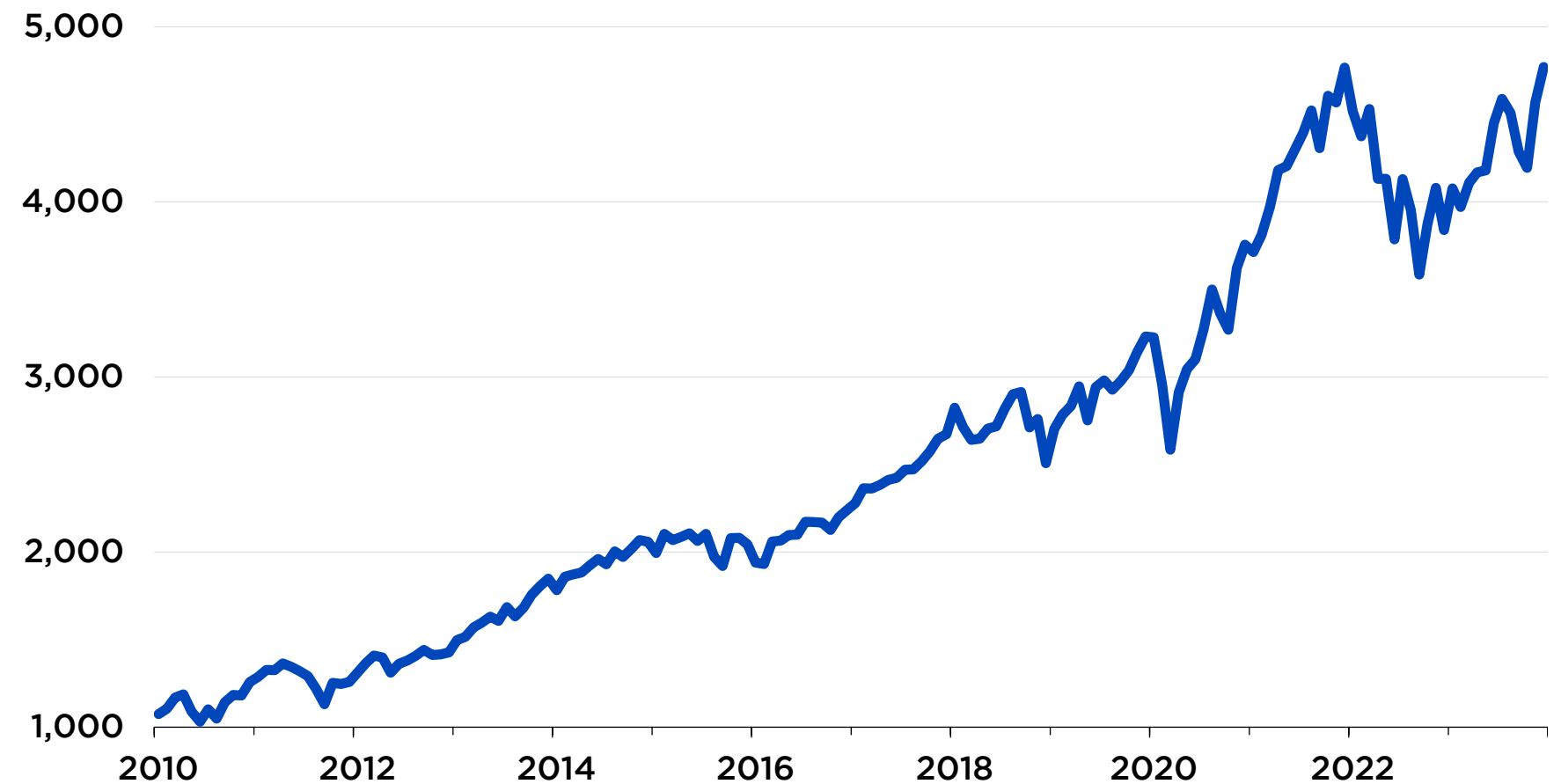
Source: Federal Reserve Board, ICE/Bank of America Merrill Lynch, Haver Analytics, Nationwide Economics

Stocks finished 2023 near historic highs

The S&P 500® Index climbed roughly 25 percent last year. The increase was underpinned mainly by strong equity performance among what many investors call the “Magnificent Seven”.

S&P 500® Index

Index



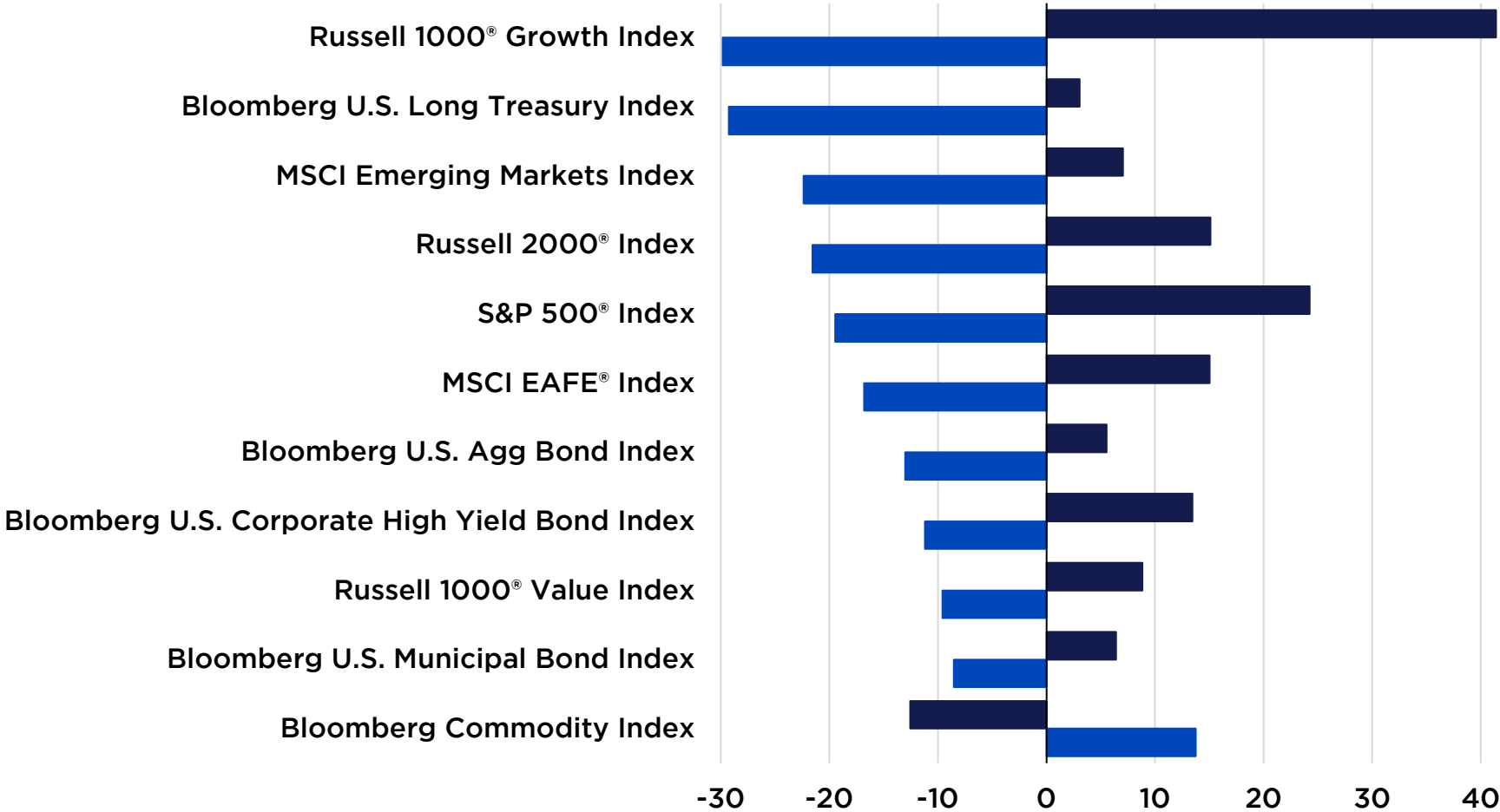
Source: Standard & Poor's, Haver Analytics, Nationwide Economics

Unfavorable assets in 2022 reversed their fortunes in 2023

The composition of equity sector performance was starkly different in 2023 compared to 2022. Small capitalized U.S. equities gained the most value last year in the wake of losses in 2022. On the other end of the spectrum, commodities in 2023 essentially unwound the entirety of the gains they recorded in the year prior.

■ 2022 return
■ 2023 return

Annual equity returns
Percent



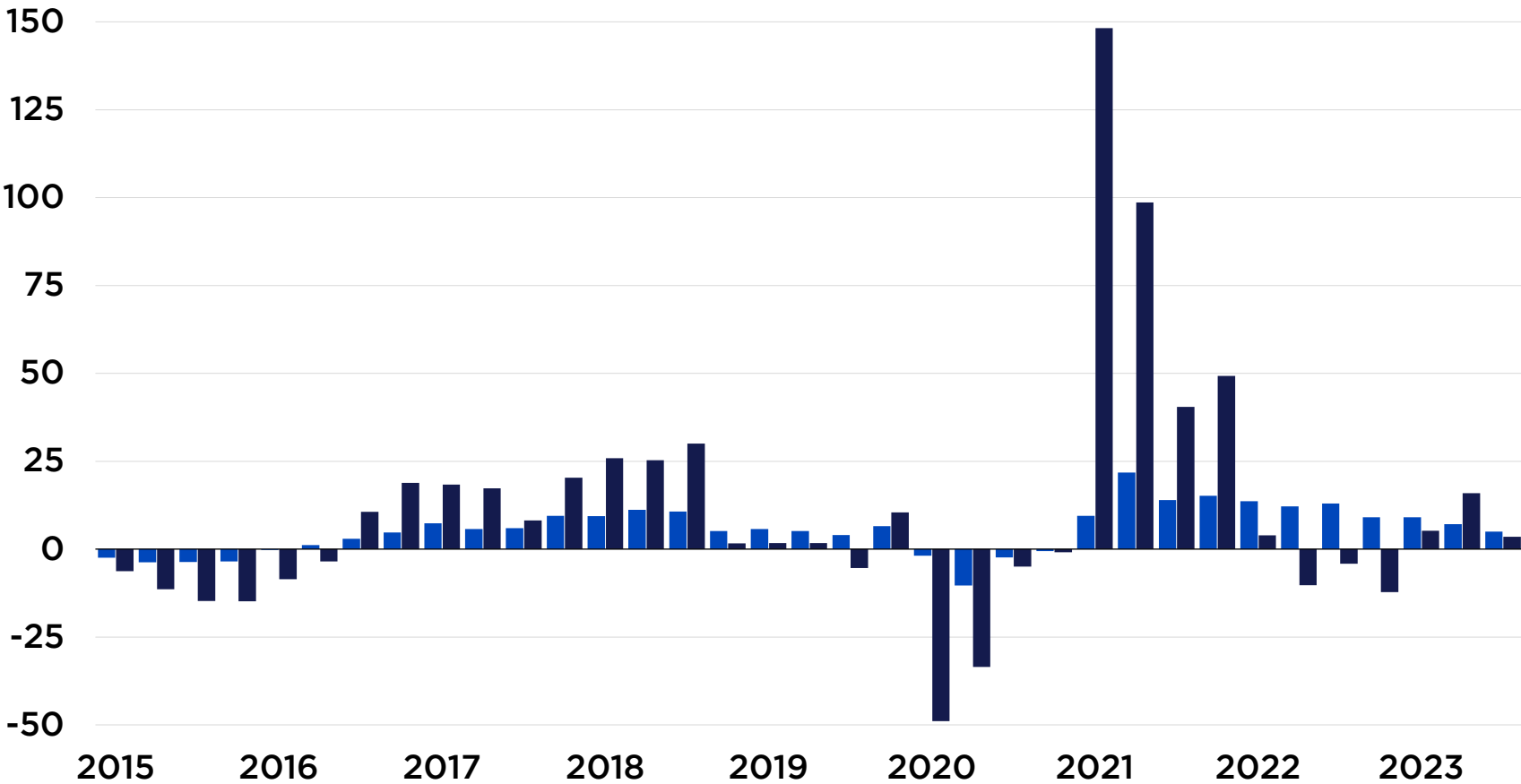
Source: Bloomberg, Nationwide Economics

Earnings momentum to weaken

The earnings and revenues of companies in S&P 500® have stayed fairly buoyant on a year-over-year basis through the third quarter and our expectation is they stayed relatively solid through Q4. Looking ahead, revenue and earnings will weaken as the economy slips into a mild recession later this year.

■ Revenue
■ Earnings

Yearly changes in S&P 500® earnings and revenues
Percent



Source: Standard & Poor's, Nationwide Economics

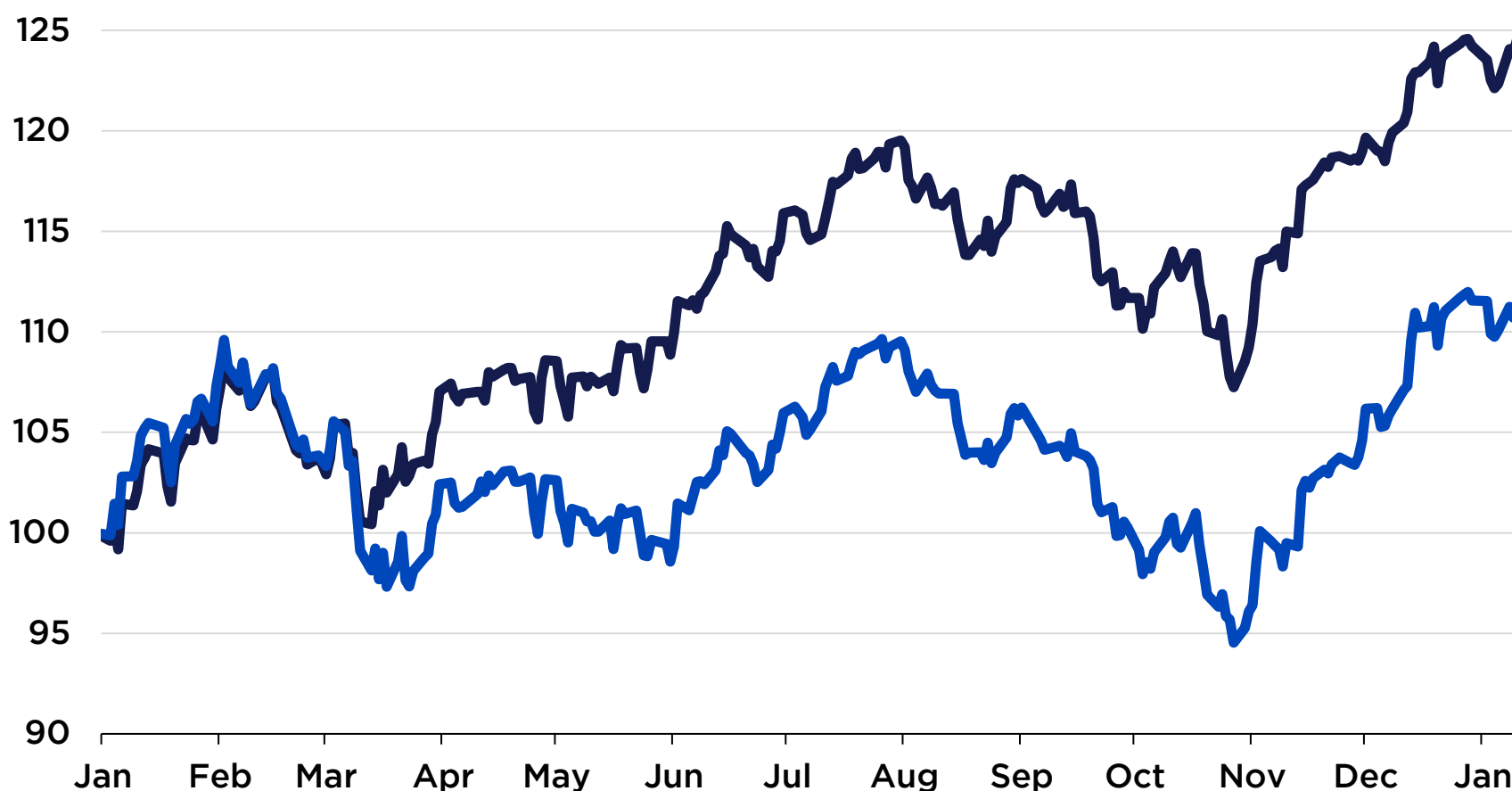
Magnificent seven buoyed the market

The S&P 500® posted an impressive gain in 2023, up 25 percent for the year. Much of the rally was driven by ebullient gains among the large capitalized technology firms, commonly known as the “Magnificent Seven”. On an equal-weighted basis, the S&P 500® was up only about 10 percent for the year. It remains to be seen whether the Magnificent Seven can lead another strong year for the S&P 500®.

