



Nationwide New Heights® Select fixed indexed annuities | U.S. Equity Index Guide

NYSE® Zebra Edge® II Index

An opportunity for consistent returns using behavioral finance

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

Validated and tracked by ICE Data Indices

NYSE

Since 1792, the New York Stock Exchange (NYSE®) has been the symbol of the strength of the American financial system. As part of Intercontinental Exchange, NYSE and ICE Data Indices LLC build, operate and advance global markets through informational technology and expertise. The engineers and strategists at ICE Data Indices validate the methodology and daily performance of the NYSE® Zebra Edge® II Index.





**“Behavioral finance
could be the key
to higher returns
with less risk.”**

Roger G. Ibbotson, Ph.D.

- Co-Founder and Chairman, Zebra Capital Management, LLC
- Professor Emeritus, Yale School of Management
- Founder of Ibbotson Associates, now a Morningstar Company

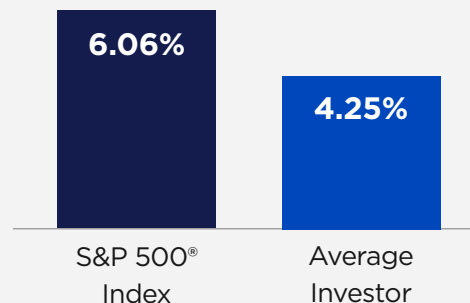
Behavioral finance is a field of economics that applies insights from cognitive psychology to reveal how and why some people make irrational investment decisions. Renowned economist Professor Roger Ibbotson and the team at Zebra applied behavioral finance to the equity markets and discovered that:

- **Irrational decisions by investors may add volatility and risk**
- **The most popular stocks historically have provided lower returns**

Zebra’s research methodology is combined with a daily risk control methodology to create the NYSE® Zebra Edge® II Index, a rules-based index which, by design, endeavors to provide higher returns with less risk.

Irrational Decisions

Annualized Performance, 2000-2019



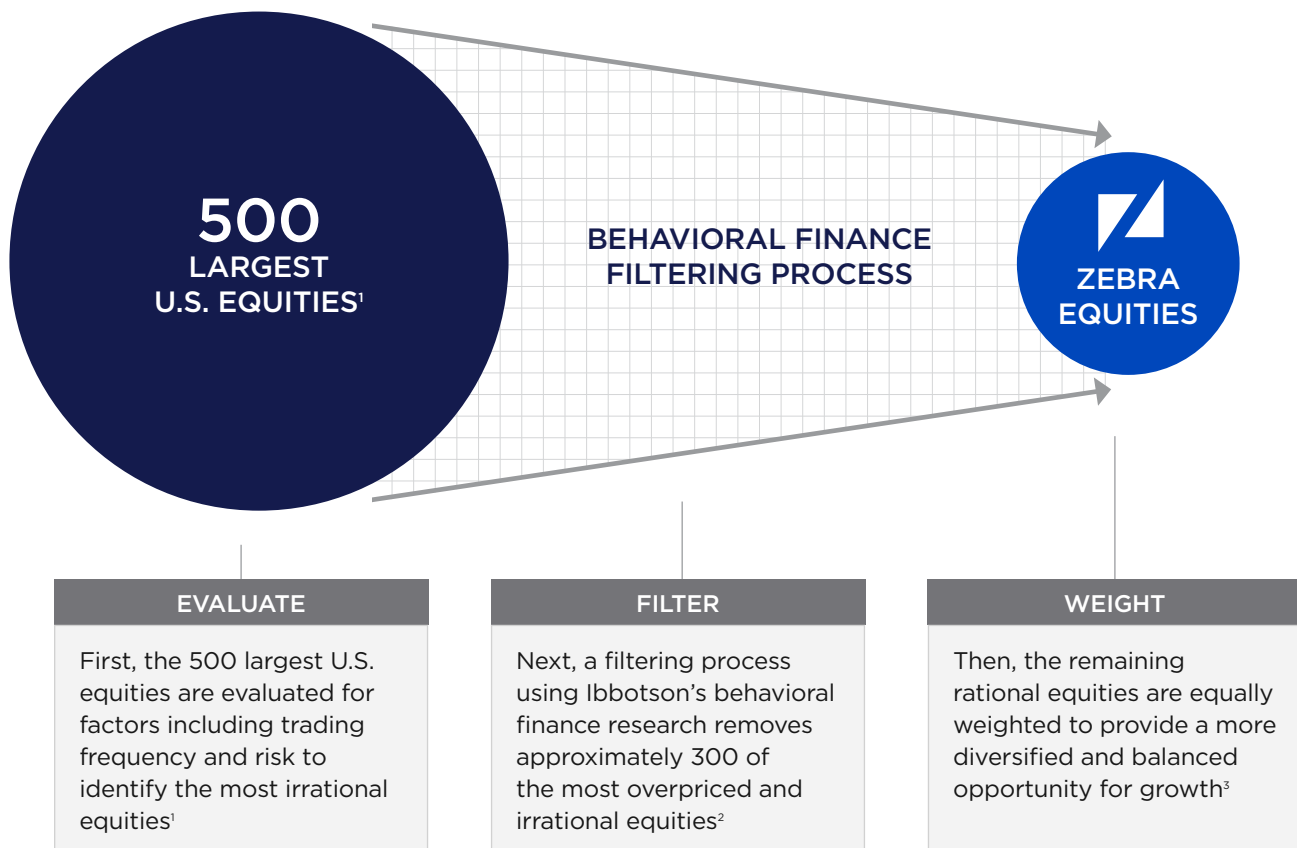
Source: Standard & Poor’s and Dalbar, Inc.
From 1/1/00 to 12/31/19. S&P 500® Price Index.

