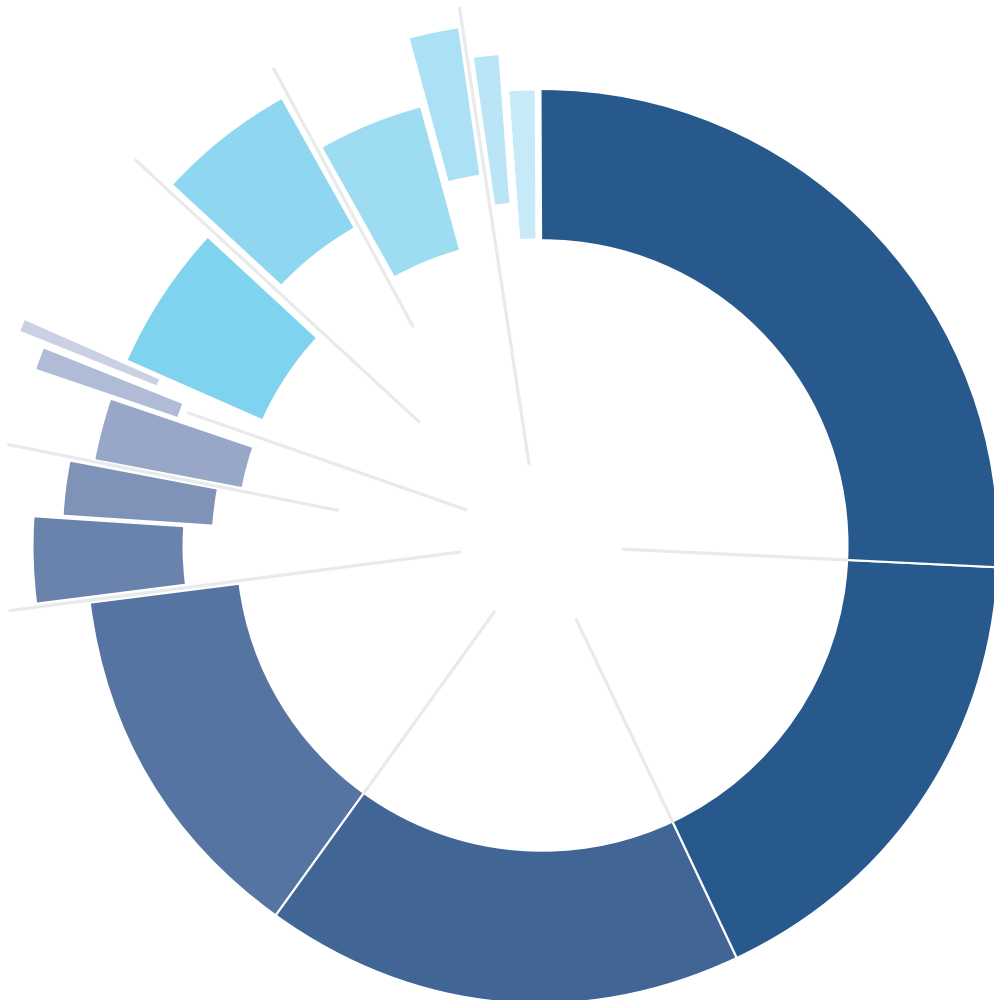


Annual Investment Report

An overview of our General Account
portfolio results as of December 31, 2022



OUR GENERAL ACCOUNT INVESTMENT PORTFOLIO

A unique advantage for policyowners

“What’s best for our policyowners?” As a mutual company, this question guides all our decisions, and none is more important than what to do with your money.¹

Backing our insurance and annuity products, Northwestern Mutual’s nearly \$300 billion* General Account investment portfolio is a major contributor to the company’s unsurpassed financial strength and policyowner dividends.²

*Includes investment income due and accrued.

¹ When purchasing the company’s life insurance and annuity products, clients are not investing in the company’s General Account portfolio but purchasing products backed by the financial strength of Northwestern Mutual.

² Decisions regarding the amount of dividends payable, if any, are left to the discretion of the company’s Board of Trustees. Future dividends are not guaranteed, although Northwestern Mutual has paid a dividend every year since 1872.