■ S&P 500®
■ Equal-weighted S&P 500®

S&P 500®: Market cap versus equal-weighted

Index, 12/30/22 = 100



Source: Bloomberg, Nationwide Economics

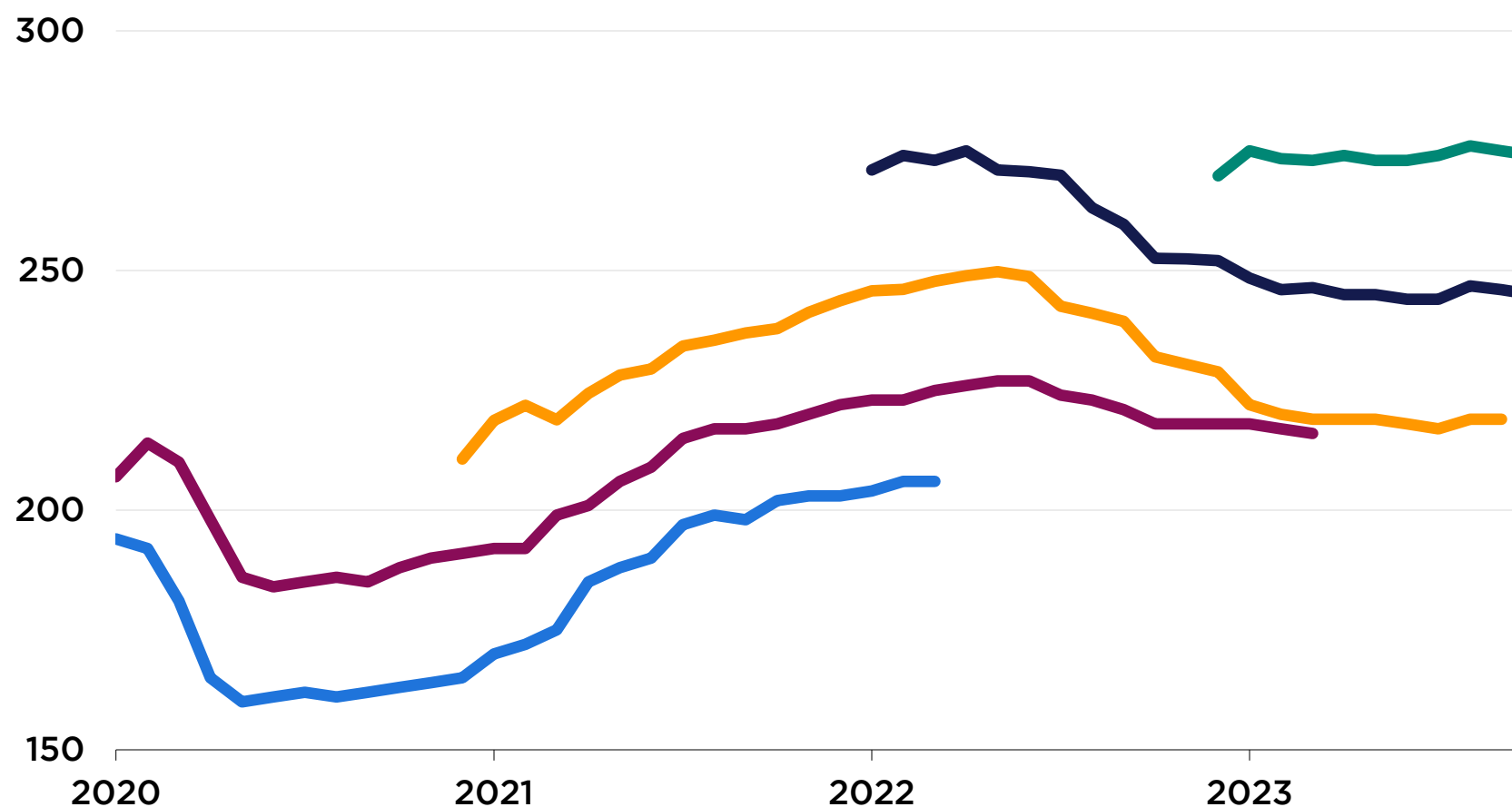
Earnings expectations are buoyant, but deteriorating

Company earnings expectations remain buoyant, but firms are expressing cautious optimism compared to a few months ago as domestic demand conditions look set to worsen and the external environment won't offer much of an offset. Also, corporations have trimmed expenses where possible so future spending cuts may be more painful.

■ 2021
■ 2022
■ 2023
■ 2024
■ 2025

Earnings evolution: S&P 500®

\$ earnings per share



Source: FactSet, Nationwide Economics

Higher rates gave investors new options

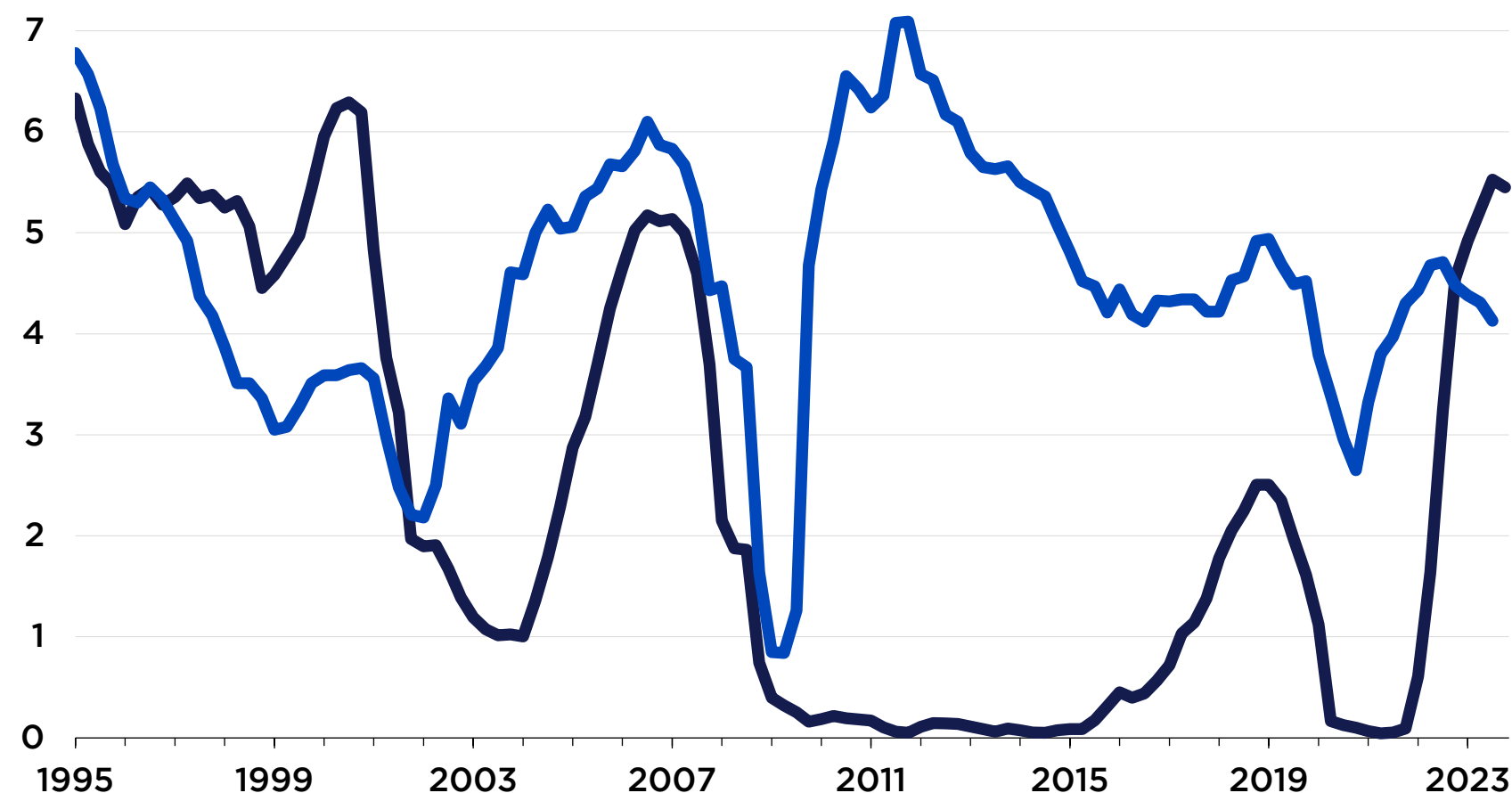
Low interest rates in the decade prior to the pandemic led investors to search for yield in other markets, namely equities.

The rapid rise in interest rates since the end of the pandemic leveled the playing field as investors could earn a greater return on fixed income assets. The stock market yield will become relatively more attractive again in 2024, especially as the Fed proceeds to lower interest rates and since we expect only a short and shallow recession.

■ S&P 500® earnings yield
■ 6-month Treasury yield

S&P 500® earnings yield and 6-month Treasury yield

Percent



Source: Standard & Poor's and Bloomberg, Nationwide Economics

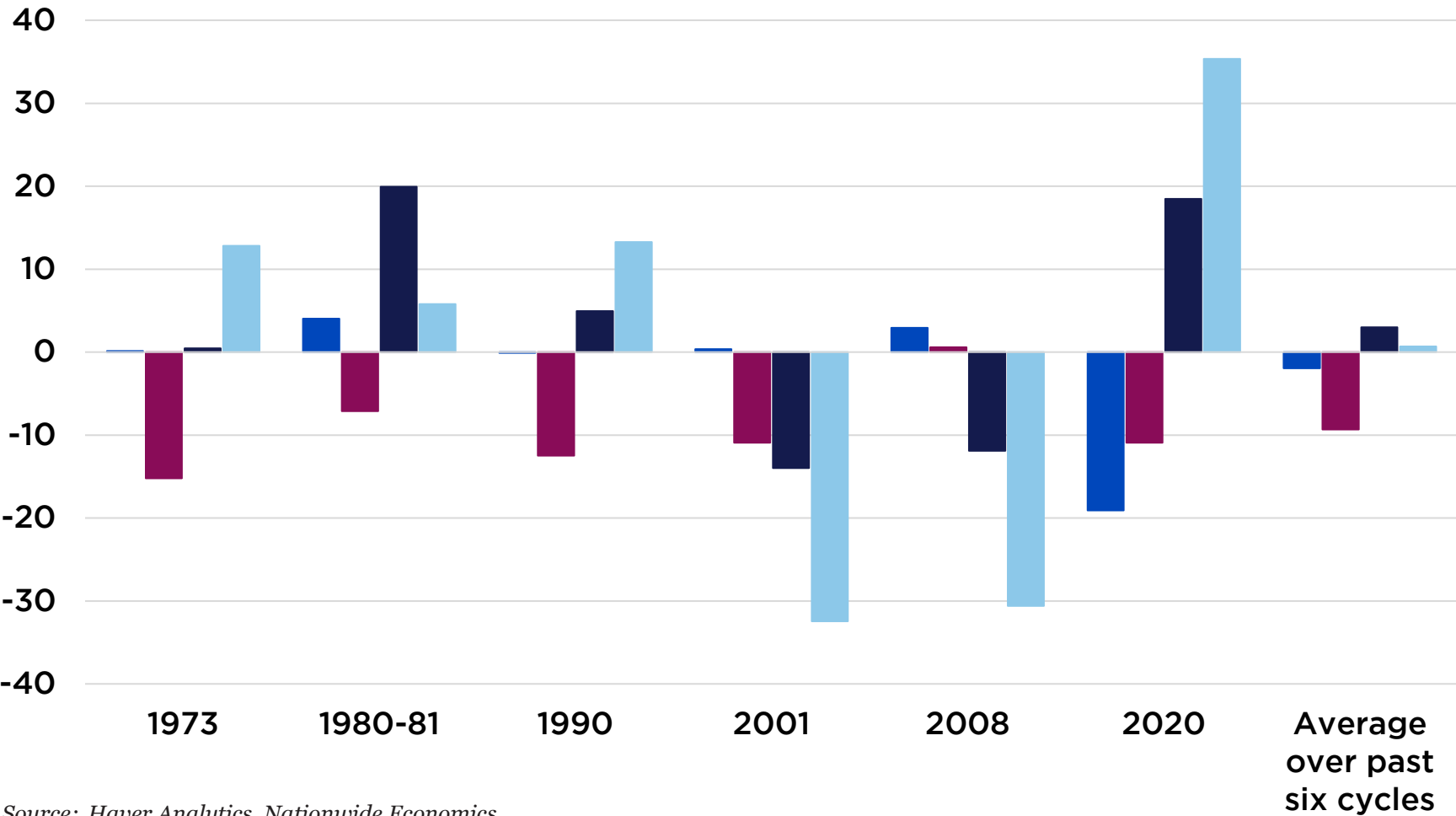
Equity market performance in the wake of recessions

Equities tend to decline at the onset of recessions, but Fed rate cuts and the eventual rebound in economic growth lead valuations to reverse course. The S&P 500® tends to recover the entirety of recession-induced losses approximately twelve months following the beginning of a downturn.

