



Nationwide New  
Heights® Fixed  
Indexed Annuities

International  
Index Option Guide

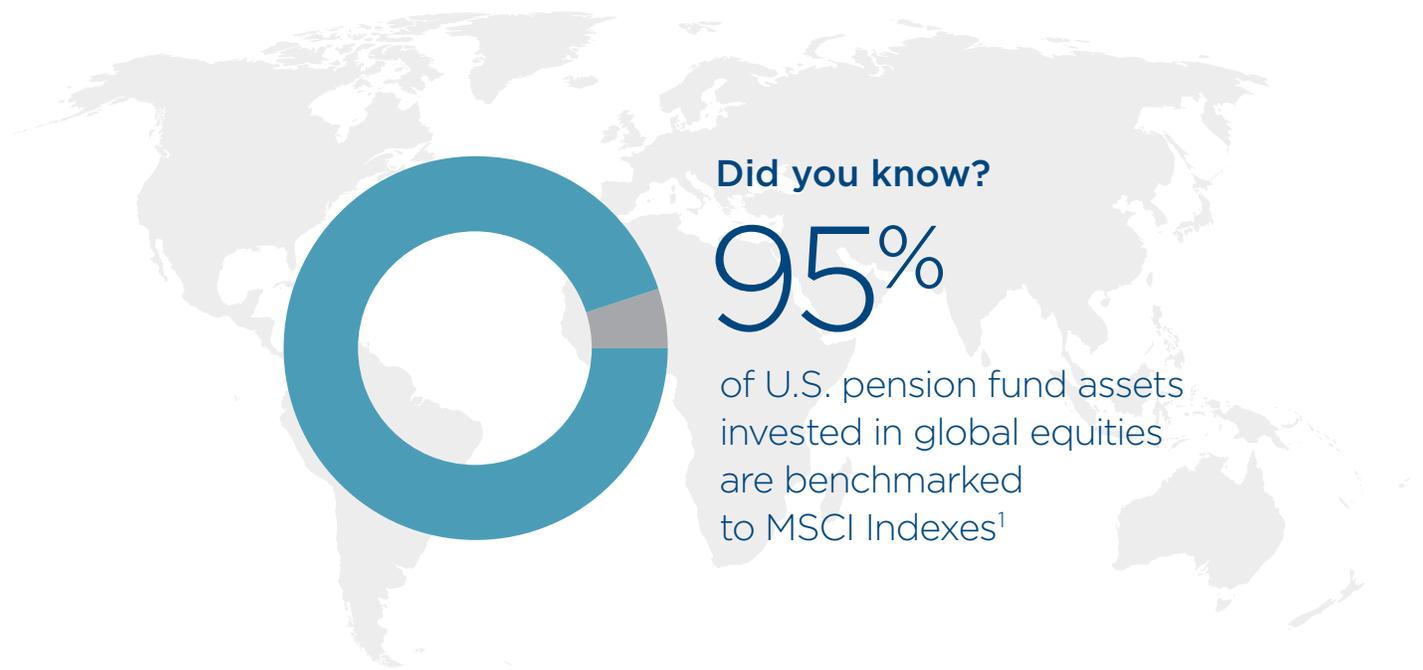
# MSCI EAFE Index

*An index that provides access to developed markets outside the United States*

# MSCI EAFE

The MSCI EAFE Index is a widely recognized international equities index consisting of large companies across developed countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The MSCI EAFE Index includes equities across a range of industries and regions, providing broad opportunities for growth.

Equities from the United Kingdom, Japan, France and Germany account for more than 60% of the Index. Individual companies represented include Nestle, Toyota Motor Corp and Bayer – companies with a strong historical track record of positive returns. The MSCI EAFE Index includes ten market sectors including financials, health care and energy.



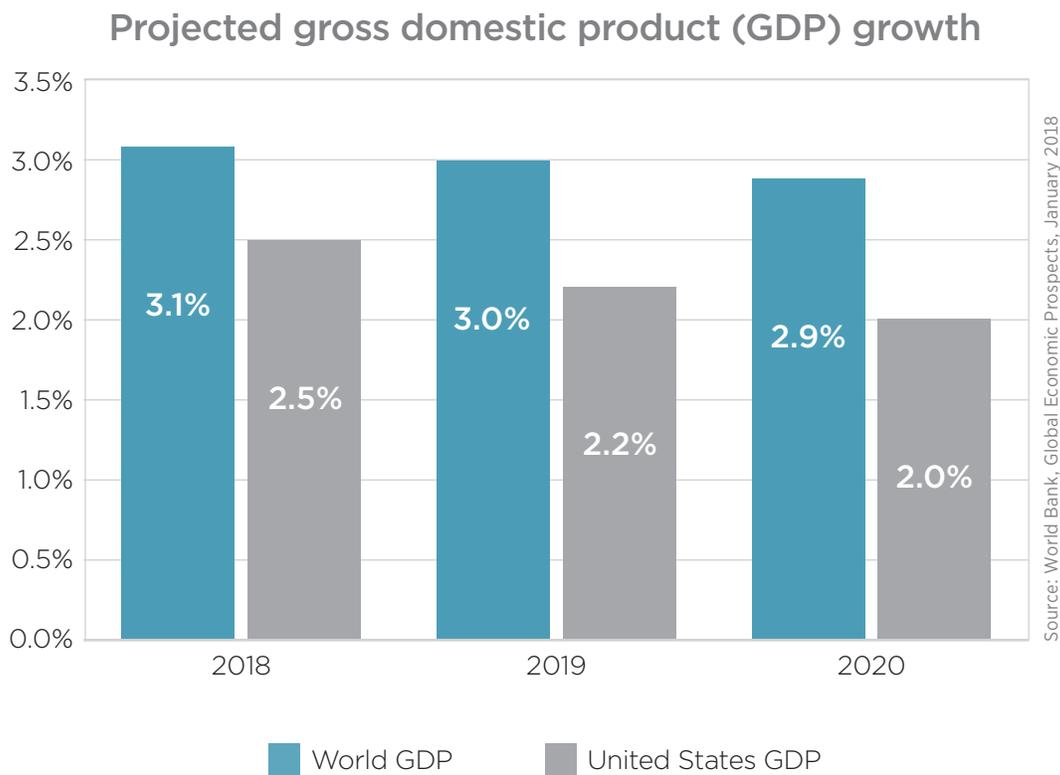
This brochure was designed to provide information on the MSCI EAFE Index and should be used in conjunction with the Nationwide New Heights Fixed Indexed Annuity materials. It does not describe the New Heights product or historical crediting rates of the product. For more information on New Heights, please 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.