Earn superior long-term investment returns while maintaining our unsurpassed financial strength

TO

- ✓ Ensure we can always pay claims and benefits
- ✓ Endure economic ups and downs
- ✓ Maximize long-term product value

Outperformance in adverse conditions

A letter from our chief investment officer



CIO Jeff Lueken

“Thanks to our macroeconomic outlook and portfolio discipline, we were well prepared for 2022’s challenges.”

During 2022, we witnessed 40-year inflation highs, aggressive Fed rate hikes, Russia’s invasion of Ukraine and an unparalleled level of stock and bond market volatility. I am pleased to report that the general account investment team successfully navigated this challenging environment, driving exceptional results for our policyowners. We were yet again able to take advantage of opportunities that arise in turbulent markets and realized sizeable real estate gains that support the company’s record \$6.8 billion dividend payout approved for 2023. And the future looks bright — the portfolio is very healthy, we have plenty of liquidity for opportunistic purchases, and new money rates are higher than we’ve seen in over 10 years.

Thanks to our macroeconomic outlook and portfolio discipline, we were well prepared for 2022’s challenges. We entered the year overweight private assets and underweight public securities because we anticipated Fed tightening would lead to increased public market volatility. This positioning helped minimize the portfolio effect of value declines seen in nearly every public asset class. We offset our reduced public asset class exposure with increased allocations to private structured securities, private equity and real estate, where illiquidity premiums and superior structural protections provided greater value. Throughout the year, our emphasis on private assets contributed favorably to portfolio yields and capital gains.

Northwestern Mutual’s uniqueness makes our differentiated strategy possible

Our portfolio success is a direct reflection of the benefits we derive from Northwestern Mutual’s unique strengths. The company’s large surplus position supports a full capacity for risk assets — equities and high-yield bonds. Our industry-leading client persistency and corresponding strong liquidity enable large exposures to higher-yielding private securities. And our mutual company profile and unwavering commitment to our policyowners fosters a long-term, value-oriented investment philosophy. These competitive advantages make Northwestern Mutual a highly sought-after deal partner, giving us access to a steady flow of attractive real estate and private securities transactions that generate incremental portfolio returns. And when there is market disruption and others are selling, our strong liquidity enables us to opportunistically buy at discounted prices, driving the superior long-term performance our team has consistently produced.

“We began 2023 with a record-level capital position and significant liquidity.

Our 2023 outlook

We enter 2023 at a pivotal time, with the Fed having tightened monetary policy faster than in any other period in modern history. The main question markets face now is how far the Fed will have to go to ultimately contain inflation. Over the past 12 months rates have increased by 5%, and we are starting to see isolated signs of strain in the regional banking sector. So, the Fed must perform a delicate balancing act between fighting inflation and preserving economic stability. We see the most likely scenario as economic weakness over the next 12 to 18 months in the form of a mild recession as consumers and corporations grapple with a higher interest rate environment.

Northwestern Mutual's exceptional financial strength continues to stand out in this period of volatility, as we began 2023 with a record-level capital position and significant liquidity. The deep experience of the general account team, combined with our underwriting-intensive culture, gives me high confidence in our ability to apply keen investment judgment to the asset selection process. Our proven track record of success across historical market cycles will inform our portfolio strategy in the periods to come.