- 1-month
- 3-months
- 12-months
- 24-months

Change in the S&P 500® after recession starts and peak in the Federal Funds Rate

Percent



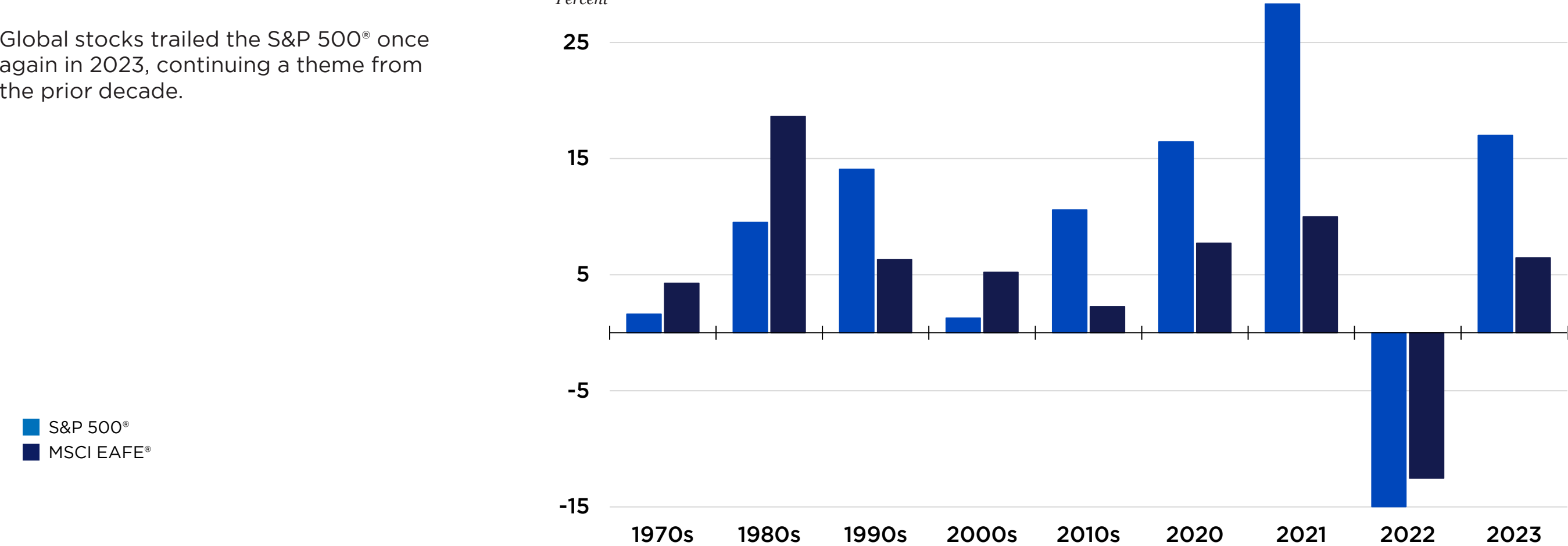
Source: Haver Analytics, Nationwide Economics

Global equities continue to underperform

Global stocks trailed the S&P 500® once again in 2023, continuing a theme from the prior decade.

Annualized changes in the S&P 500® and the MSCI EAFE®

Percent



■ S&P 500®
■ MSCI EAFE®

Source: Bloomberg

U.S. dollar is off its highs, but remains well-supported

The U.S. dollar essentially held steady last quarter and in 2023 overall.

We think the currency will stay well-supported in 2024, bolstered by heightened geopolitical risks and safe-haven inflows in the wake of the mild U.S. recession that we anticipate later this year.

The U.S. dollar index

Index



Source: ICE, Bloomberg, Nationwide Economics

Oil prices have fallen sharply

Oil prices ended 2023 on a shakier footing. Rising U.S. energy production may be offsetting the impact of production cuts by OPEC+ and a sharp increase in geopolitical tensions in the Middle East surrounding the Israel-Hamas war.

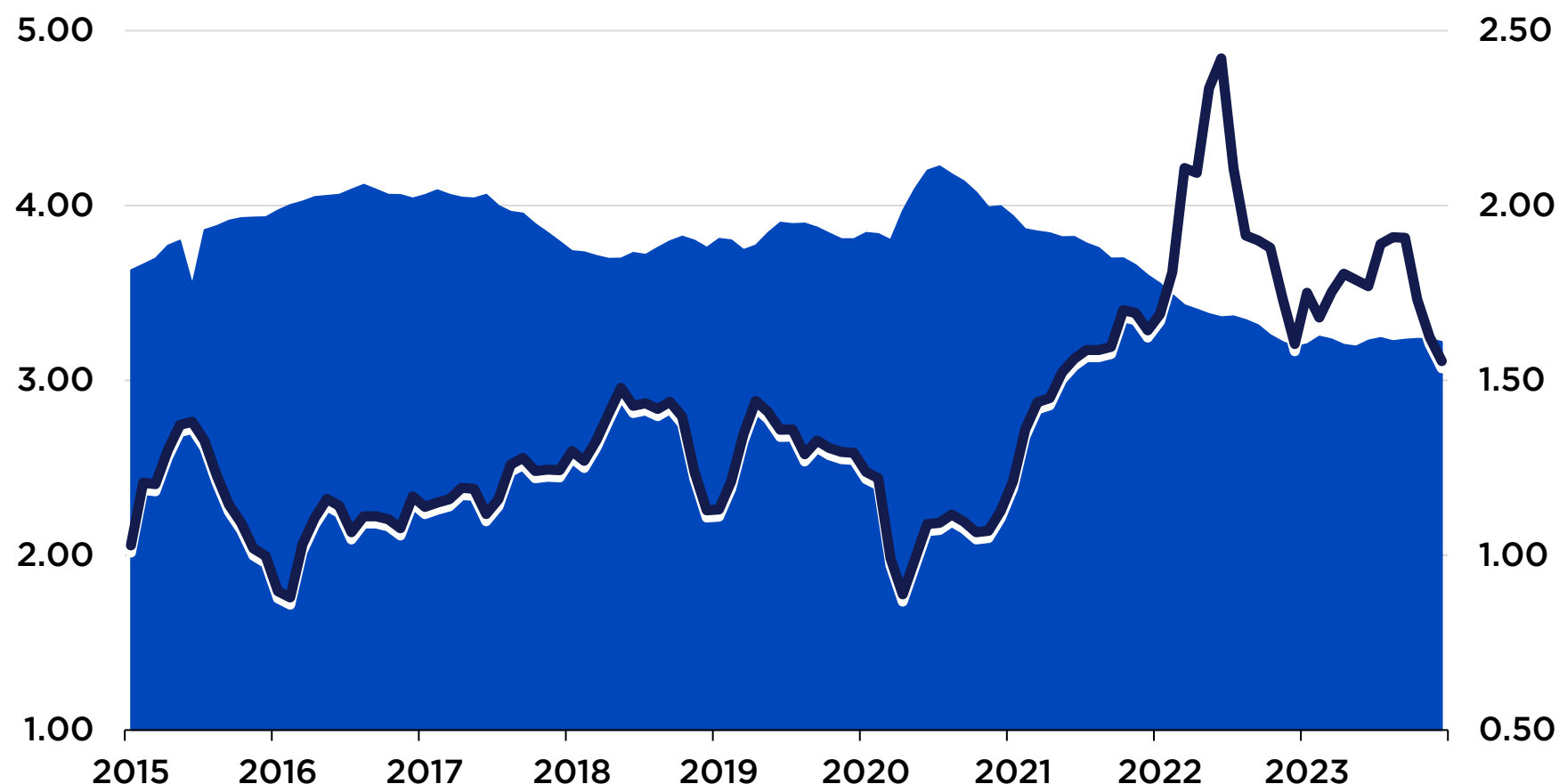
All else equal, lower oil prices will assist the Fed in reaching its two percent inflation objective. Lower prices will also make it cheaper for the government to refill the Strategic Petroleum Reserve.

- Daily average unleaded gasoline price (left)
- Monthly crude oil & petroleum stocks (right)

Oil prices and U.S. oil stockpiles

Daily average unleaded gasoline price, dollars per gallon

Monthly crude oil & petroleum stocks, barrels, billion



Source: U.S. Energy Information Administration, American Automobile Association, Nationwide Economics

U.S. Economy

Highlights

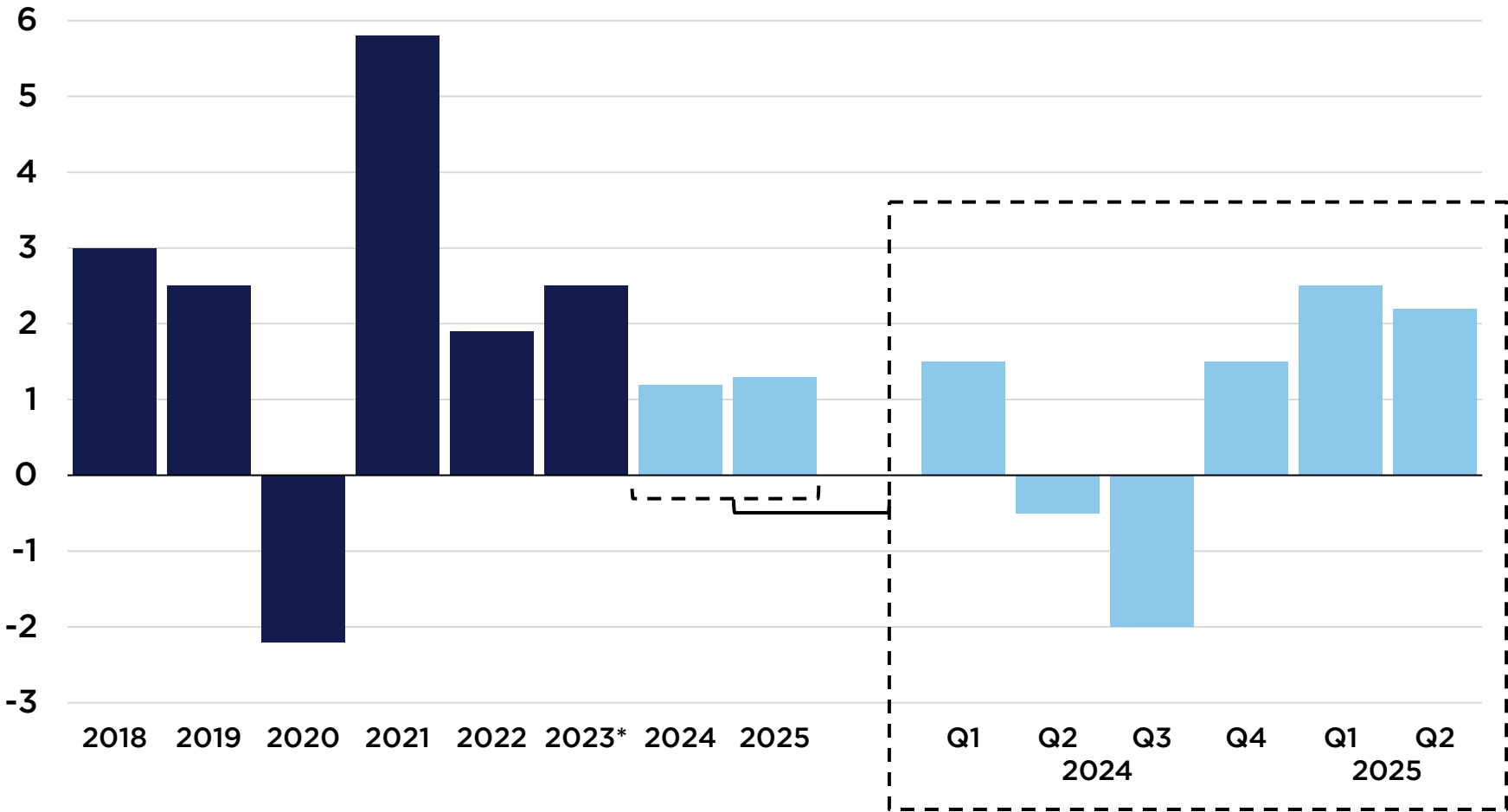
- 23 Mild recession remains our base case
- 27 Rising real incomes are keeping consumers in a spending mood
- 34 Tight monetary policy should lead to a weaker labor market
- 37 Inflation is moderating, but remains high
- 40 Fiscal policy likely won't boost GDP growth by much in 2024

We expect a mild and short-lived recession

We see the economy losing some of its luster in 2024 and forecast a mild recession — though the latest economic data as we exited 2023 provide credibility to expectations of the Fed successfully achieving a soft landing.

■ Historical GDP growth
■ Nationwide's forecast
* represents estimated growth

GDP growth – historical and forecast
Percent annualized growth

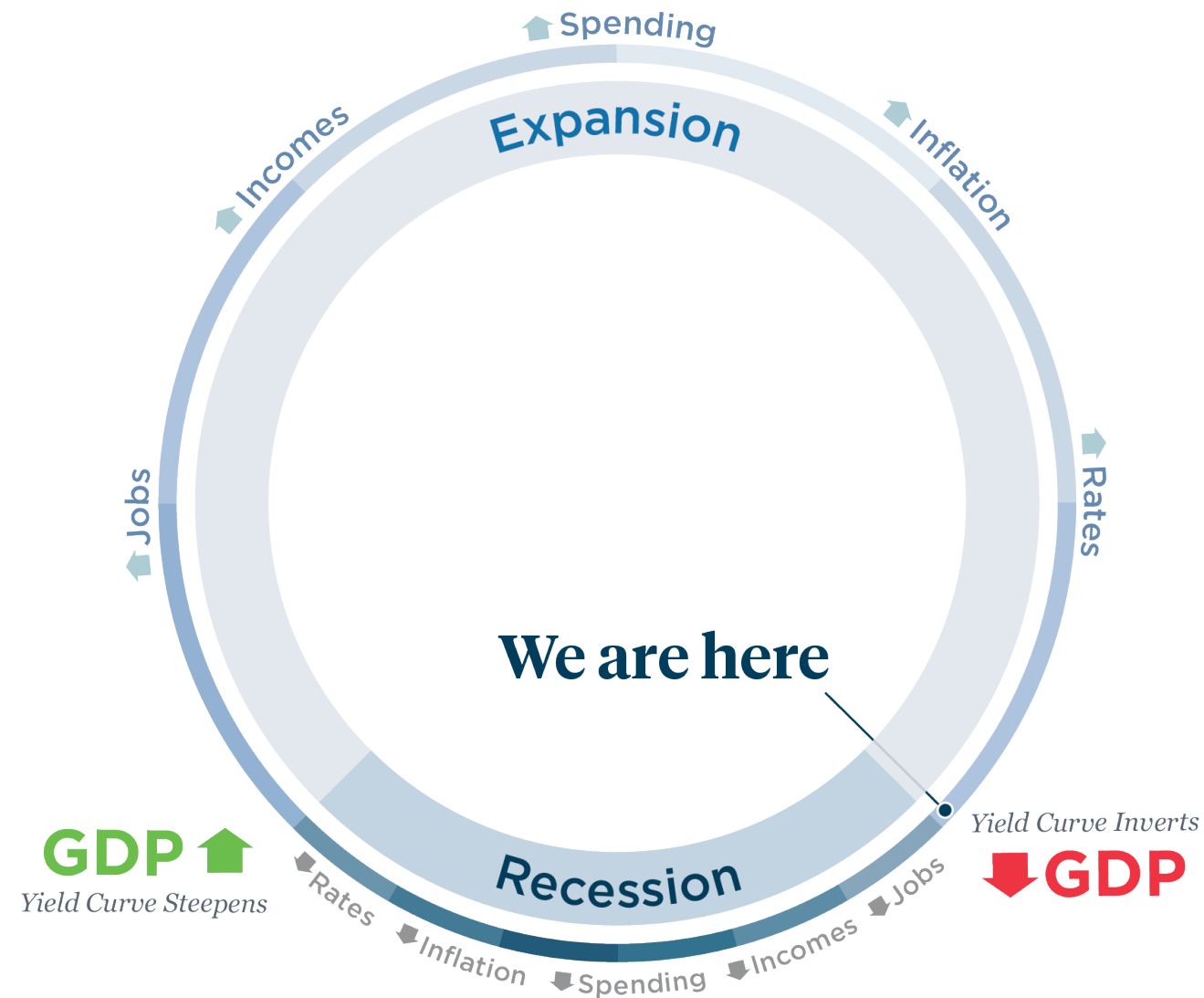


Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Where are we in the business cycle?