This brochure was designed to provide information on the NYSE® Zebra Edge® II 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. Fixed indexed annuities are not an investment and do not directly invest in the stock market or any index. Past performance does not guarantee future results.

Ibbotson's behavioral finance filtering process

The NYSE® Zebra Edge® II Index evaluates the 500 largest publicly traded companies in the United States each quarter and removes the riskiest and most volatile companies, leaving fewer irrational equities.² The diagram below shows how every three months the NYSE® Zebra Edge® II Index selects rational equities with the potential for higher returns with less risk.

Zebra Equity Selection Process



The NYSE® Zebra Edge® II Index applies a risk control methodology that makes daily adjustments to the allocations between having a leveraged exposure to Zebra Equities, a short exposure to the S&P 500, U.S. Treasuries and an interest-free cash account.⁴ This daily reallocation is designed to further reduce risk by maintaining a target volatility level of 4.2%. While this can lessen the impact of market downturns, it may also limit upside potential.

¹ The 500 largest publicly traded companies in the United States as represented by the NYSE® U.S. Large Cap Equal Weight Index. The methodology for that index can be found at www.theice.com/market-data/indices/equity-indices/methodologies.

² Irrational equities refer to those equities with both a) the highest volatility over the previous three months and prior year and b) the highest daily turnover rate over the past two years. These are removed in the index qualification process.

³ Approximately 200 Zebra Equities are selected through this quarterly selection process. The selection process occurs in February, May, August and November.