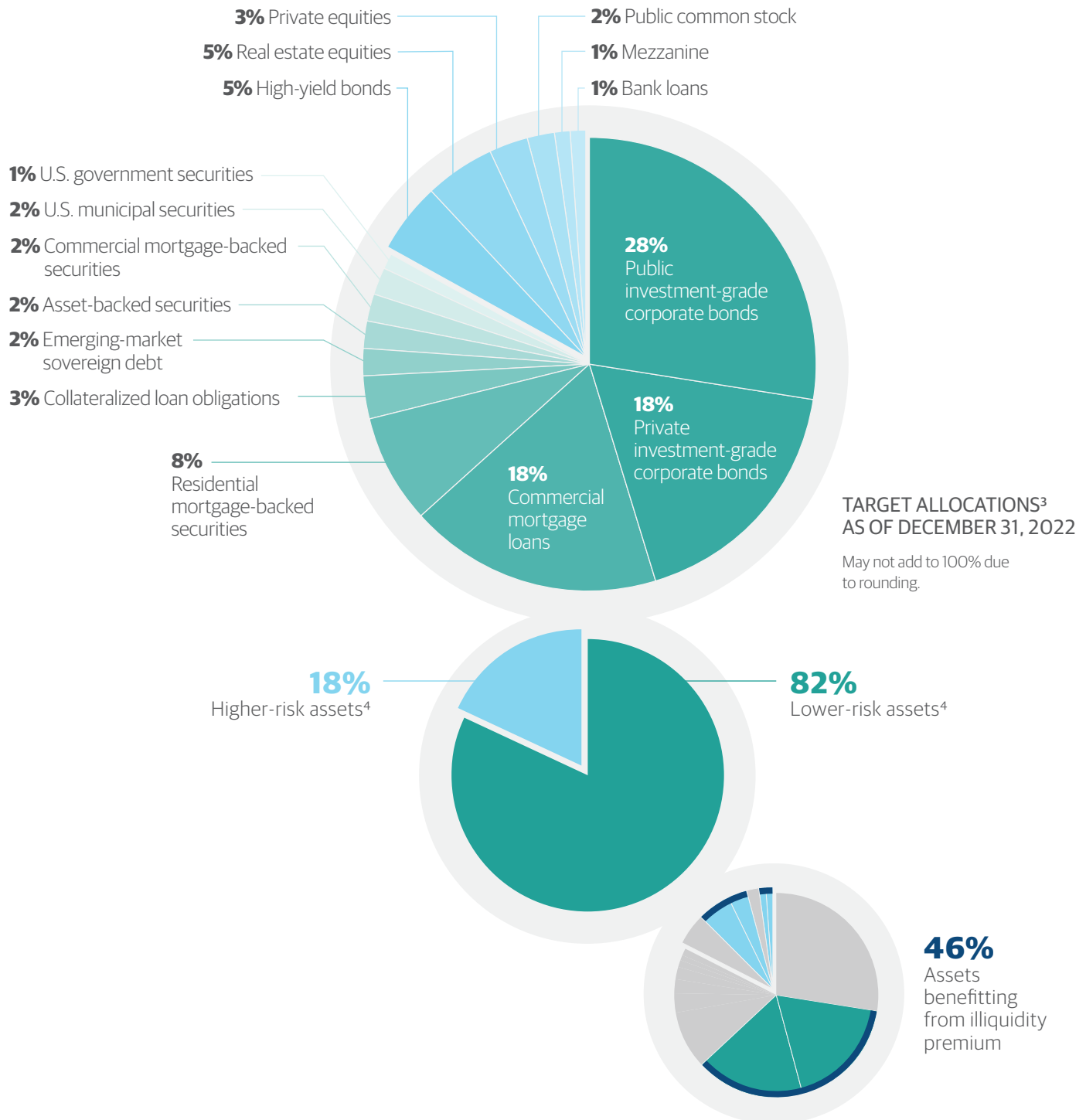
I'm proud of our performance results in 2022 amid challenging headwinds — a demonstration of how our well-diversified portfolio is built for all seasons. Thank you for your support; your ongoing trust in Northwestern Mutual is essential to our success.



Allocations at a glance

OUR HIGHLY DIVERSIFIED ASSET ALLOCATION

Our portfolio management team actively invests across global markets in pursuit of the optimal mix of risk and return.