International investing could involve risk such as currency, economic, geographical, political, and differences in accounting standards.

<sup>1</sup>Source: MSCI. MSCI EAFE is one of MSCI's oldest indexes, dating back to 1969. MSCI EAFE's long history makes it one of the most benchmarked indexes of international equities.

# The international market growth opportunity

The United States represents only 42% of the total global stock market.<sup>2</sup> The remaining 58% of the world's equities are traded on markets in Paris, London, Berlin, Singapore and beyond. In an increasingly global economy, international markets may provide substantial growth opportunities. In fact, the World Bank forecasts world economic growth to exceed the growth in the United States in each of the next three years.<sup>3</sup>



<sup>2</sup> Source: World Federation of Exchanges, WFE Annual Statistics Guide 2017.

<sup>3</sup> Source: World Bank, *Global Economic Prospects*, January 2018. The MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets excluding the U.S. and Canada. A portion of the world GDP could include emerging markets, which are countries in the process of rapid development with less mature markets and regulations, as well as the developed markets tracked by the MSCI EAFE Index.

# A wide-reaching international equities index

MSCI EAFE is the oldest international equities index and includes a selection of stocks from 21 countries. MSCI EAFE selects stocks from these developed markets providing the opportunity to participate in returns from international companies while limiting exposure to emerging markets.<sup>4</sup> The Index is reviewed quarterly to reflect changes in the international equities market.<sup>5</sup>



**MSCI EAFE captures**

**85%**

**of the market capitalization  
of each country<sup>6</sup>**

## **MSCI EAFE developed markets countries<sup>7</sup>**

Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom

For more information about MSCI EAFE, please visit [www.msci.com/eafe](http://www.msci.com/eafe)

The MSCI EAFE Index is unmanaged and cannot be invested into directly, and past performance is not indicative of future results. International investing could involve risk such as currency, economic, geographic, political and differences in accounting standards.

<sup>4</sup>Limiting exposure to emerging markets may reduce potential volatility but may also reduce potential short-term returns of emerging markets countries experiencing rapid growth.

<sup>5</sup> Semi-annual index reviews in May and November rebalance the index and establish the large and mid capitalization cutoffs.

<sup>6</sup> Source: MSCI Indexes.

<sup>7</sup> As of January 2018. Developed markets are advanced economies with strong institutions and high levels of per capita income.

# Last 10 years of MSCI EAFE Index performance

MSCI EAFE provides an international equities opportunity with nearly 30 years of live history. Domestic indices such as the S&P 500® Index exclude international equities markets and a majority of the world's equities. The graph below illustrates how MSCI EAFE and the S&P 500® price index have performed over the last 10 years.

	S&P 500® price index	MSCI EAFE
<b>2008</b>	-38.49%	-45.09%
<b>2009</b>	23.45%	27.75%
<b>2010</b>	12.78%	4.90%
<b>2011</b>	0.00%	-14.92%
<b>2012</b>	13.41%	13.55%
<b>2013</b>	29.60%	19.43%
<b>2014</b>	11.39%	-7.35%
<b>2015</b>	-0.73%	-3.30%
<b>2016</b>	9.54%	-1.88%
<b>2017</b>	19.42%	21.78%

With the international economy projected to outperform the United States over the next several years, MSCI EAFE may capture a portion of that growth and could provide an opportunity to harness that potential.<sup>3</sup>

Chart Assumptions: Index growth from 12/31/2007 – 12/31/2017. Calendar year-end returns are the percentage change between the closing price on December 31 of the year noted and December 31 of the prior year. Past performance is not an indicator or guarantee of future performance.



Visit [nationwidenewheights.com](http://nationwidenewheights.com) to find out more about MSCI EAFE and New Heights.



**Nationwide®**

• 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, sell, hold, or rollover 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.

Nationwide New Heights, an individual, single purchase payment, deferred fixed index annuity is issued by Nationwide Life and Annuity Insurance Company, Columbus, Ohio. Please note, the contract does not directly participate in any stock or equity investments. 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.

This product is not sponsored, endorsed, sold or promoted by MSCI inc. ("MSCI"), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the "MSCI parties"). The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by Nationwide. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of this product or any other person or entity regarding the advisability of investing in products generally or in this product particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to this product or the issuer or owners of this product or any other person or entity. None of the MSCI parties has any obligation to take the needs of the issuer or owners of this product or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this product to be issued or in the determination or calculation of the equation by or the consideration into which this product is redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of this product or any other person or entity in connection with the administration, marketing or offering of this fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as to results to be obtained by the issuer of the product, owners of the fund, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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. Nationwide New Heights® Fixed Indexed Annuity 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®.

Nationwide, the Nationwide N and Eagle, Nationwide is on your side, Nationwide New Heights and New Heights are service marks of Nationwide Mutual Insurance Company. © 2018 Nationwide

FAM-0519AO.3 (03/18)