Our economic cycle indicator continues to flash warning signs.

Expansions and recessions are amplified through the labor market before being ended via changes in inflation and interest rates. Though it partly unwound in the second half of 2023, the persistent yield curve is an indication that a recession is looming.



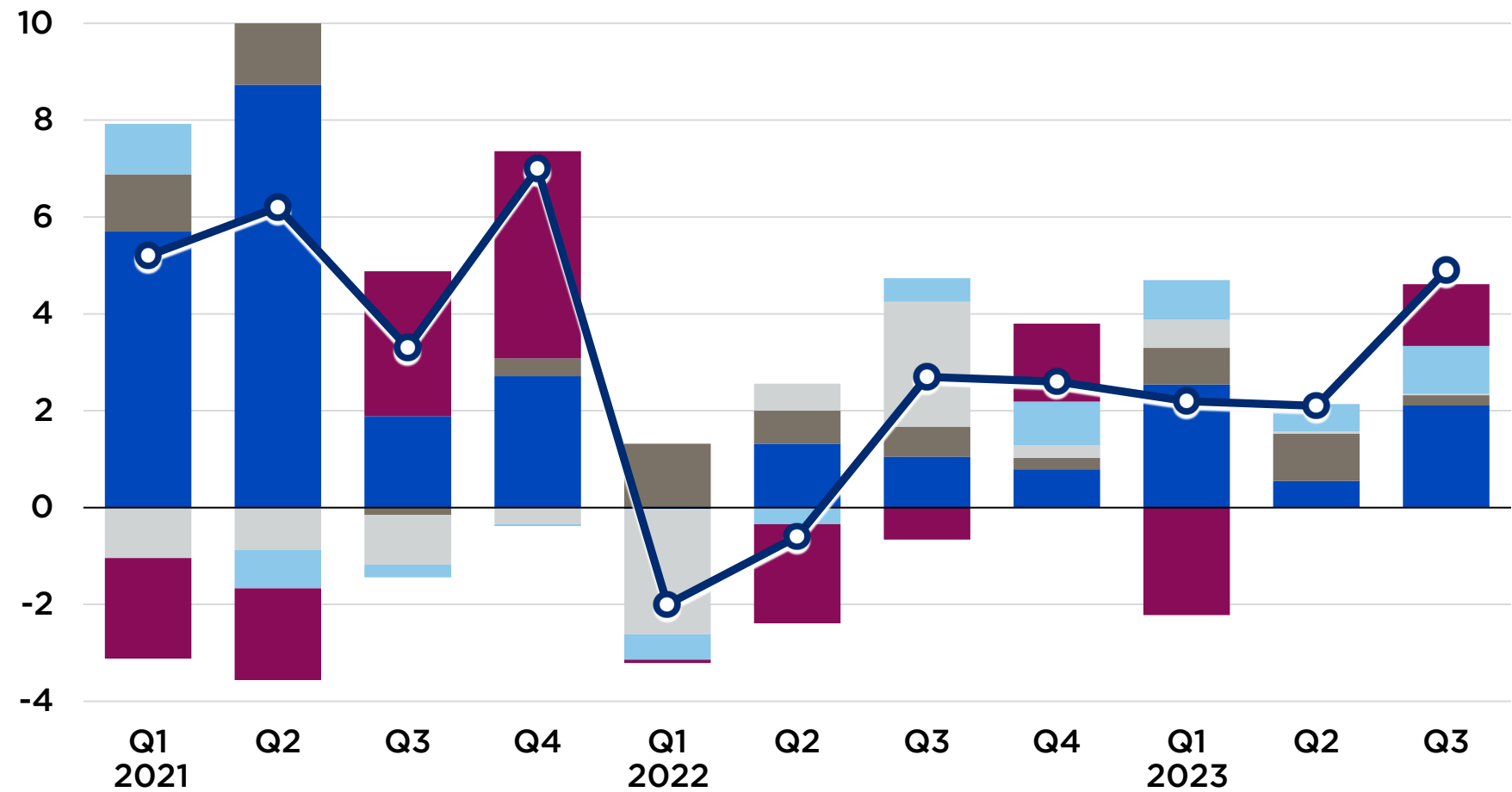
Economy grew at an unsustainably high pace in Q3

The economy has outperformed expectations and bounced back strongly from the pandemic-induced recession of 2020.

GDP expanded very healthily in Q3, driven mainly by an ebullient advance in consumer spending, a jump in inventories, and a rise in government outlays. However, this robust advance is unsustainable.

- Consumer Spending
- Business Investment
- Net Trade
- Government Spending
- Inventories
- Real GDP

Contribution to real GDP growth
SAAR, percent



Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

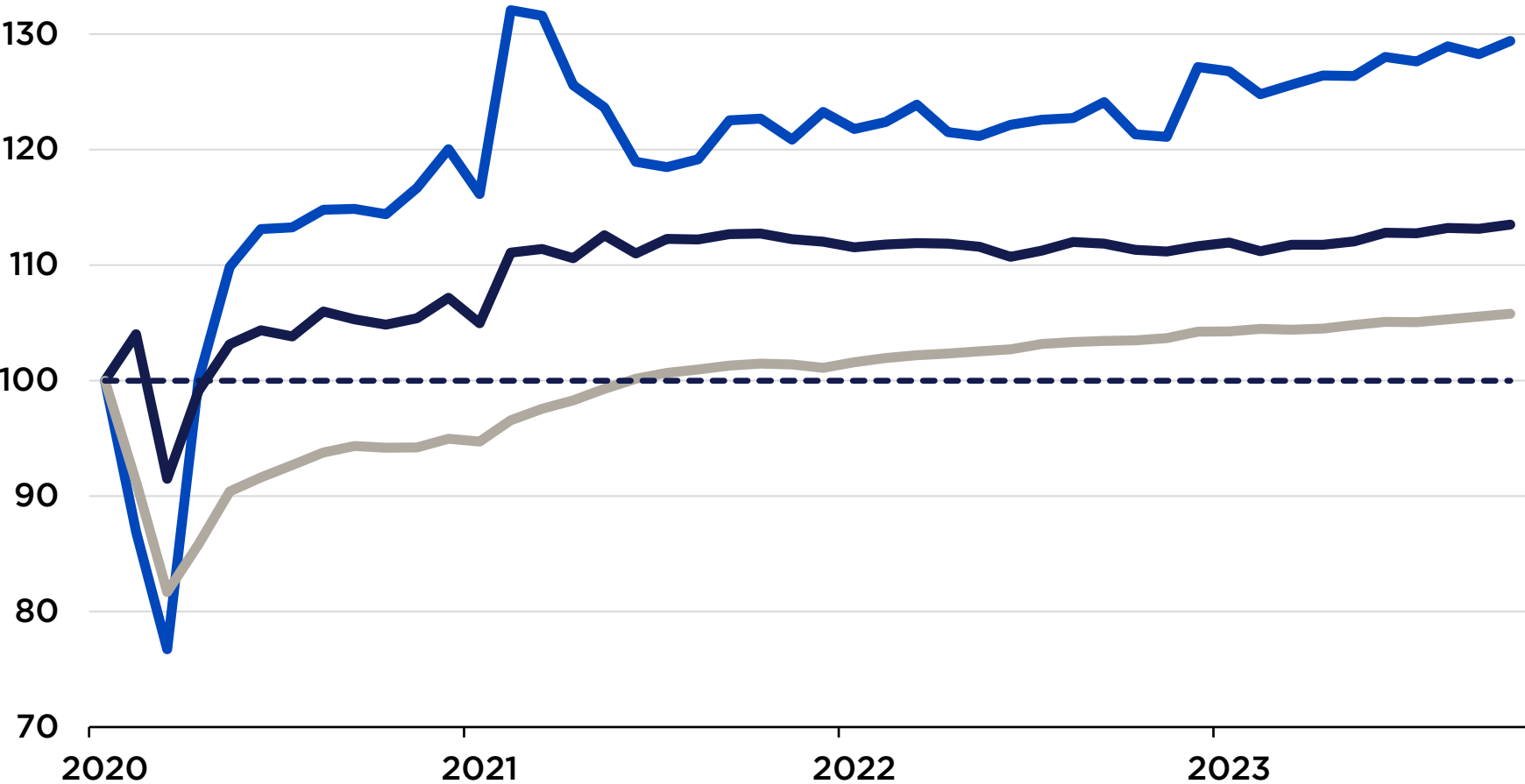
Consumers are willing to spend

Consumer spending remains buoyant on the goods and services fronts. A persistently strong inclination to spend on leisure and hospitality-related activities is keeping services spending rising, though consumers also ramped up their spending on other types of services. Meanwhile, durable and nondurable goods spending are maintaining gentle upward momentum.

- Durable goods
- Nondurable goods
- Services

Real consumer spending

Index, Feb. 2020 = 100



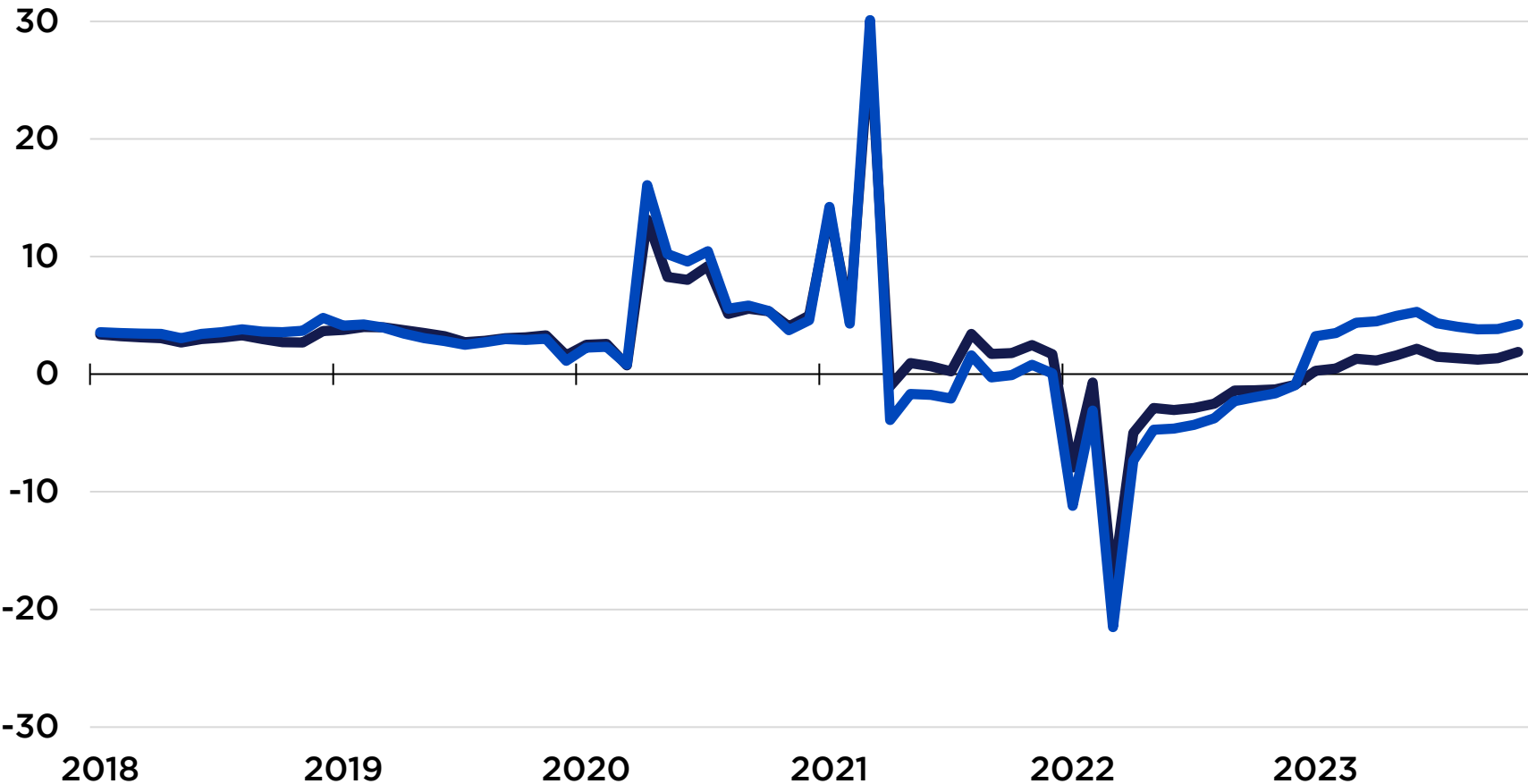
Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Positive real income growth is supporting consumer spending

The rise in real income has significantly contributed to the increases seen in consumer spending. This is the most important dynamic to watch in the economy in 2024 and likely the primary factor in the postponement of the forecasted recession. As long as real incomes continue to grow, we should expect consumers to keep spending.

- Real disposable income growth
- Real personal income growth

Real income growth
Year-over-year, percent



Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Labor market remains buoyant...