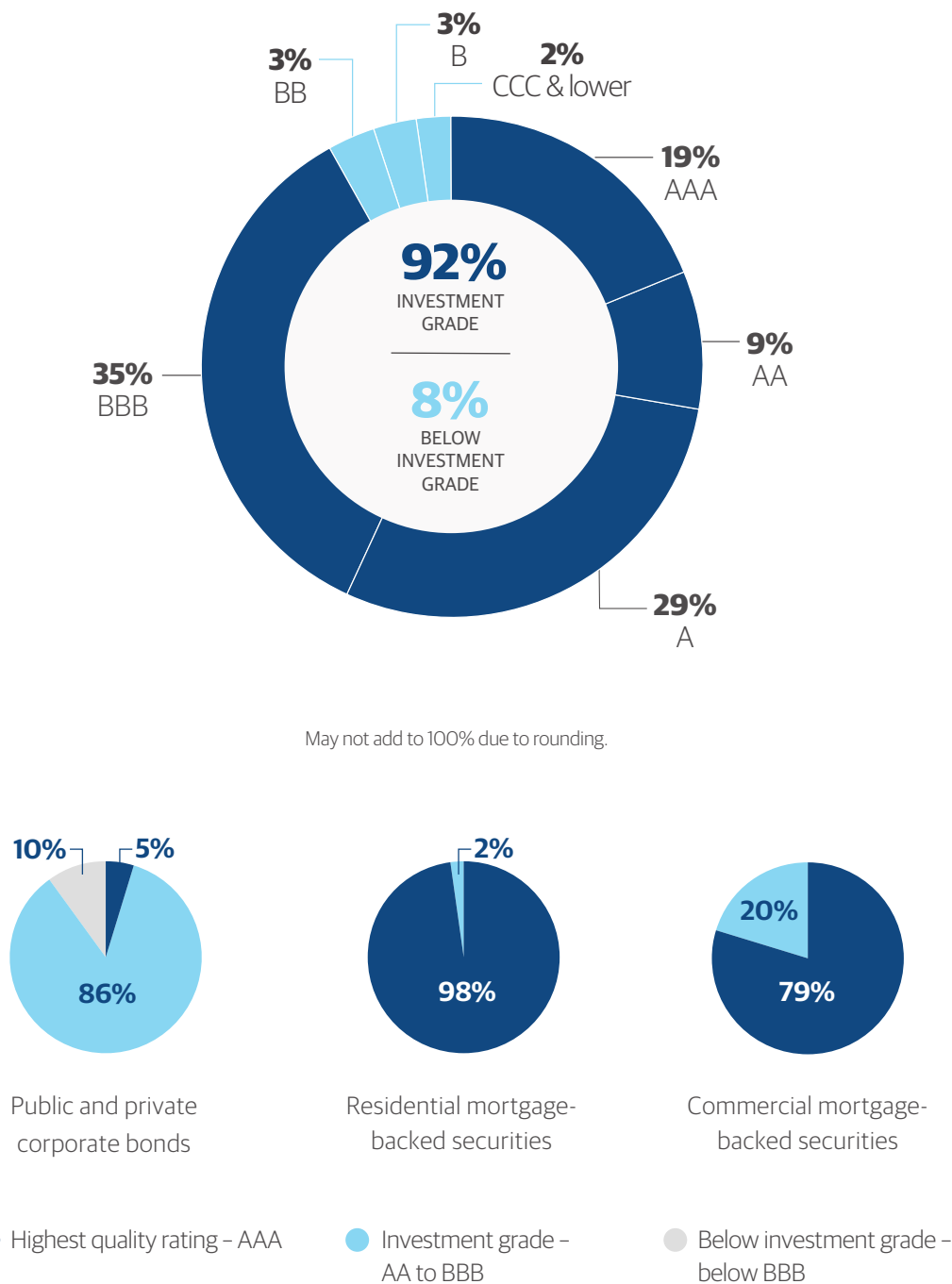


³ The noted percentages are target allocations based on our long-term investment strategy. Actual allocations may differ from time to time based on changes in the value of invested assets, discretionary investment decisions and market conditions.

⁴ "Lower-risk" and "higher-risk" are general indications of the relative risk of loss of a particular type of investment compared to other investments. Generally, in investing, higher-risk investments offer greater potential return. All investments carry some risk of loss.

FIXED-INCOME BREAKDOWN BY QUALITY⁵

The vast majority of the portfolio's investments are high-quality fixed income.

