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Investment Webinar

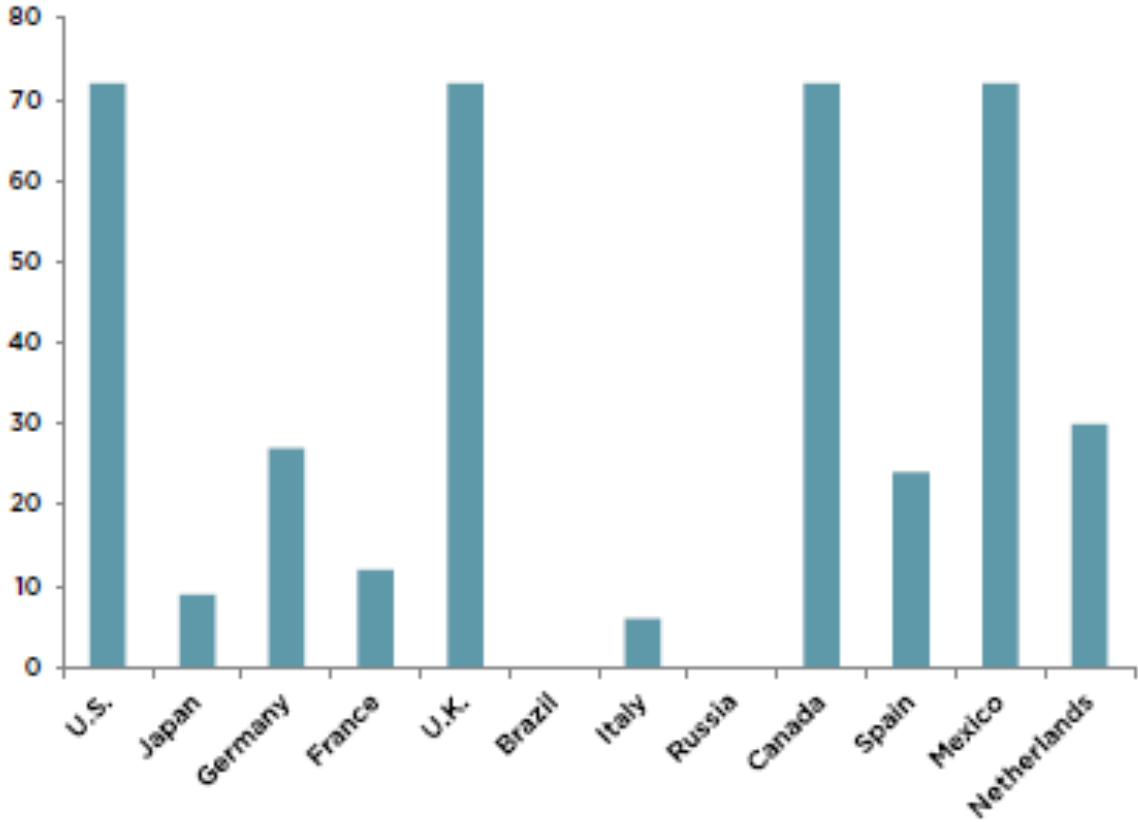
Bryan Jordan, Deputy Chief Economist – Nationwide Economics



