



**Nationwide**<sup>®</sup>  
is on your side

Nationwide Summit<sup>SM</sup>  
fixed indexed annuity

Multi-asset index guide

# J.P. Morgan MOZAIC<sup>SM</sup> Index (USD)

An opportunity to pursue steady growth in a variety of markets

## A powerful combination for retirement

Nationwide<sup>®</sup> has licensed the J.P. Morgan MOZAIC<sup>SM</sup> Index (USD) for use in Nationwide fixed indexed annuities.<sup>1</sup> Nationwide has combined its industry-leading best practices, a commitment to putting people first and J.P. Morgan's index design expertise to create one of the most innovative products in 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 more than 85 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 indices based on their various objectives.

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This material is not a recommendation to buy, sell, hold or roll over any asset, adopt a financial strategy or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Clients should work with their financial professional to discuss their specific situation.

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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 (June 2016).

# A new opportunity for growth

**The J.P. Morgan MOZAIIC<sup>SM</sup> Index (the Index)** utilizes some of the same investment philosophies used by the largest institutional investors seeking positive returns in both good and bad market environments. With a back-tested and established track record of generating consistent returns while managing volatility, the Index is founded upon three core principles:

- **Broad diversification**

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

- **Positive momentum**

Each month, the Index selects asset classes with the strongest positive momentum 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 MOZAIIC<sup>SM</sup> Index, please visit [www.jpmorganindices.com](http://www.jpmorganindices.com).

J.P. Morgan, one of the world's leading financial services firms, designed and launched the Index in 2009 to provide a diversified asset allocation with the opportunity to perform in growing and shrinking markets.

# Help manage risk with diversification

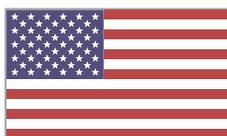
## The J.P. Morgan MOZAIC<sup>SM</sup> Index integrates core diversification elements within its asset allocation strategy:

Multiple asset classes across equities, fixed income and commodities.

| 12 global asset classes  |
|--|
| <b>Equities</b>  |
| <ul style="list-style-type: none"><li>• S&amp;P 500<sup>®</sup> Index (US)</li><li>• DAX (Germany)</li><li>• Nikkei 225 (Japan)</li></ul>  |
| <b>Fixed Income</b>  |
| <ul style="list-style-type: none"><li>• JGBs (Japan)</li><li>• German Bunds</li><li>• German Schatz</li><li>• 10-year U.S. Treasury Bills</li><li>• 2-year U.S. Treasury Bills</li></ul>   |
| <b>Commodities</b>   |
| <ul style="list-style-type: none"><li>• S&amp;P GSCI<sup>™</sup> Agriculture Index</li><li>• S&amp;P GSCI<sup>™</sup> Energy Index</li><li>• S&amp;P GSCI<sup>™</sup> Industrial Metals Index</li><li>• S&amp;P GSCI<sup>™</sup> Precious Metals Index</li></ul> |

**Global opportunities** leveraging three of the world's most established markets

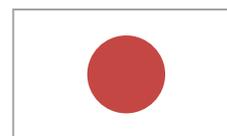
### United States



### Germany



### Japan



**Noncorrelated asset classes** including commodities such as precious metals and energy provide additional growth opportunities beyond traditional equity and fixed income options.

### Commodity Asset Classes



The Index's 12 asset classes create the flexibility to adapt to a variety of market conditions and help contribute to the Index's consistent positive returns.

# Harness positive momentum

The J.P. Morgan MOZAIC<sup>SM</sup> Index's asset selection is based on the historic tendency for asset classes exhibiting positive recent returns to be more likely to continue to deliver performance. Each month, the Index chooses up to six asset classes exhibiting the greatest positive returns and strategically allocates to each in order to smooth volatility within the Index and create more consistent returns.

## Monthly rebalancing generates strong growth opportunities



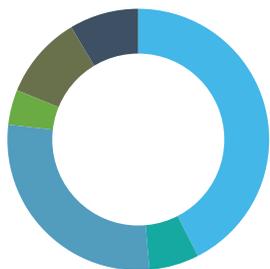
### Step 1 — Evaluate

Each month, the Index measures the six-month returns of all 12 available asset classes



### Step 2 — Select

The Index then selects up to six asset classes with the greatest positive returns over the previous six months (an asset class with a negative return will never be selected)