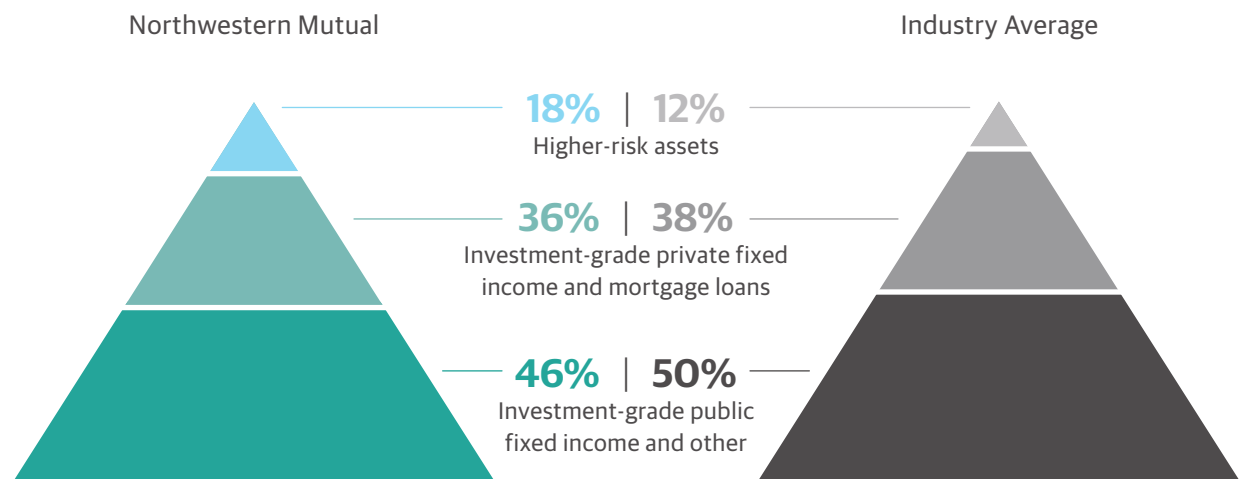


⁵ Credit quality is defined as the ability of the issuer to pay interest and principal on a timely basis. These ratings are based on the lower of the credit ratings from S&P Global Ratings, Moody's Investors Service or Fitch Ratings when available, or internal rating evaluations when third-party ratings are not available. Excludes commercial mortgage loans.

IMPORTANT NOTE: The vast majority of the company's managed assets back most of its life, disability income and Portfolio Income Annuity liabilities. The investment strategies described in this update apply to the investment of those assets. A portion of managed assets backs the remaining liabilities (primarily fixed deferred annuities, income plans and long-term care insurance), which have different investment exposures. When purchasing the company's life insurance and annuity products, clients are not investing in the company's General Account portfolio but purchasing products backed by the financial strength of Northwestern Mutual. Long-term care insurance is issued by Northwestern Long Term Care Insurance Company, Milwaukee, WI, a subsidiary of Northwestern Mutual.

OUR ALLOCATIONS VS. THE INDUSTRY AVERAGE

We're able to pursue better returns by investing more than the industry average in higher-risk investments and still maintain our unsurpassed financial strength.



Source: S&P Global Capital IQ Pro, Northwestern Mutual analysis as of 12/31/21

ASSET CLASS ANNUAL RETURNS RANKED HIGHEST TO LOWEST

No asset class is consistently the best or worst performer, so we diversify to mitigate market unpredictability and seek opportunities whenever and wherever they arise.

2018	2019	2020	2021	2022
HIGHEST				
Private Equity	Public Equity	Public Equity	Private Equity	Private Equity
Real Estate Equity	Private High Yield	Private Bonds	Real Estate Equity	Real Estate Equity
Mortgage Loans	Public High Yield	Private Equity	Public Equity	Private High Yield
Public Bonds	Private Bonds	Public Bonds	Mezzanine	Public High Yield
Private Bonds	Private Equity	Mortgage Loans	Public High Yield	Mortgage Loans
Public High Yield	Mezzanine	Public High Yield	Private High Yield	Private Bonds
Private High Yield	Public Bonds	Private High Yield	Public Bonds	Public Bonds
Mezzanine	Mortgage Loans	Mezzanine	Private Bonds	Public Equity
Public Equity	Real Estate Equity	Real Estate Equity	Mortgage Loans	Mezzanine
LOWEST				

This chart depicts the performance of the broader indices of the asset classes we invest in – it does not reflect actual General Account results.