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Time since last recession

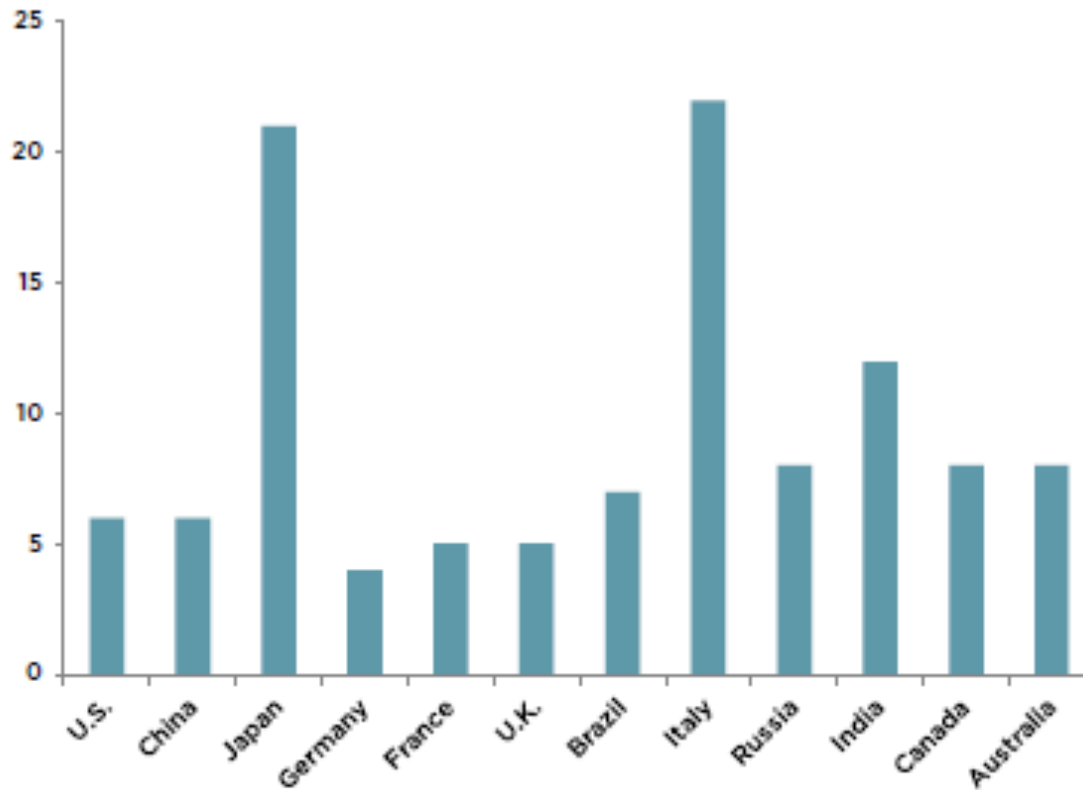
Months



Source: Charting the Markets, 3Q2015

Heads of state, 1980-present

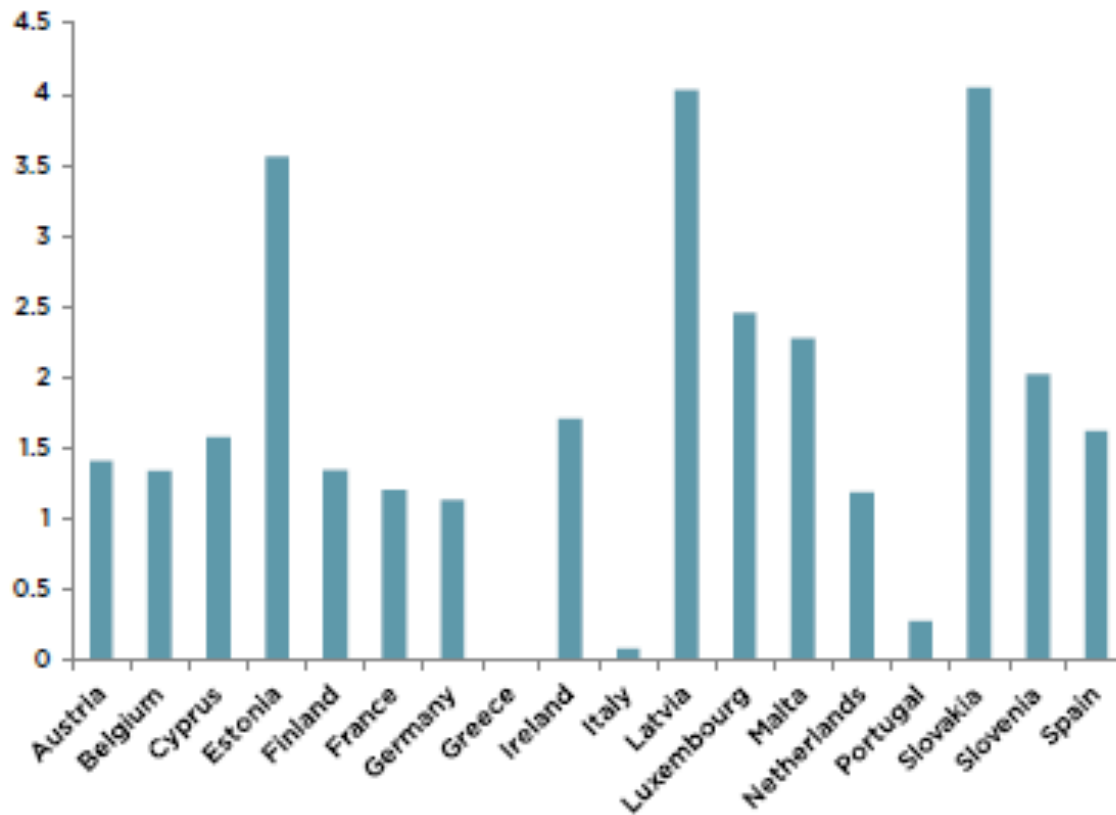
Number



Source: Charting the Markets, 3Q2015

Annualized real GDP growth, 2000-present

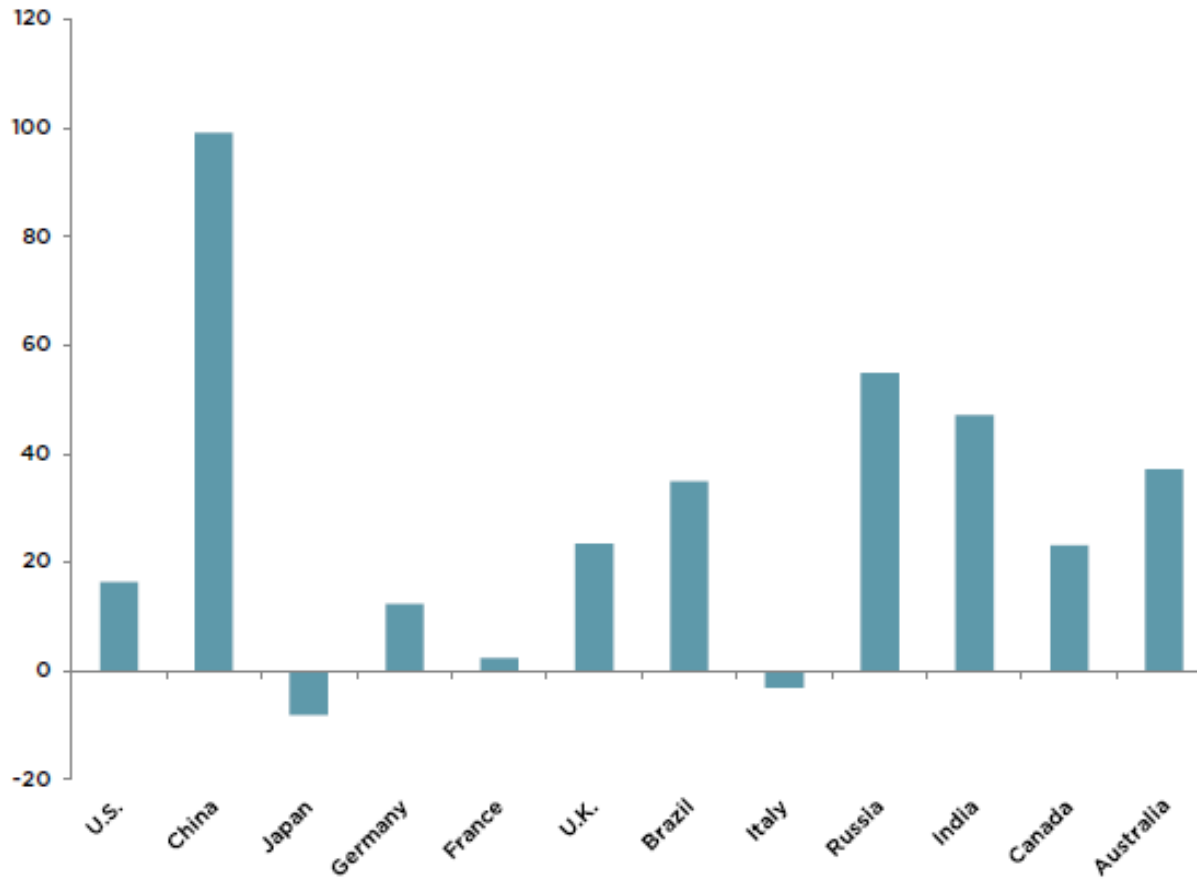