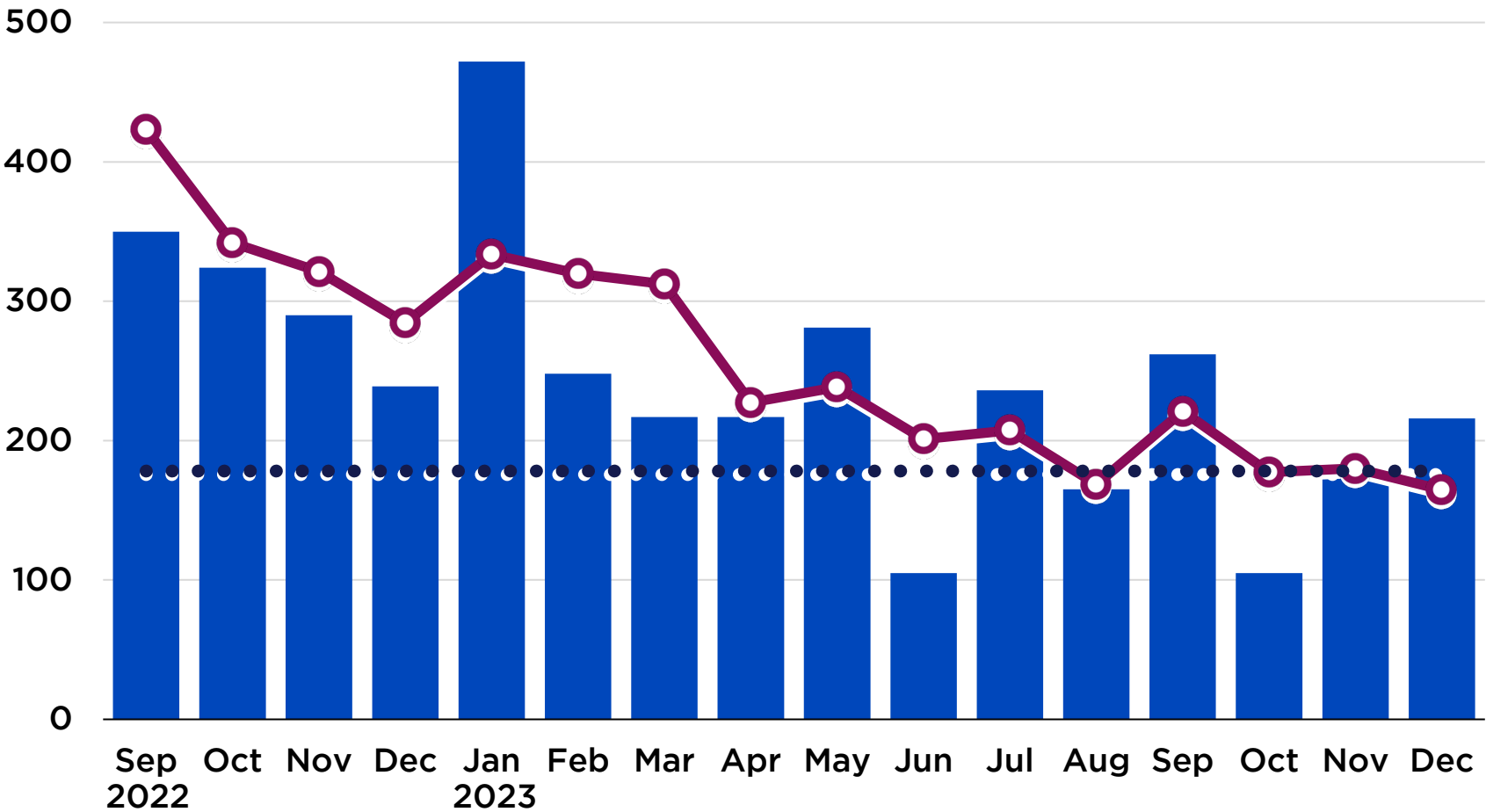
Net hiring was solid with 216,000 jobs added in December. Downward revisions to October and November took a little of the steam out of the headline figure and led the three-month average for job growth to dip to 165,000 — the slowest reading of 2023.

The economy added 2.7 million jobs in 2023, weaker on a percentage growth basis than in 2022, but stronger than in 2019.

- Nonfarm payrolls
- Three-month moving average
- 2018 - 2019 average monthly change

Nonfarm payrolls growth

Thousands



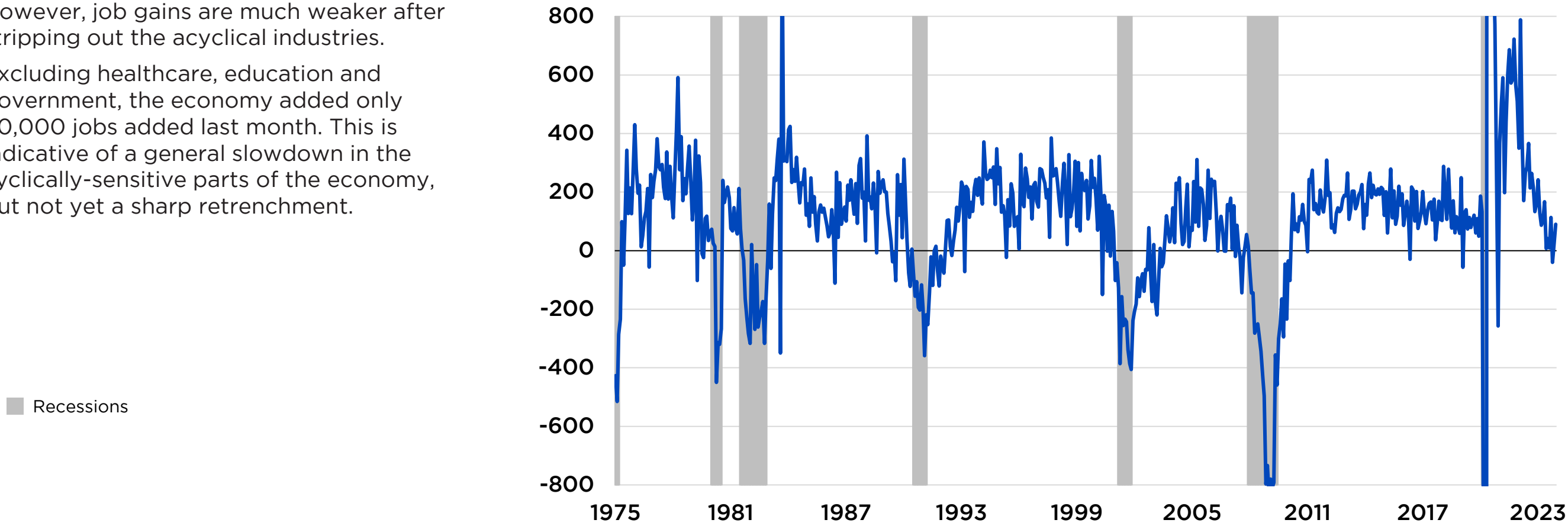
Source: Bureau of Labor Statistics, Haver Analytics, Nationwide Economics

... but job creation is concentrated in acyclical sectors

However, job gains are much weaker after stripping out the acyclical industries.
 Excluding healthcare, education and government, the economy added only 90,000 jobs added last month. This is indicative of a general slowdown in the cyclically-sensitive parts of the economy, but not yet a sharp retrenchment.

Private sector employment growth less education and healthcare

Thousands

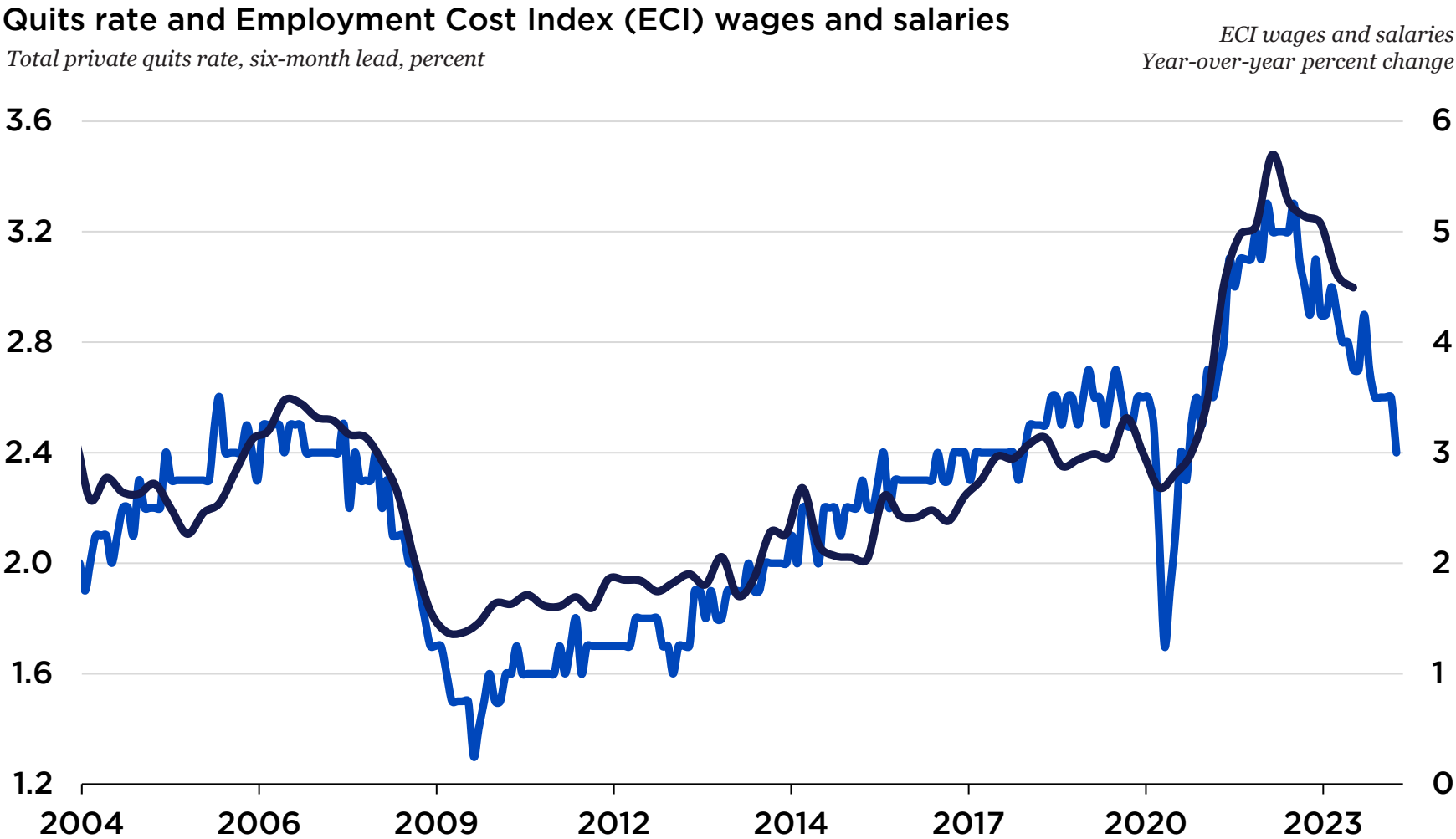


Source: Bureau of Labor Statistics, Haver Analytics, Nationwide Economics

Wage growth is strong, but moderating

The tight labor market is keeping wage growth elevated. However, cooler employment dynamics will exert downward pressure on wage pressures and lower consumer price inflation in the months ahead. A declining quits rate signals softer gains for the wage component of the Employment Cost Index — our preferred measure of wage growth.

- Total private quits rate, six-month lead (left)
- ECI wages and salaries (right)



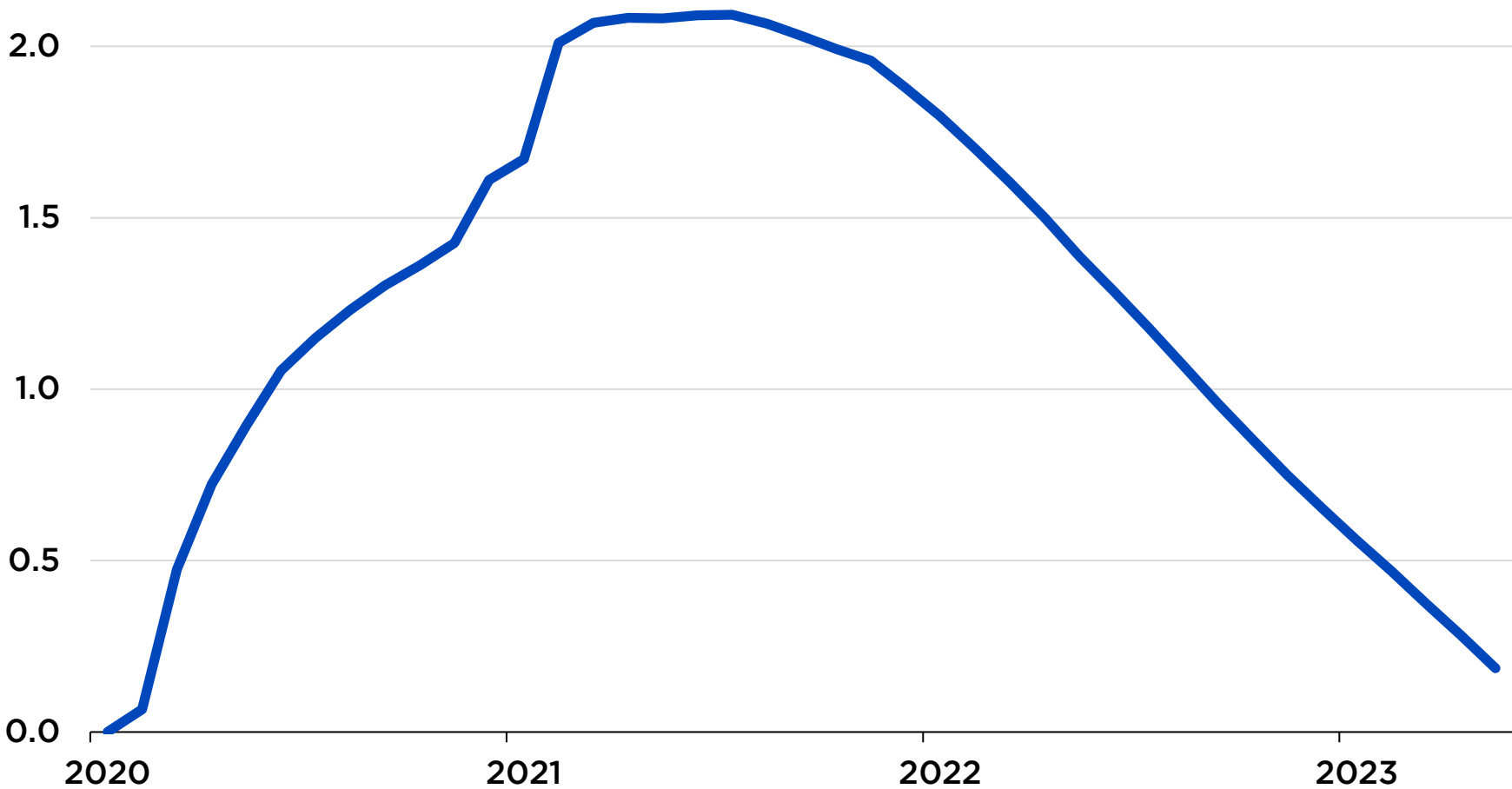
Source: Bureau of Labor Statistics, Haver Analytics, Nationwide Economics

Excess savings are largely gone

The fillip to consumer spending growth from excess savings has essentially been depleted. Any lingering excess savings are held by high income households, and they are more likely to treat these as wealth rather than a cushion to sustain their outlays.