Source: Northwestern Mutual

Assets breakdown

Statement value

Assets in millions	2021	Change	2022
Managed assets			
Fixed-income investments			
Money market investments	\$3,180	53.5%	\$4,880
Public bonds and preferred stock	\$137,927	2.7%	\$141,657
Private bonds and preferred stock	\$51,849	8.9%	\$56,446
Commercial mortgage loans	\$47,995	7.9%	\$51,771
Total fixed-income investments	\$240,950	5.7%	\$254,754
Equity investments			
Real estate	\$8,397	-9.0%	\$7,640
Public common stock	\$6,219	-26.2%	\$4,587
Private equities	\$11,289	7.3%	\$12,118
Total equity investments	\$25,905	-6.0%	\$24,345
Other Managed Assets	\$1,177	-9.7%	\$1,063
TOTAL MANAGED ASSETS	\$268,032	4.5%	\$280,162
Other invested assets			
Loans on policies	\$17,769	2.6%	\$18,223
Other investments	\$739	-15.5%	\$624
TOTAL INVESTED ASSETS⁶	\$286,540	4.4%	\$299,010
Other non-invested assets			
Other assets	\$5,731	23.9%	\$7,099
Separate account business	\$42,383	-19.1%	\$34,281
TOTAL ASSETS	\$334,654	1.7%	\$340,390

2022 IMPAIRMENT EXPERIENCE

\$259 million
Aggregate investment
write-downs

0.10%
Write-downs as a percentage
of total managed assets

\$208 million
Average annual write-down
over last 10 years

⁶ Includes investment income due and accrued of \$2,262 million in 2022 and \$2,042 million in 2021.

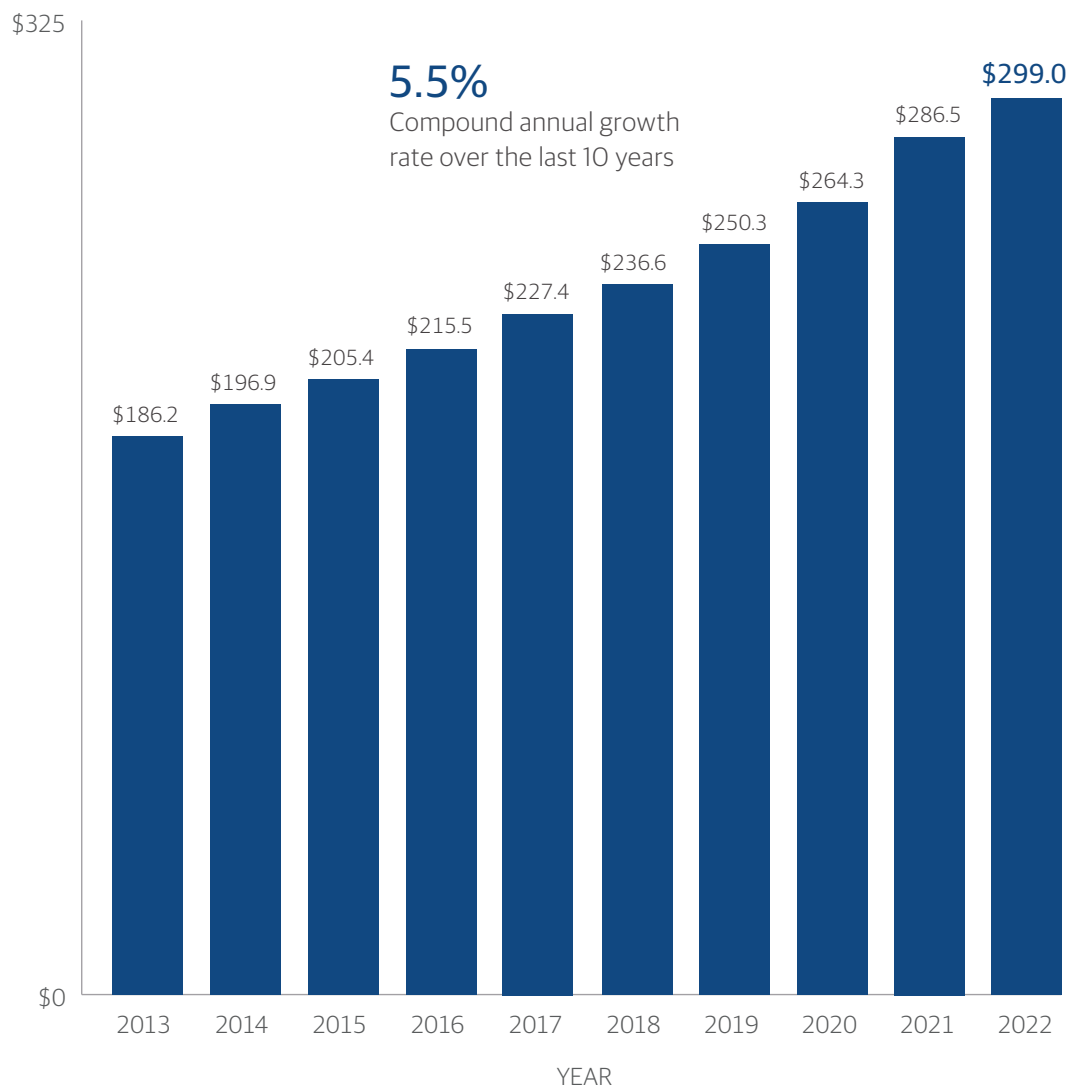
IMPORTANT NOTE: Please see REPORTING CONSIDERATIONS on page 15 for important information about the above portfolio breakdown.