Percent



Source: Charting the Markets, 3Q2015

Changes In per capita GDP, current decade

Percent



Source: Charting the Markets, 3Q2015

Disclosure

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The economic and market forecasts in this report reflect our opinion as of the date of this presentation/review 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 may not reflect actual performance. Case studies and examples are for illustrative purposes only. We obtained certain information from sources deemed reliable, but we do not guarantee its accuracy, completeness or fairness.

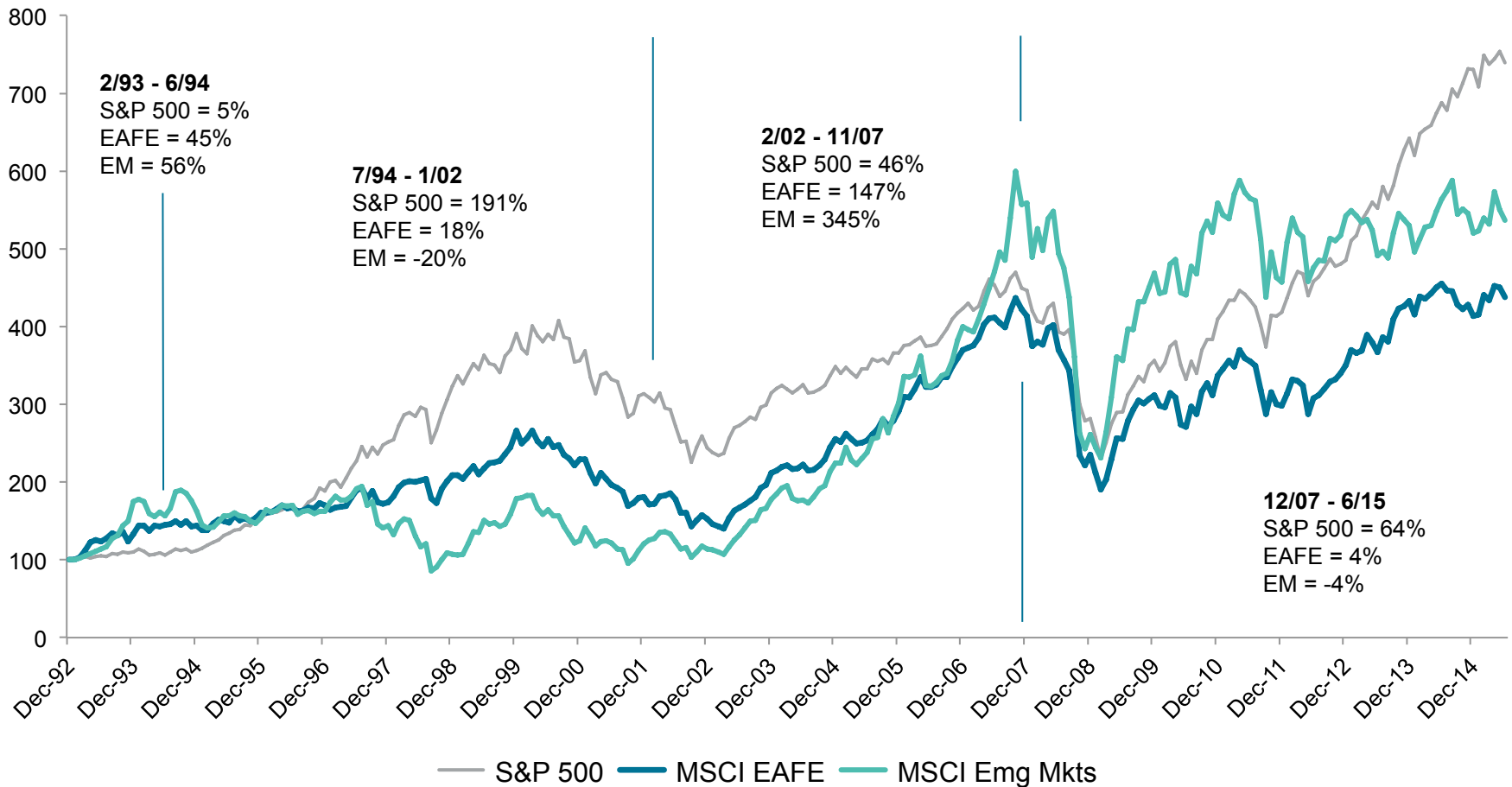
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Bailard International Equity Strategy