### Step 3 — Weight

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

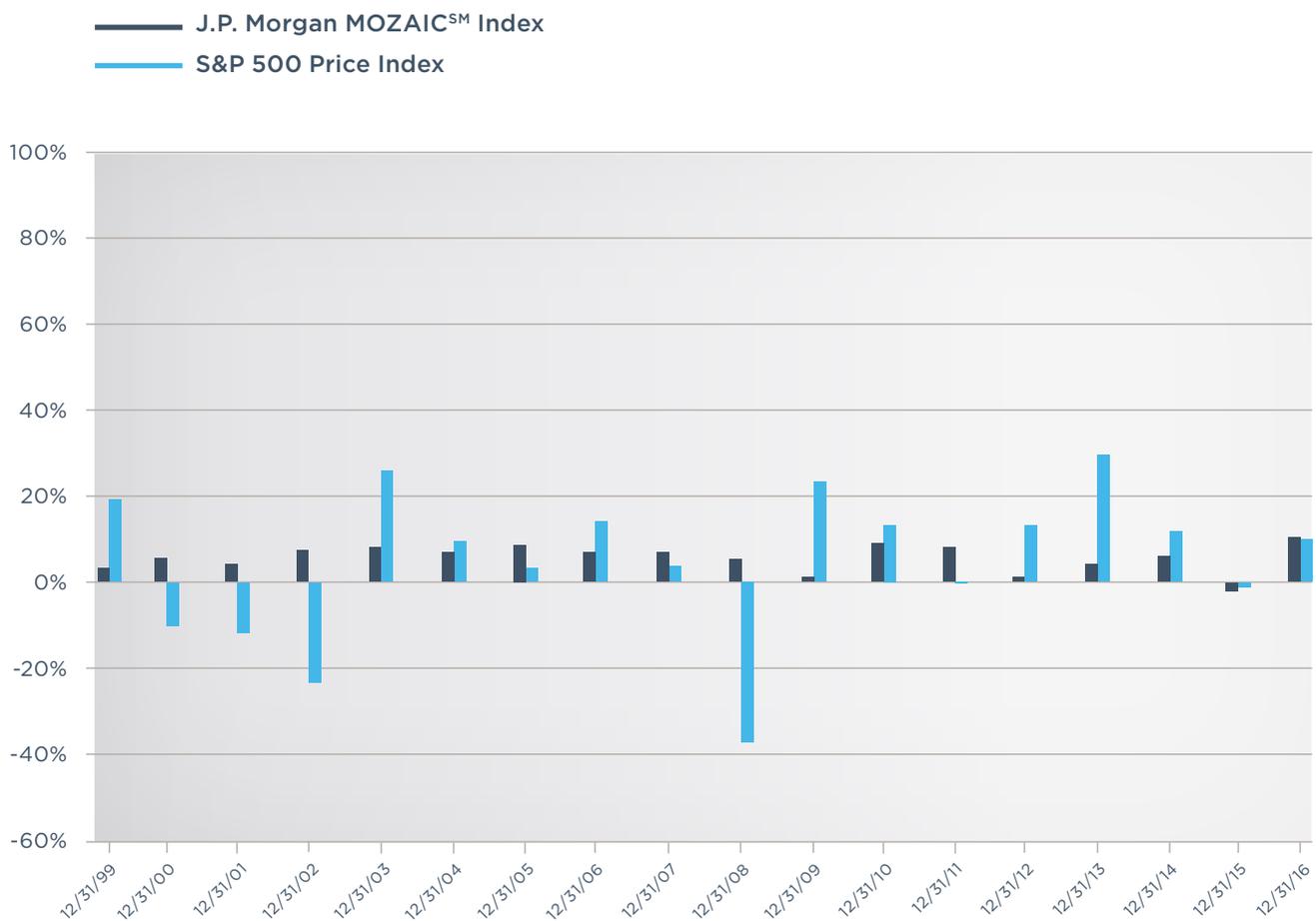
**"Stop-loss" feature:** In addition to the monthly rebalancing process, the performance of the Index is assessed daily. If on any day the overall Index's weekly return is less than -3%, all allocations are removed for one week (the Index is effectively uninvested). This may reduce the risk of potential short-term loss in the Index during a period of significant market distress, but may 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 may help your investment deliver more consistent growth over longer periods of time.

The chart below illustrates annual returns for the J.P. Morgan MOZAIC<sup>SM</sup> Index and the S&P 500 Price Index. As you can see, the annual performance of the J.P. Morgan MOZAIC<sup>SM</sup> Index would have been much less volatile from year to year, remaining consistent during years the S&P 500 had wide fluctuations.

## Annual index returns from 1999 through 2016



**Note:** The J.P. Morgan MOZAIC<sup>SM</sup> Index was established on April 17, 2009. Performance shown before this date is back-tested by applying the index strategy, which was designed with the benefit of hindsight, to historical financial data when all components became available. Back-tested performance is hypothetical and has been provided for informational purposes only. The S&P 500<sup>®</sup> Price Index results are 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.