Aggregate excess savings following onset of Covid

Trillions of current U.S. dollars



Source: Federal Reserve Bank of San Francisco, Haver Analytics, Nationwide Economics

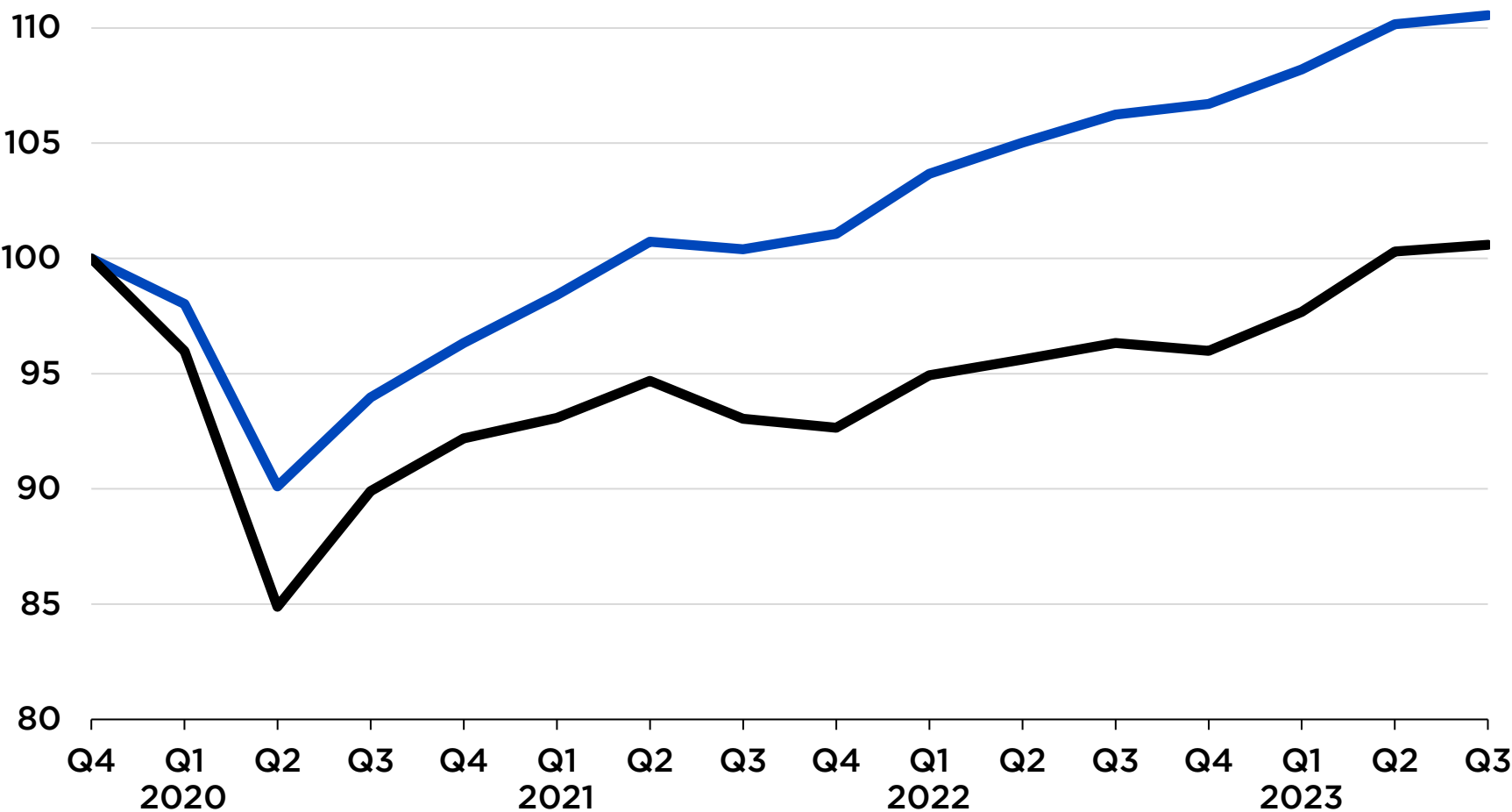
Business investment is weak outside of IP investment

Total business investment has more than recouped the losses sustained during the pandemic and is now 10 percent larger than at the end of 2019.

However, the bulk of the increase has been driven by strong intellectual property investment. Equipment spending has been weak and structures investment has been soft during much of the post-pandemic era.

- Non-residential fixed investment
- Investment excluding intellectual property investment

Business investment
Index, Q4-19 = 100



Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Manufacturing is weak and services are losing momentum

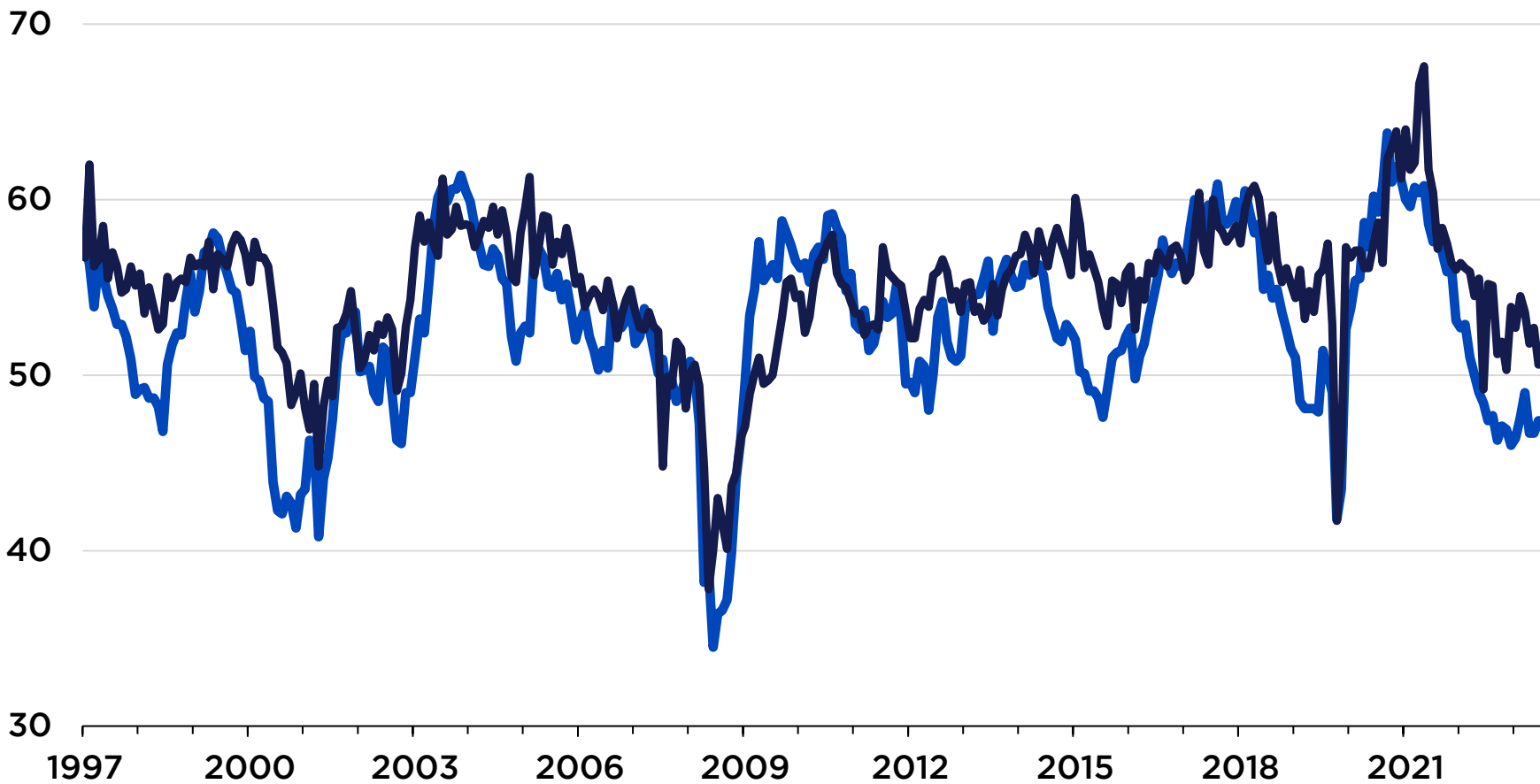
The ISM Manufacturing PMI portrays persistent weakness. We expect manufacturing will continue to struggle given prevailing domestic and global economic conditions.

Meanwhile, the services sector kept growing though ISM Services points to a soft end to 2023. We foresee greater weakness in the service sector in 2024.

■ ISM Manufacturing Index
■ ISM Services Index

ISM Manufacturing & Services

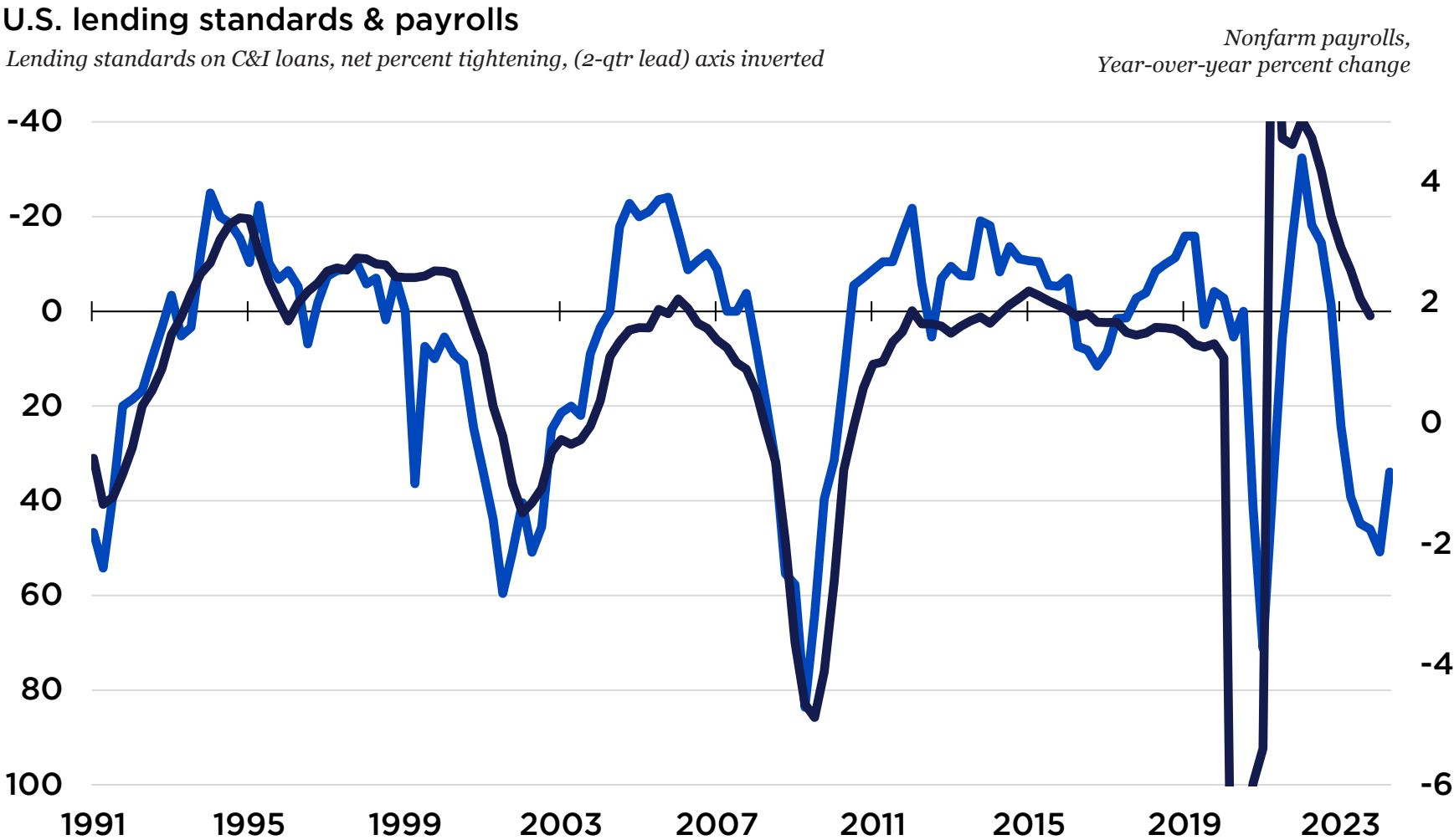
Index, above 50 = expansion



Source: Institute for Supply Management, Haver Analytics

Tight lending standards still feeding through into the economy

Lending standards often lead employment growth by roughly two quarters. In turn, the tightening in lending standards that occurred over recent quarters hasn't taken its full toll on the labor market and broad economy yet.