Peter M. Hill
Chairman
Chief Executive Officer

S&P 500 / MSCI EAFE / MSCI Emerging Markets

Cumulative total return, 1/1993 - 6/2015



Sources: Bailard, Bloomberg, MSCI.

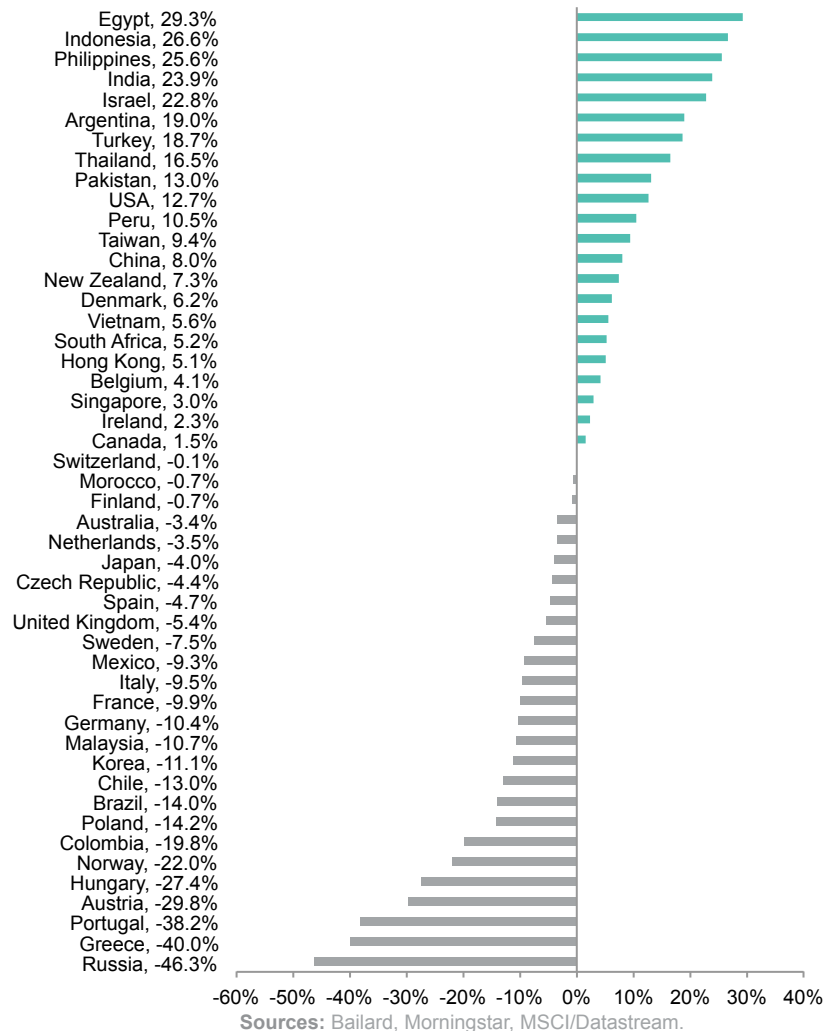
The MSCI EAFE and MSCI Emerging Market indices are broad-based measures of developed and emerging international stock markets, respectively. Their performance is presented on a U.S. \$ basis, with net dividends reinvested. The S&P 500 is a commonly used measure of large-cap U.S. stocks, whose total return is presented with dividends reinvested. **Past performance is no indication of future results.** All investments have the risk of loss.