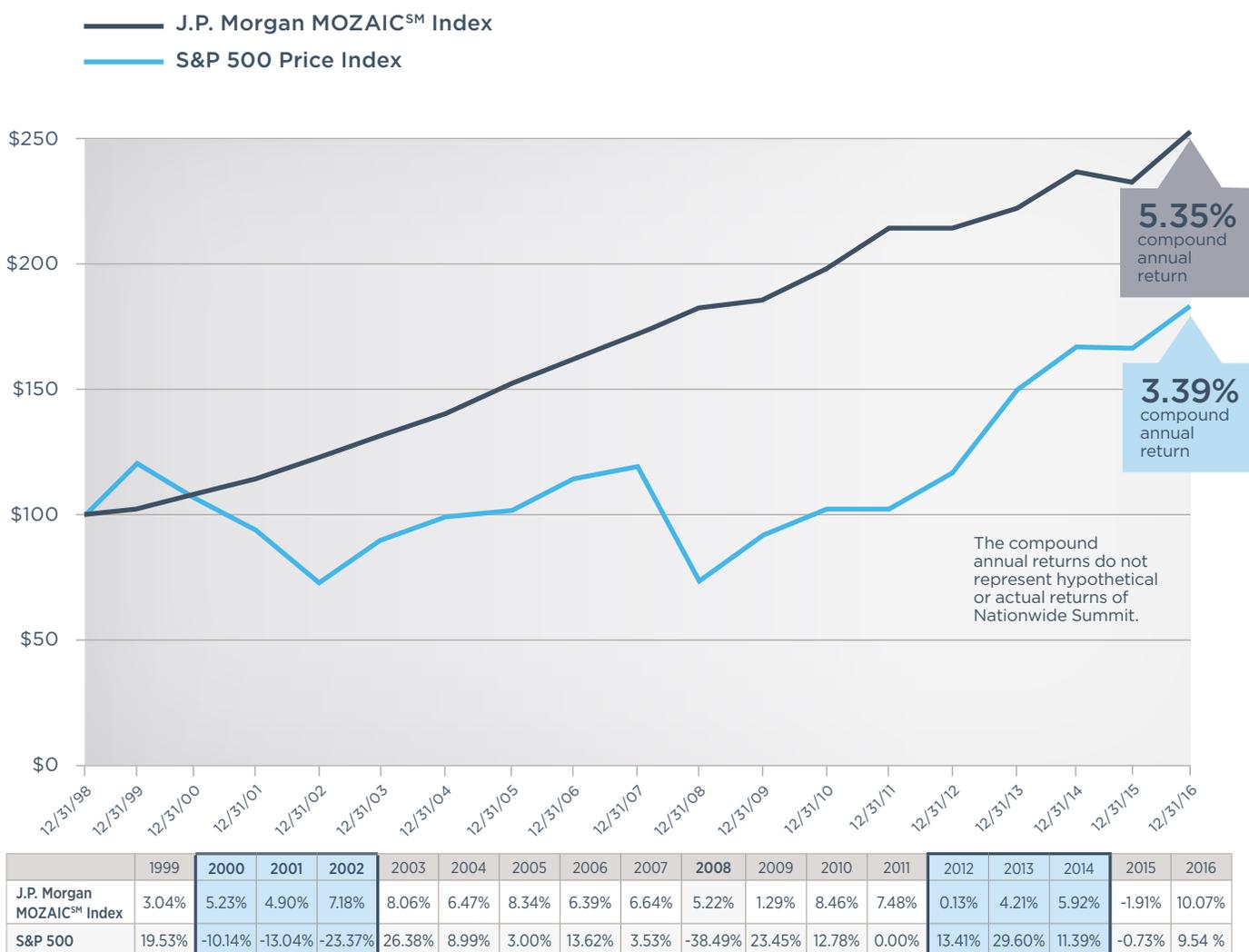
Graph Source: Zephyr Style Advisor.

# Seeking consistent positive returns in uncertain times

Leveraging broad diversification, positive momentum and volatility smoothing, the J.P. Morgan MOZAIC<sup>SM</sup> Index's consistent historical and back-tested returns would have created growth over time.

The graph below shows actual and back-tested performance of the Index compared to performance of the S&P 500 throughout the same time period.

## Index performance from 1999 through 2016



The Index is designed to provide stable and consistent returns even during periods the S&P 500<sup>®</sup> Index has either significant positive or negative returns.

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For more information on Nationwide Summit, please talk with your financial professional. For more information on the J.P. Morgan MOZAIC<sup>SM</sup> Index, please visit [www.jpmorganindices.com](http://www.jpmorganindices.com).



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