Source: Bureau of Labor Statistics, Federal Reserve, Haver Analytics

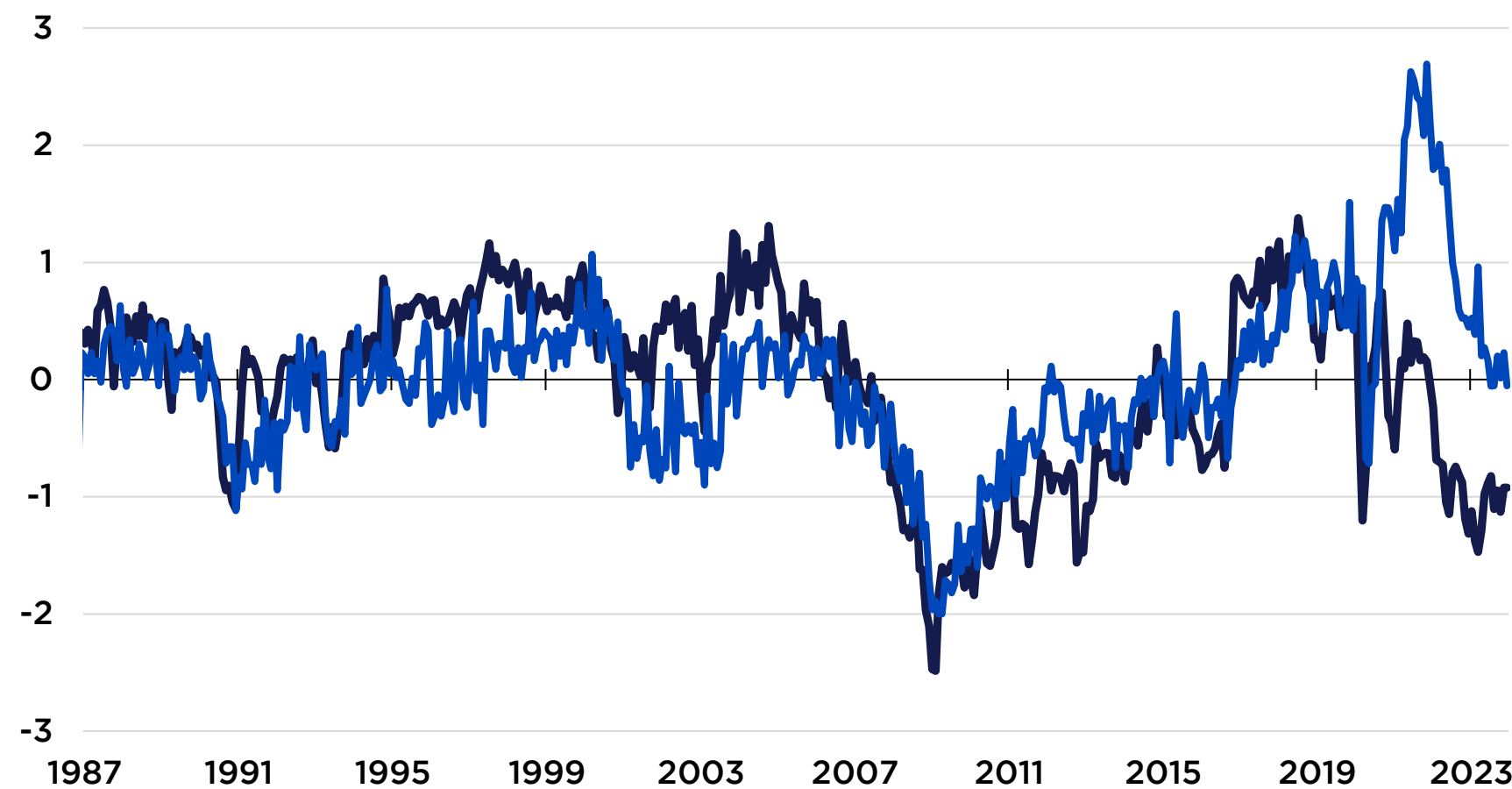
Large disparity between soft and hard data

One of the unusual components of the current economic expansion is the extreme divergence between positive real data and the negative tone of the survey data. However, both are now signaling a downbeat economic environment in 2024.

- Hard data
- Soft data

NFIB small business optimism: hard vs. soft components

Average z-score



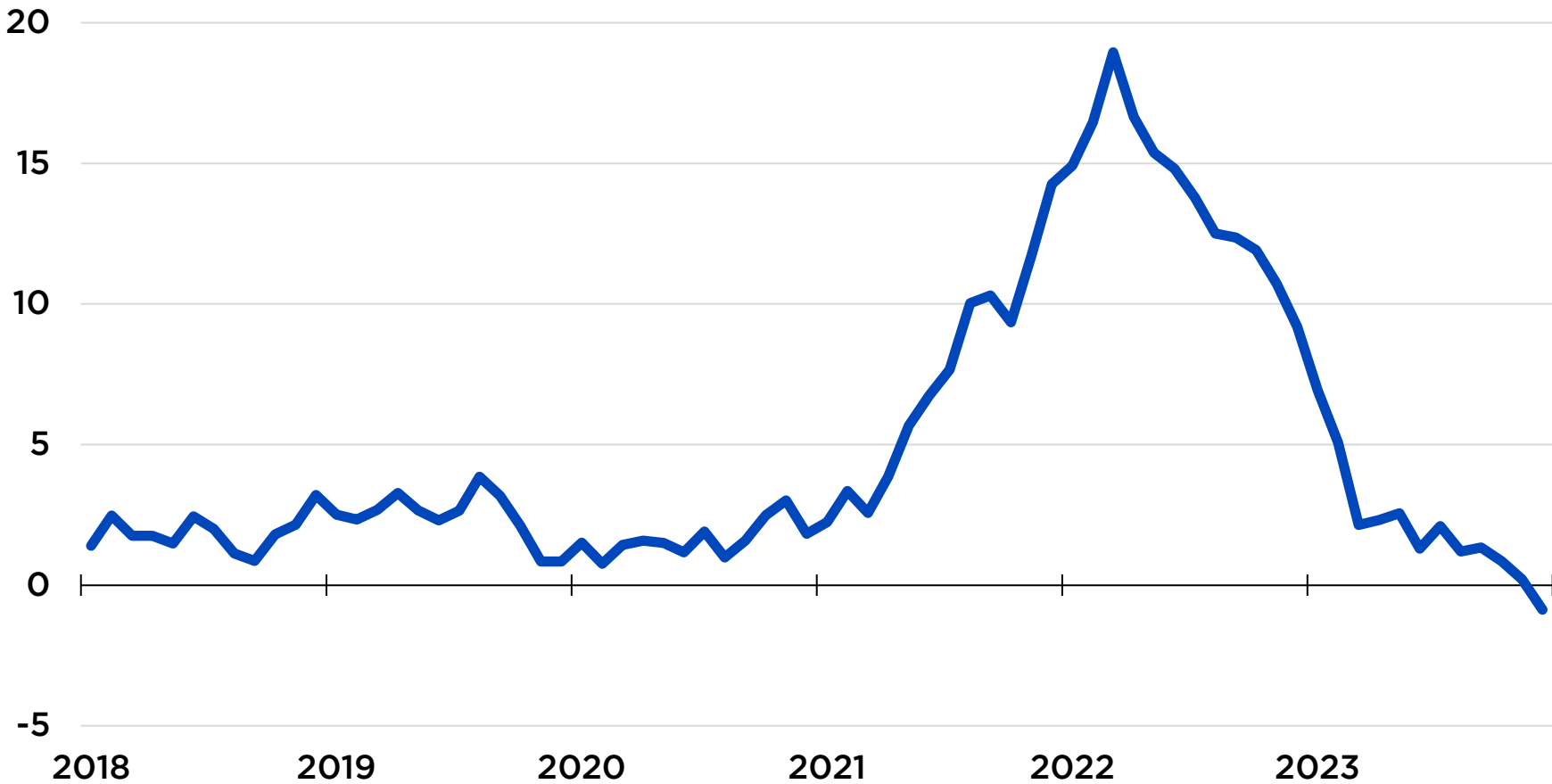
Source: NFIB, Haver Analytics, Nationwide Economics

Margins are coming under pressure

Lower inflation implies a loss of pricing power among U.S. corporations. The producer price index for trade services — a proxy for corporate margins — is down on a year-over-year basis. Amid still elevated cost pressures, namely on the labor front, this implies a squeeze on corporate profits.

PPI trade services: proxy for margins

Year-over-year percent change



Source: Bureau of Labor Statistics, Haver Analytics, Nationwide Economics

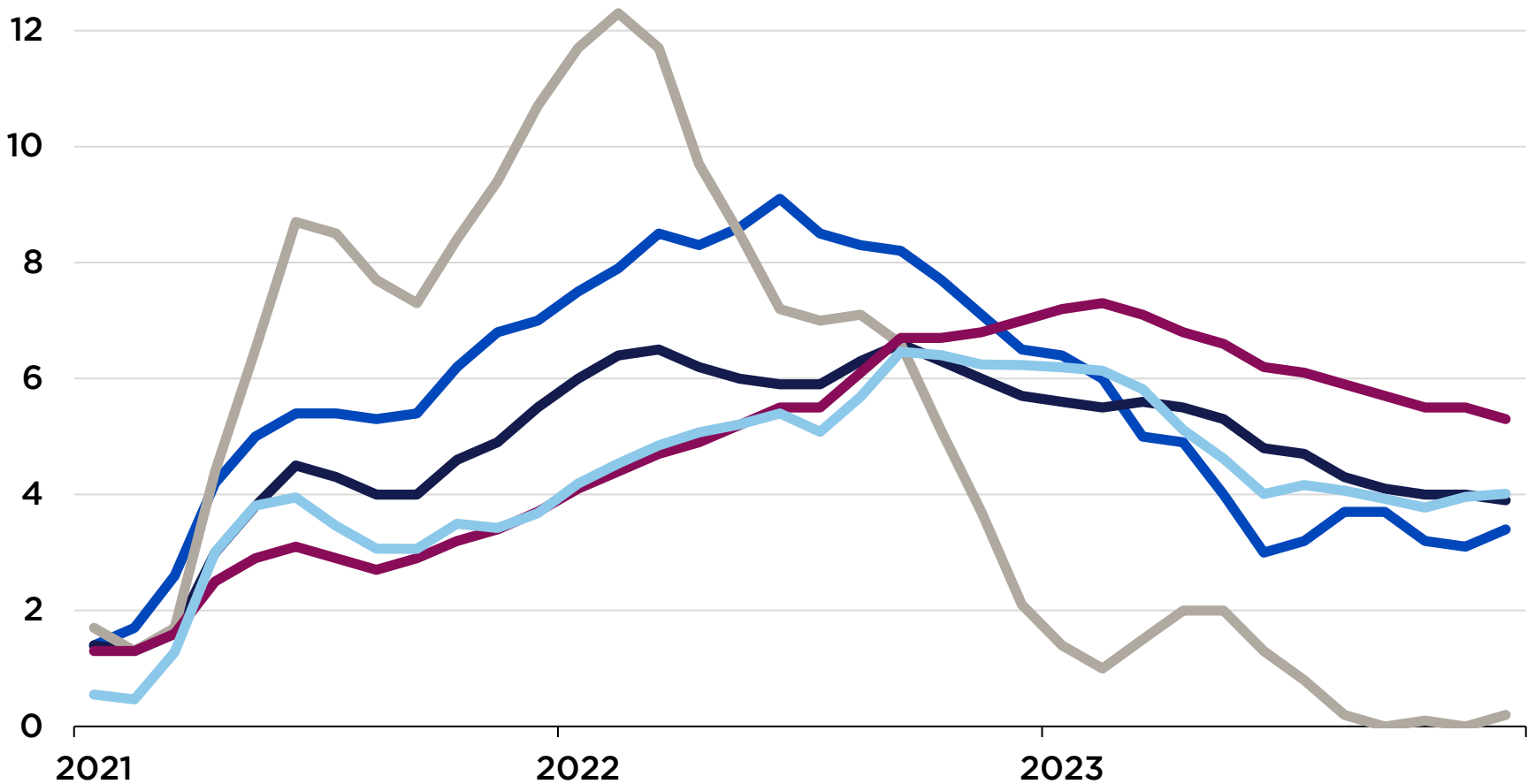
Inflation is moderating, but supercore remains elevated

The latest inflation data are trending in an encouraging direction, but core inflation remains above a pace that’s consistent with the Fed’s inflation target. Persistently elevated services inflation — driven by pressures on the labor and housing fronts — are preventing a faster decrease in inflation.

- Headline CPI
- Core CPI
- Core Goods
- Core Services
- Supercore (Core Services ex rent)

CPI breakdown

Year-over-year percent change



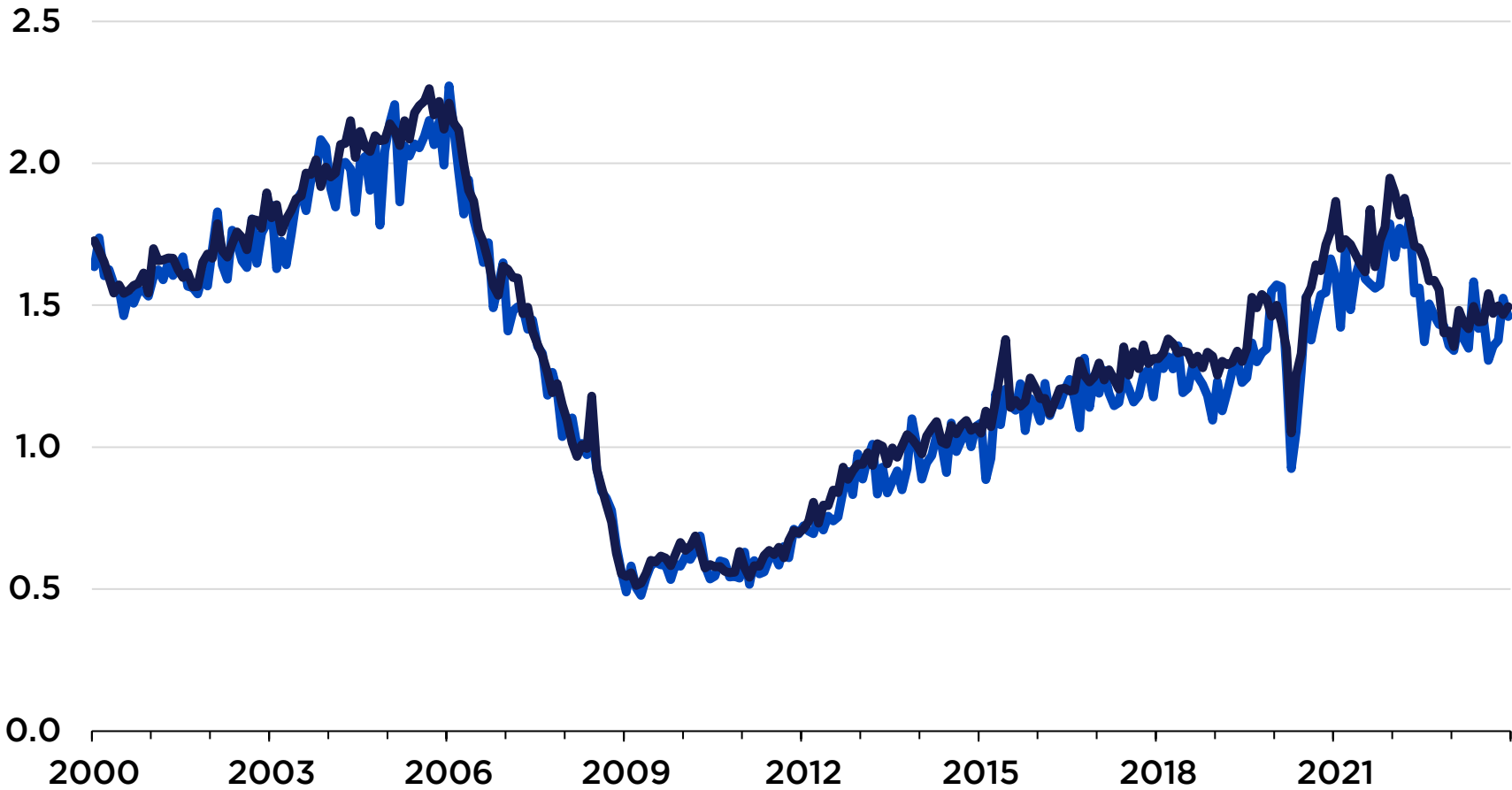
Source: Bureau of Labor Statistics, Haver Analytics, Nationwide Economics

Housing construction is gradually strengthening

The slow rebound in housing starts is boosting the inventories of new homes for sale, which is helping fill the supply void. Potential home buyers are turning to new construction since the supply of homes for sale in the existing home market remains depressed by still high mortgage rates.