Philosophy: Countries Matter

Historically, there has been a consistent and significant disparity between the best and worst performing countries' stock markets.

We seek to identify the most attractive and least attractive countries and stocks based on the current market environment and the resulting impact on investor behavior.

MSCI Country Index 2014 Total Returns*



*U.S.\$ with net dividends reinvested. These returns are not the past or future performance of any Bailard product, strategy or account. All investments have the risk of loss. **Past performance is no indication of future results.**

Which Countries Outperformed? A 10-Year Look

U.S.\$ total returns with net dividends reinvested

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Brazil 35.9%	Russia 73.1%	China 82.9%	Brazil 79.6%	Japan -29.2%	Brazil 128.1%	India 20.9%	U.S. 1.4%	Germany 30.9%	U.S. 31.8%	India 23.9%
Italy 32.5%	Brazil 56.4%	Russia 55.6%	India 73.1%	U.S. -37.6%	Russia 104.2%	Canada 20.5%	UK -2.6%	India 26.0%	Germany 31.4%	U.S. 12.7%
Canada 22.2%	India 37.6%	India 51.0%	China 66.2%	France -43.3%	India 102.8%	Russia 19.1%	Canada -12.7%	China 22.7%	Japan 27.2%	China 8.0%
UK 19.6%	Canada 28.3%	Brazil 45.3%	Germany 35.2%	Canada -45.5%	China 62.3%	Japan 15.4%	Japan -14.3%	France 21.3%	France 26.3%	Canada 1.5%
India 19.1%	Japan 25.5%	Germany 36.0%	Canada 29.6%	Germany -45.9%	Canada 56.2%	U.S. 14.8%	France -16.9%	U.S. 15.3%	UK 20.7%	Japan -4.0%
France 18.5%	China 19.8%	France 34.5%	Russia 24.5%	UK -48.3%	UK 43.3%	UK 8.8%	Germany -18.1%	UK 15.3%	Italy 20.4%	UK -5.4%
Germany 16.2%	Germany 9.9%	Italy 32.5%	France 13.2%	Italy -50.0%	France 31.8%	Germany 8.4%	China -18.4%	Russia 13.7%	Canada 5.6%	Italy -9.5%
Japan 15.9%	France 9.9%	UK 30.6%	UK 8.4%	China -50.8%	Italy 26.6%	Brazil 6.5%	Russia -19.6%	Italy 12.5%	China 3.6%	France -9.9%
U.S. 10.1%	UK 7.4%	Canada 17.8%	Italy 6.1%	Brazil -56.2%	U.S. 26.3%	China 4.6%	Brazil -21.8%	Canada 9.1%	Russia 0.8%	Germany -10.4%
Russia 5.5%	U.S. 5.1%	U.S. 14.7%	U.S. 5.4%	India -64.6%	Germany 25.2%	France -4.1%	Italy -23.2%	Japan 8.2%	India -3.8%	Brazil -14.0%
China 1.9%	Italy 1.9%	Japan 6.2%	Japan -4.2%	Russia -73.9%	Japan 6.3%	Italy -15.0%	India -37.2%	Brazil 0.0%	Brazil -16.0%	Russia -46.3%

Source: MSCI/Datastream.

