



Strategy overview

NAA World Equity Income Series

Key features

New Age Alpha (NAA) World Equity Series employs qualitative and quantitative analysis, as well as other proprietary strategies, to identify securities that are expected to contribute to the Fund exceeding the total return of the S&P Developed BMI® Index.

The NAA World Equity Income Series leverages an unconstrained approach to investment selection; while it focuses on equity securities of large-cap companies, it can also invest in companies that represent a broad range of market capitalizations and capitalization limits.

NAA World Equity Income Series has a strong organizational structure and senior management team; its founders have been in the asset management business for over 25 years, worked together since 1999 and worked with the senior management team for more than 15 years.

Q: How can I add the NAA World Equity Income Series to my portfolio?

A: The Fund is a Variable Insurance Trust (NVIT) available within certain Nationwide® variable annuities. Visit our VIT [fund research tool](#) for more details.

Q: What is the Fund's investment objective and philosophy?

A: NAA World Equity Income Series seeks total return composed of capital appreciation and current income, primarily in higher-dividend-yielding equity securities. The investment team strives to construct products and strategies that are designed to yield active returns within a controlled risk environment. Their systematic approach permeates across all of their strategies, addressing the diverse investment requirements of their clients.

Q: What is the Fund's investment management strategy?

A: The investment team employs a systematic and disciplined process in seeking to achieve long-term investment and risk management success. Investment decisions are process-driven and based on quantitative analysis and qualitative input from portfolio management and the research teams.

The quantitative analysis relies on their actuarial-based proprietary h-factor (human factor) methodology. Combined with proprietary asset allocation models, the methodology is applied in a disciplined and systematic process to select securities and allocate investments across U.S. and international markets. A qualitative element is added to analyze geopolitical and market events and continually evaluate risks that may impact performance.

Q: How is the Fund positioned in today's market environment?

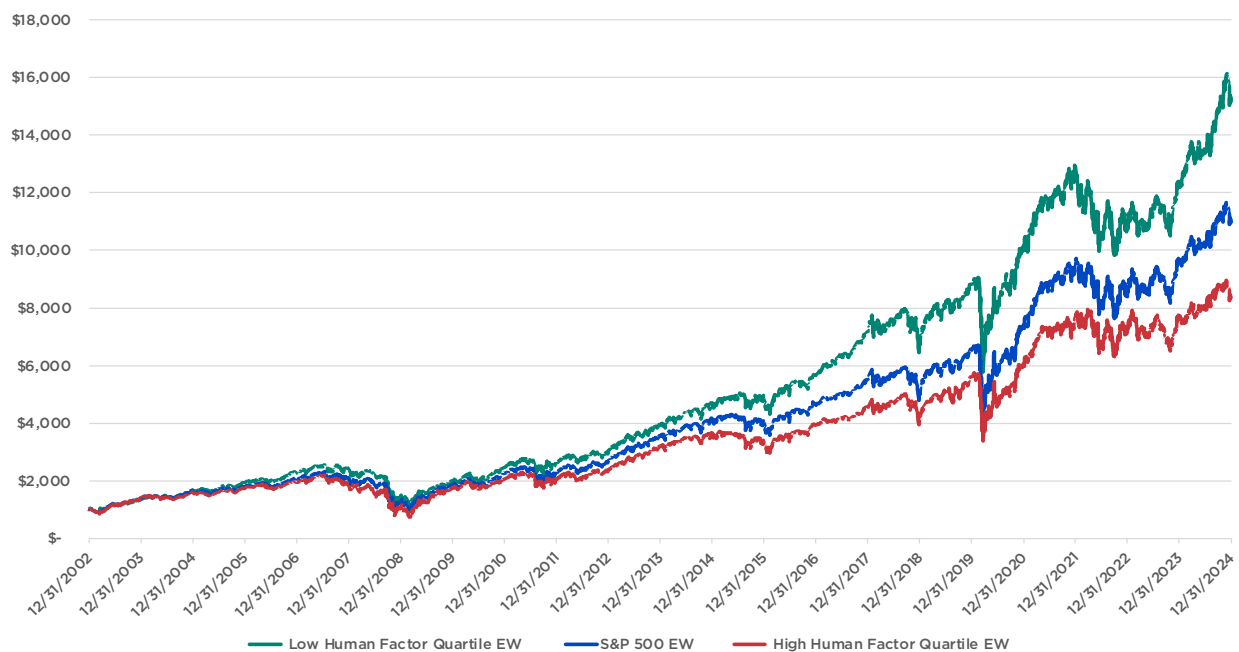
A: The Fund is benchmarked against the S&P Developed BMI Index and currently has similar regional positioning. The Fund's flexible approach allows the portfolio managers to adjust for economic uncertainty and market volatility. As we look ahead to the rest of 2025, the management team expects continued volatility driven by ongoing tariff discussions and their implementation. As such, their investment models are increasingly focused on dividend income and cushioning this volatility.