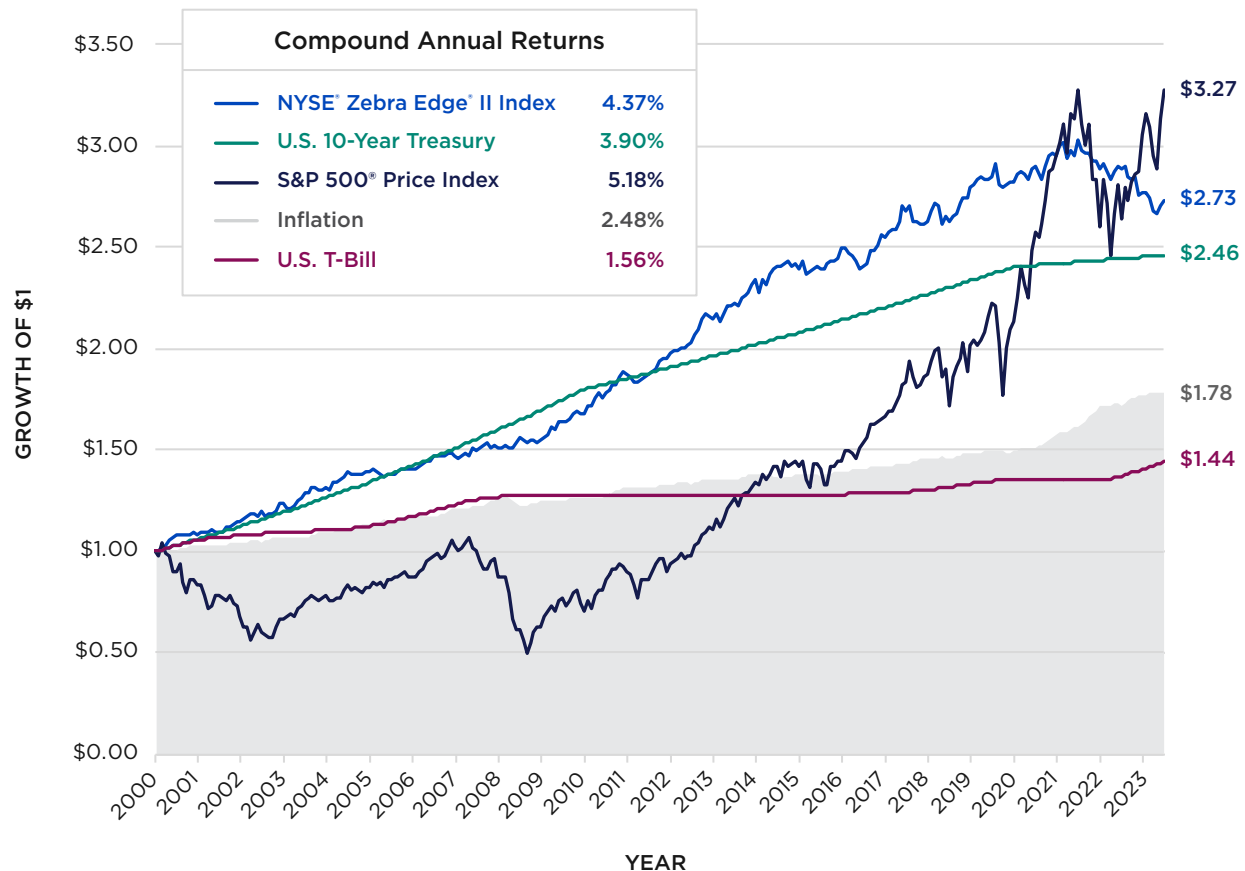
⁴ The S&P 500® is tracked through e-mini S&P 500 futures and U.S. Treasuries are tracked through U.S. Treasury futures.

Risk control seeks to provide smoother returns and mitigate sharp market fluctuations. While this type of strategy can potentially lessen the impact of market downturns, it can potentially also lessen the impact of market upturns, potentially limiting upside potential. For additional information regarding the NYSE® Zebra Edge® II investment strategy and related risks, please visit www.nyse.com/zedgeny2.

The benefit of a rational long-term strategy

Over the last 23 years, U.S. Treasury Bills have failed to keep pace with inflation, and Large Cap U.S. Stocks have experienced significant drawdowns, reducing returns. Although long-term bonds have been consistent, the back-tested performance shown below demonstrates how the NYSE® Zebra Edge® II Index would have provided a higher compound annual return.

NYSE® Zebra Edge® II Index



Source: S&P Dow Jones, Board of Governors of the Federal Reserve System (US), ICE Data Indices and 2022 SBBI Yearbook, Roger G. Ibbotson, Duff & Phelps. Growth of \$1 4/1/00 to 12/31/23. Large Cap Stocks (as represented by the S&P 500® Price Index), Long-term Gov't Bonds (as represented by 10-year Treasuries), U.S. Treasury Bills and Inflation results are actual for the full period and are not risk controlled (if applicable). Long-term Gov't Bonds and U.S. Treasury Bills are guaranteed by the U.S. government

The NYSE® Zebra Edge® II Index was established on 10/6/2020. Performance for the NYSE® Zebra Edge® II Index is back-tested by applying the NYSE® Zebra Edge® II Index strategy, which was designed with the benefit of hindsight, to historical financial data. Certain components of the NYSE® Zebra Edge® II Index were unavailable before 3/14/00. Back-tested performance is hypothetical and has been provided for informational purposes only. Past performance is not indicative of nor does it guarantee future performance. The NYSE® Zebra Edge® II Index could underperform relative to other equity investment strategies. The hypothetical data includes index transaction fees, including a 0.50% per annum index fee.



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

**For more information on the NYSE® Zebra Edge® II Index, please visit
www.nyse.com/zedgeny2**

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

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.