The Dollar is Still Strong

THE TRADE-WEIGHTED MAJOR CURRENCIES U.S. DOLLAR INDEX
as of June 30, 2015



Chart source: The Nationwide Retirement Institute, *Charting the markets*, 3rd Quarter 2015. Data source: Federal Reserve Board of Governors.

Top-Down Investment Process

Assess Global Environment

Country Allocation
(48 Countries)

Security Selection
(Tailored by Country)

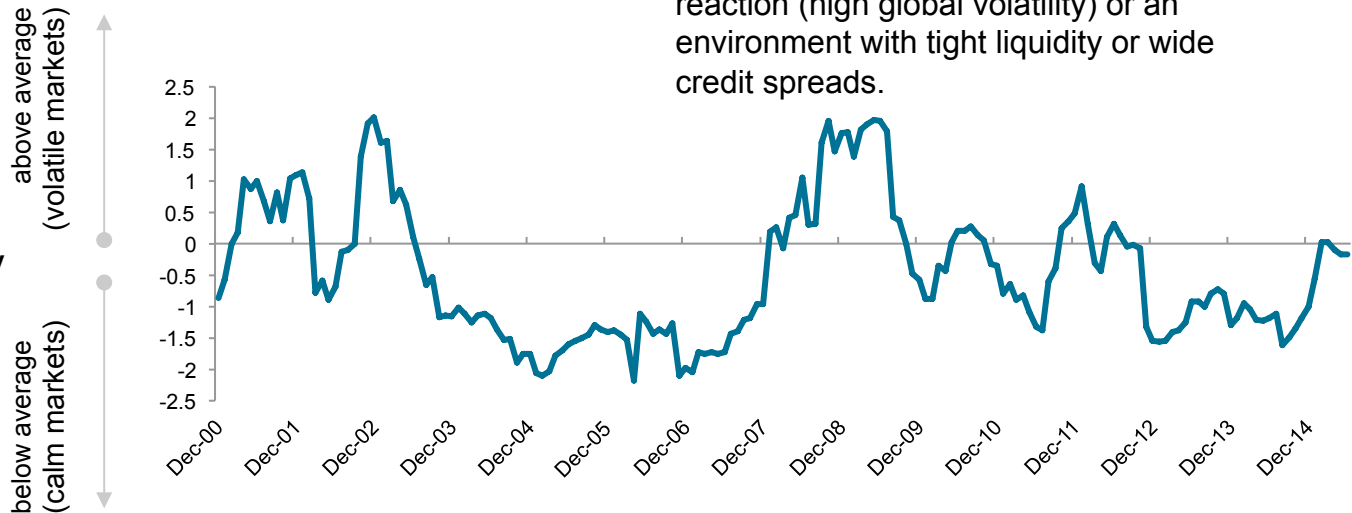
Sector Allocation
(Benchmark Neutral within Countries)

Portfolio Construction
(175 – 250 Stocks)

Country Allocation Process

Assess Global Environment

Global Volatility
(through 6/30/15)



Seeking countries that offer good value and avoiding certain risks tends to be profitable in periods of investors' over-reaction (high global volatility) or an environment with tight liquidity or wide credit spreads.

Emphasizing countries with strong momentum and that offer exposure to certain risks tends to be profitable when markets are calm, when liquidity is above average and when credit spreads are narrow.