Q: What is the Fund's process for stock selection?

A: In buying and selling securities for the Fund, NAA applies its proprietary h-factor (human factor) methodology. The h-factor employs an algorithm based on actuarial risk principles to construct a portfolio with exposure to returns across various sectors, styles, geographies and asset classes. The h-factor score represents the probability that the company will not deliver revenue growth to support its current price. By assigning these scores, NAA seeks to avoid overpriced securities with high h-factor scores and invest in underpriced securities with low h-factor scores. New Age Alpha's technology-based algorithm continuously evaluates over 4,000 stocks using the h-factor rating system.

Avoiding the losers is an innovative source of alpha

Our contention is that low h-factor stocks outperform high h-factor stocks over time. This chart, which examines the period from 2003 to the present, shows that the quartile of the S&P 500® Index that includes high h-factor stocks (in red) underperforms the quartile of low h-factor stocks (in green).



Because these quartiles were formed on an equal-weight (EW) basis, they are compared to the S&P 500® Equal Weight Index (EWI). As you can see, the high h-factor trails this Index, while the low h-factor beats it. It is also important to note that the low h-factor quintile comes with less volatility and a much higher Sharpe

Source: New Age Alpha as of 12/31/2024.

Q: What is the Fund's risk management process?

A: NAA is committed to a comprehensive risk management process that seeks to ensure the identification, assessment, monitoring and mitigation of risks associated with investments and operations. An independent risk team is dedicated to managing and mitigating risks through a structured framework. All risk factors are rigorously measured using quantitative analysis tools. An extensive limit framework is in place to track and monitor exposure pre-trade, post-trade and at the end of the day. Key risk indicators (KRIs) are also tracked to provide early warning signals of potential risks.



If you have questions about the NAA World Equity Income Series or want to review other VIT funds, call 1-800-321-6064 or visit our [fund research tool](#).



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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.

The underlying fund prospectuses, please visit <https://nationwide.onlineprospectus.net/NW/funds/index.html> Before investing, carefully read and consider the fund's investment objectives, risks, charges, expenses, and other important information contained in this and the underlying funds' prospectuses.

NVIT Funds are not sold to individual investors. These investment options are underlying subaccounts and cannot be purchased directly by the public. They are available only through variable products issued by life insurance companies. There is no assurance that the investment objective of any fund (or that of any underlying fund) will be achieved or that a diversified portfolio will produce better results than a nondiversified portfolio. Diversification does not guarantee returns or insulate an investor from potential losses, including the possible loss of principal. When evaluating the purchase of a variable annuity product, your clients should be aware that variable annuity products are long-term investment vehicles designed for retirement purposes and will fluctuate in value; and investing involves market risk, including possible loss of principal.

KEY RISKS: The Fund is subject to the risks of investing in equity securities. The Fund is subject to selection risk in that the securities owned by the Fund may underperform the markets, the relevant indexes or the securities selected by other funds with similar investment objectives and investment strategies. This Fund also is subject to quantitative analysis strategy risk in that the success of the Fund's investment strategy may depend in part on the effectiveness of the subadviser's quantitative tools for screening securities. These strategies may incorporate factors that are not predictive of a security's value. It also is subject to sector risk in that over- or underinvesting in particular industries or sectors may cause the Fund to be more volatile than the overall stock market. The Fund may be subject to model and data risk as the Fund's subadviser relies heavily on quantitative models and information and data supplied or made available by third parties ("Models and Data"). When Models and Data prove to be incorrect or incomplete, including because data is stale, missing or unavailable, any decisions made in reliance thereon expose the Fund to potential risks. The Fund also is subject to the risks of investing in foreign securities (which are volatile, harder to price and less liquid than U.S. securities). The Fund may invest in more-aggressive investments such as derivatives (which create investment leverage and are highly volatile). Please refer to the most recent prospectus for a more detailed explanation of the Fund's principal risks.

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

&P Developed BMI® Index: A market capitalization weighted index designed to define and measure the investable universe of publicly traded companies domiciled in developed countries. The Index component securities are a subset, based on region, of component securities included in the S&P Global BMI (Broad Market Index).

S&P 500® Equal Weight Index (EWI): The equal-weight version of the widely-used S&P 500 Index that includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the Index total at each quarterly rebalance.

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