Nationwide New Heights® Select, an individual, single purchase payment, deferred fixed indexed annuity is issued by Nationwide Life and Annuity Insurance Company, Columbus, Ohio. New Heights does not directly participate in the stock market or any index. It is not possible to invest in an index. Withdrawals are subject to income tax, and withdrawals before age 59½ may be subject to a 10% federal tax penalty.

Annuities have limitations. They are long-term vehicles designed for retirement purposes. They are not intended to replace emergency funds, to be used as income for day-to-day expenses or to fund short-term savings goals. Please read the contract for complete details.

Guarantees and protections are subject to the claims-paying ability of Nationwide Life and Annuity Insurance Company.

The mark NYSE® is a registered trademark of NYSE Group, Inc., Intercontinental Exchange, Inc. or their affiliates and is being utilized by ICE Data Indices, LLC under license and agreement. The marks Zebra® and Zebra Edge® are registered trademarks of Zebra Capital Management, LLC, may not be used without prior authorization from Zebra Capital Management, LLC, and are being utilized by ICE Data Indices, LLC under license and agreement.

ICE Data Indices, LLC owns all intellectual and other property rights to the NYSE® Zebra Edge® II Index (the "Index"), including the composition and the calculation of the Index, excluding the methodology and formula for the Index. Zebra Capital Management, LLC owns all intellectual and other property rights to the methodology and formula for the Index, which are being used by ICE Data Indices, LLC under license from Zebra Capital Management, LLC (together with its subsidiaries and affiliates, "Zebra").

The Index has been licensed by ICE Data Indices, LLC (together with its subsidiaries and affiliates, "IDI") to UBS AG and sub-licensed by UBS AG (together with its subsidiaries and affiliates, "UBS") to Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company (collectively, "Nationwide") for use in certain life insurance and annuities offered by Nationwide (the "Products"). Neither Nationwide nor the Products are sponsored, operated, endorsed, recommended, sold or promoted by Zebra, IDI or UBS. Neither Zebra, IDI nor UBS makes any representation or gives any warranty, express or implied, regarding the advisability or possible benefits of purchasing the Products or any other financial product. Clients should undertake their own due diligence and seek appropriate professional advice before purchasing any financial product, including the Products.

The Index and other information disseminated by IDI are for informational purposes only, are provided on an "as is" basis, and are not intended for trading purposes. Neither Zebra nor IDI makes any warranty, express or implied, as to, without limitation, (i) the correctness, accuracy, reliability or other characteristics of the Index, (ii) the results to be obtained by any person or entity from the use of the Index for any purpose, or (iii) relating to the use of the Index and other information covered by the Products, including, but not limited to, express or implied warranties of merchantability, fitness for a particular purpose or use, title or non-infringement. IDI does not warrant that the Index will be uninterrupted and is under no obligation to continue compiling, calculating, maintaining or sponsoring the Index.

The Index (including the methodology(ies) and formula(s) therefor has been designed and is compiled, calculated, maintained and sponsored without regard to any financial products that reference the Index (including the Products), any licensee, sub-licensor or sub-licensee of the Index, any client or any other person. Zebra, IDI and UBS may independently issue and/or sponsor other indices and products that are similar to and/or may compete with the Index and the Products. Zebra, IDI and UBS may also transact in assets referenced in the Index (or in financial instruments such as derivatives that reference those assets), including those which could have a positive or negative effect on the value of the Index and the Products.

None of Zebra, IDI or UBS shall bear any responsibility or liability, whether for negligence or otherwise, with respect to (i) any inaccuracies, omissions, mistakes or errors in the methodology(ies) or formula(s) for, or computation of, the Index (and shall not be obligated to advise any person of and/or to correct any such inaccuracies, omissions, mistakes or errors), (ii) the use of and/or reference to the Index by Zebra, IDI, UBS or any other person in connection with any financial product or otherwise, or (iii) any economic or other loss which may be directly or indirectly sustained by any client or other person dealing with any such financial product or otherwise. Any client or other person dealing with such financial products does so, therefore, in full knowledge of this disclaimer and can place no reliance whatsoever on Zebra, IDI or UBS nor bring claims, actions or legal proceedings in any manner whatsoever against any of them.

The "S&P 500" is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Nationwide Life and Annuity Insurance Company ("Nationwide"). Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); DJIA®, The Dow®, Dow Jones® and Dow Jones Industrial Average are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Nationwide. This Product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500.

The NYSE® Zebra Edge® II 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.

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