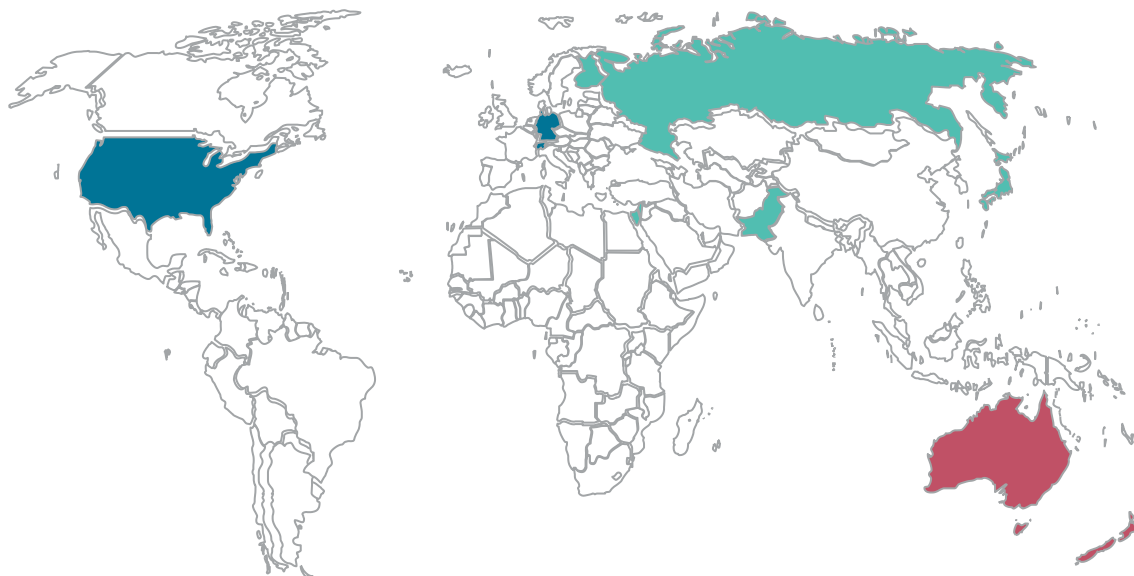
Source: Bailard, MSCI/Datastream

Global volatility is based upon the monthly standard deviation of trailing returns for 18 developed country stock market relative to their long run average. Indices were selected by Bailard.

Countries Matter: Our 1-3 Month Outlook

- 48 countries are ranked based upon their expression of the characteristics that we believe will be rewarded or penalized over the subsequent 1-3 months.
- The current environment favors countries that exhibit a balance of momentum, valuation and risk

Rank	Country	Score
TOP		
1	Russia	1.67
6	Pakistan	0.93
8	Israel	0.75
11	Finland	0.65
16	Japan	0.30
MIDDLE		
20	USA	0.14
26	Germany	-0.01
37	Switzerland	-0.55
BOTTOM		
43	Australia	-0.65
45	New Zealand	-0.91



The graphic above is for conceptual illustration purposes only and is not meant to represent a specific example of the use of the model with respect to the Bailard International Equity Strategy or recommendations of Bailard. The outlook is as of June 30, 2015 but may change over time.

Source: Bailard

Market Index Disclosures

The indices shown in this presentation are unmanaged, uninvestable and do not reflect any transaction costs. The MSCI ACWI ex USA Index (also referred to as the MSCI ACWI ex-US-ND) is a free float-adjusted adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The index includes developed and emerging market country indices. The MSCI EAFE index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance (ex. U.S. & Canada). These indices are presented in U.S. dollar terms with net dividends reinvested. The Bailard International Equity Strategy (“the Strategy”) often employs different country weights than these indices and invests in different international stocks. Unlike the MSCI EAFE index, the Strategy invests in emerging markets. Unlike these indices, the Strategy also invests in cash equivalents and exchange-traded funds and may engage in currency hedging.

Q&A Session



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