- Housing starts
- Building permits

Housing activity
Million, SAAR



Source: Census Bureau, Haver Analytics, Nationwide Economics

Housing sales are in the doldrums

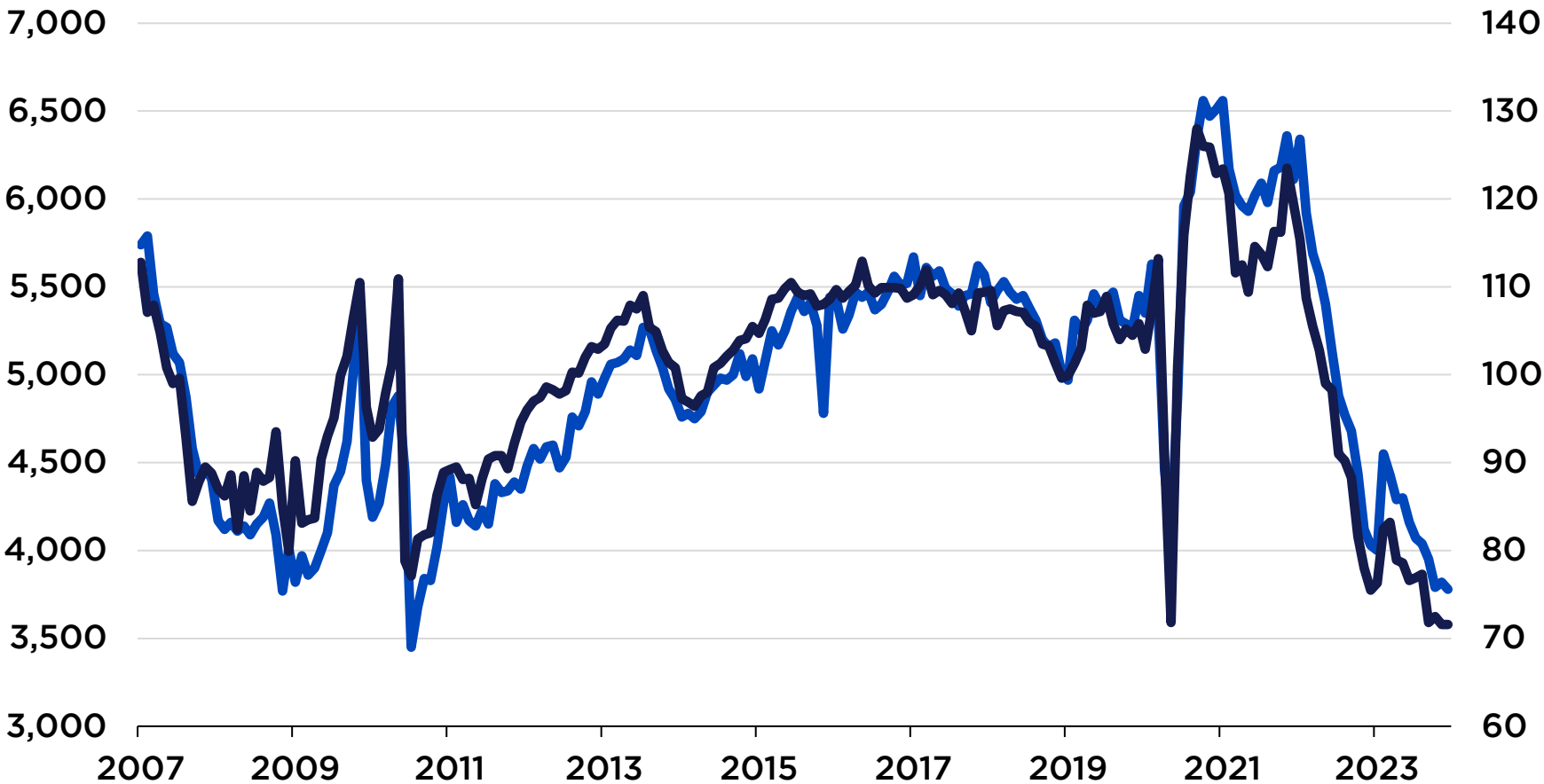
The signal from existing and pending home sales remains bleak and there is little hope for substantially improved sales in the coming months. Mortgage rates fell in late-2023, but they are not at levels which will result in a significant increase in home listings. We don't expect the supply of existing homes for sale to increase until the second half of 2024 — consistent with the Fed's higher-for-longer rate path.

- Existing home sales (left)
- Pending home sales: one-month lead (right)

Existing and pending home sales

Existing home sales, thousands, annualized

Pending home sales
one-month lead
Index, 2001 = 100

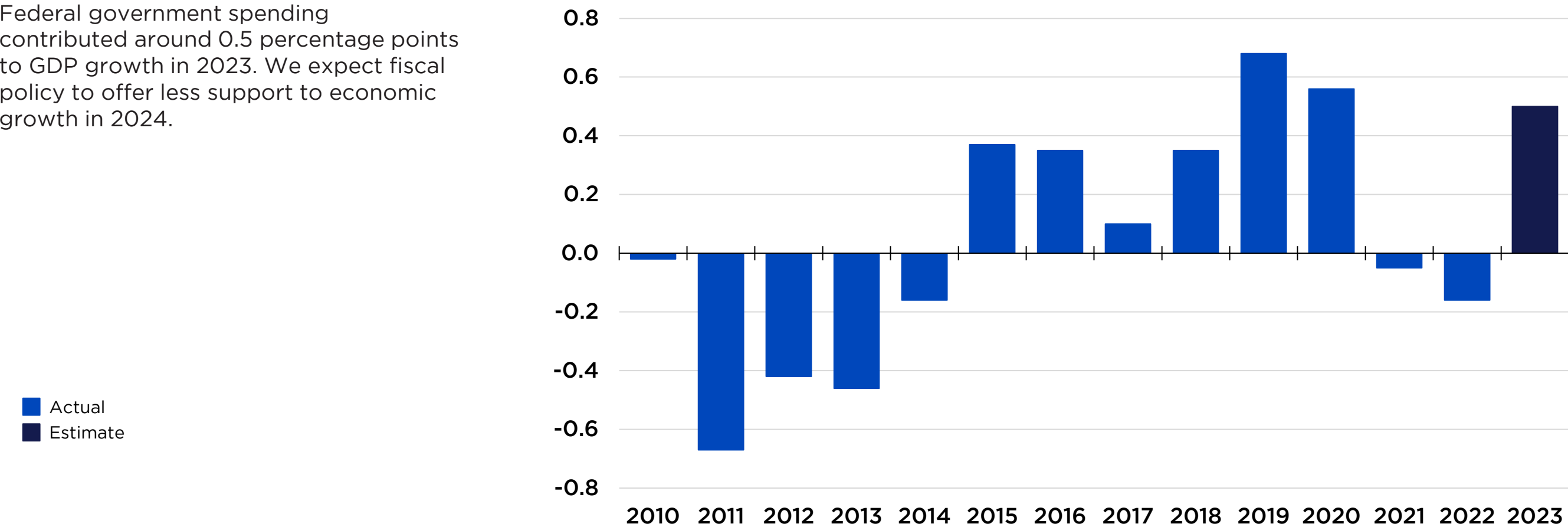


Source: NAR, Haver Analytics, Nationwide Economics

Little support from the fiscal front

Federal government spending contributed around 0.5 percentage points to GDP growth in 2023. We expect fiscal policy to offer less support to economic growth in 2024.

Contribution of government spending to GDP growth
Percentage Points



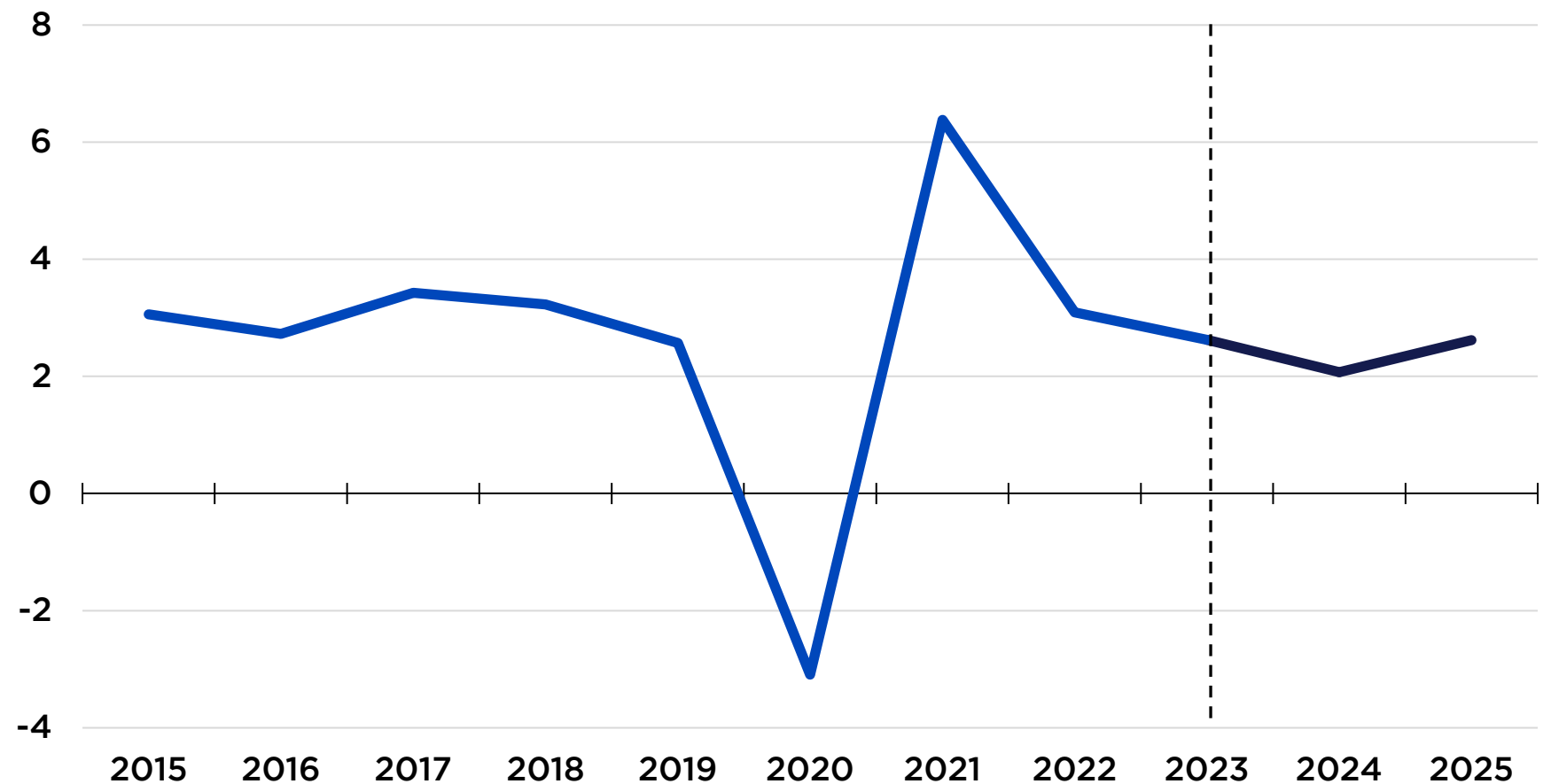
Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Subdued global growth will constrain U.S. export growth

Feeble external demand will constrain U.S. export growth. Global growth will be subpar as China's economy won't grow strongly and Europe will stay weak. Amid ongoing conflicts in Europe and the Middle East and high tensions in Asia, we anticipate that geopolitical risks will stay elevated.

Global GDP growth

Year-over-year percent change



Source: Oxford Economics, Nationwide Economics



Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

The information in this report is general in nature and is not intended as investment or economic advice, or a recommendation to buy or sell any security or adopt any investment strategy. Additionally, it does not take into account any specific investment objectives, tax and financial condition or particular needs of any specific person.

The economic and market forecasts reflect our opinion as of the date of this report and are subject to change without notice. These forecasts show a broad range of possible outcomes. Because they are subject to high levels of uncertainty, they will not reflect actual performance. We obtained certain information from sources deemed reliable, but we do not guarantee its accuracy, completeness or fairness.

S&P 500® Index: An unmanaged, market capitalization-weighted index of 500 stocks of leading large-cap U.S. companies in leading industries; gives a broad look at the U.S. equities market and those companies' stock price performance.

S&P Indexes are trademarks of Standard & Poor's and have been licensed for use by Nationwide Fund Advisors LLC. The Products are not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's does not make any representation regarding the advisability of investing in the Product.

MSCI EAFE® Index: An unmanaged, free float-adjusted, market capitalization-weighted index that is designed to measure the performance of large-cap and mid-cap stocks in developed markets as determined by MSCI; excludes the United States and Canada. The Fund is not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based.

MSCI Emerging Markets® Index: An unmanaged, free float-adjusted, market capitalization-weighted index that is designed to measure the performance of large-cap and mid-cap stocks in emerging-country markets as determined by MSCI.

Bloomberg U.S. Aggregate Bond Index: An unmanaged, market value-weighted index of U.S. dollar-denominated, investment-grade, fixed-rate, taxable debt issues, which includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and non-agency).

Bloomberg U.S. Corporate High Yield Index: An unmanaged index that measures the US dollar-denominated, high yield, fixed-rate corporate bond market.

Bloomberg U.S. Municipal Index: An unmanaged index that covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Bloomberg U.S. Treasury Long Index: An index that measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with 10 years or more to maturity.

Bloomberg Commodity Index: a broadly diversified commodity price index that tracks prices of futures contracts on physical commodities on the commodity markets.

Bloomberg® and its indexes are service marks of Bloomberg Finance L.P. and its affiliates including Bloomberg Index Services Limited, the administrator of the index, and have been licensed for use for certain purposes by Nationwide. Bloomberg is not affiliated with Nationwide, and Bloomberg does not approve, endorse, review or recommend this product. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any date or information relating to this product.

Russell 1000® Growth Index: An unmanaged index that measures the performance of the large-capitalization growth segment of the U.S. equity universe; includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index: An unmanaged index that measures the performance of the large-capitalization value segment of the U.S. equity universe; includes those Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000® Index: An unmanaged index that measures the performance of the small-capitalization segment of the U.S. equity universe.

Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. The Fund is not sponsored, endorsed, or promoted by Russell, and Russell bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. Russell ® is a trademark of Russell Investment Group.

Nationwide Investment Services Corporation (NISC), member FINRA, Columbus, Ohio. Nationwide Funds distributed by Nationwide Fund Distributors LLC (NFD), member FINRA, Columbus, Ohio, NFD is not affiliated with any subadviser contracted by Nationwide Fund Advisors, with the exception of Nationwide Asset Management, LLC. NFD separate but affiliated with NISC.

Nationwide, the Nationwide N and Eagle and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company © 2024 Nationwide