Performance and strength

Over the past 10 years, total invested assets and net investment income have shown consistent growth. Investment performance contributes significantly to Northwestern Mutual's dividend-paying capacity and increases in total surplus, further improving the company's financial strength.

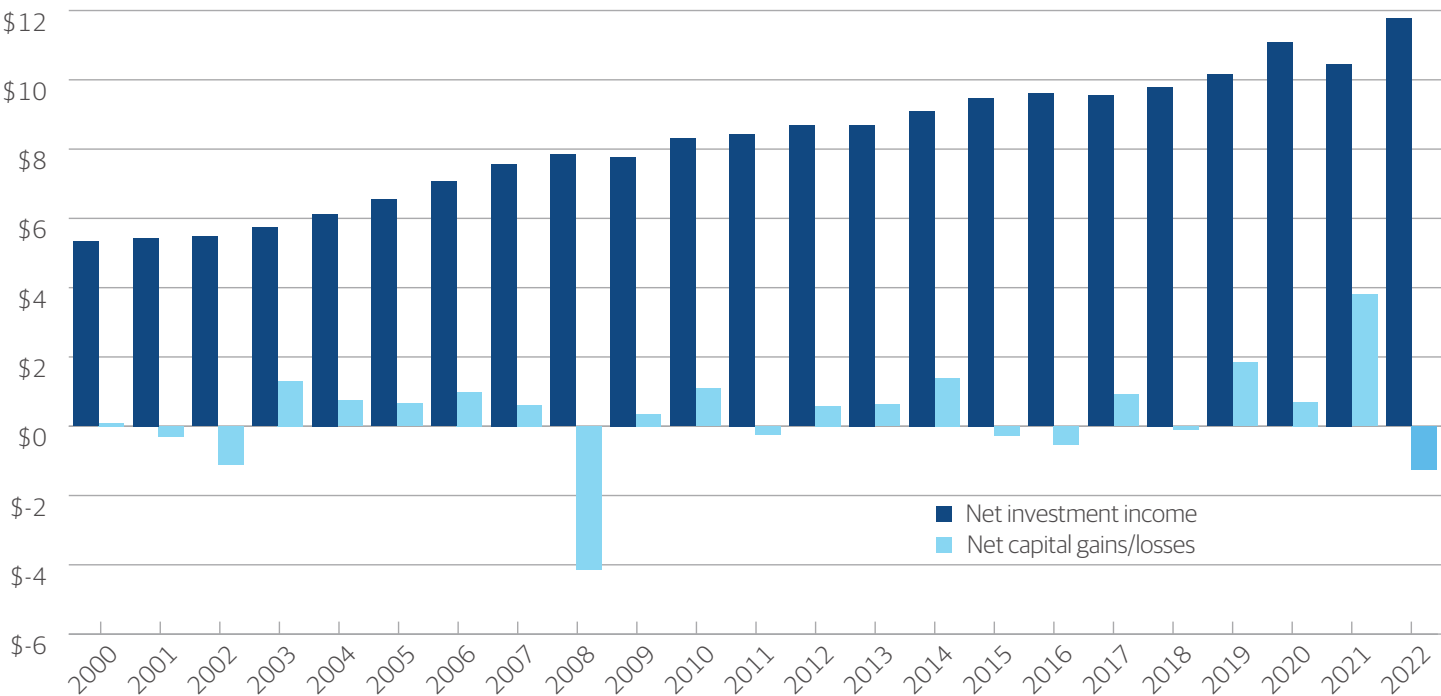
TOTAL INVESTED ASSETS

in billions



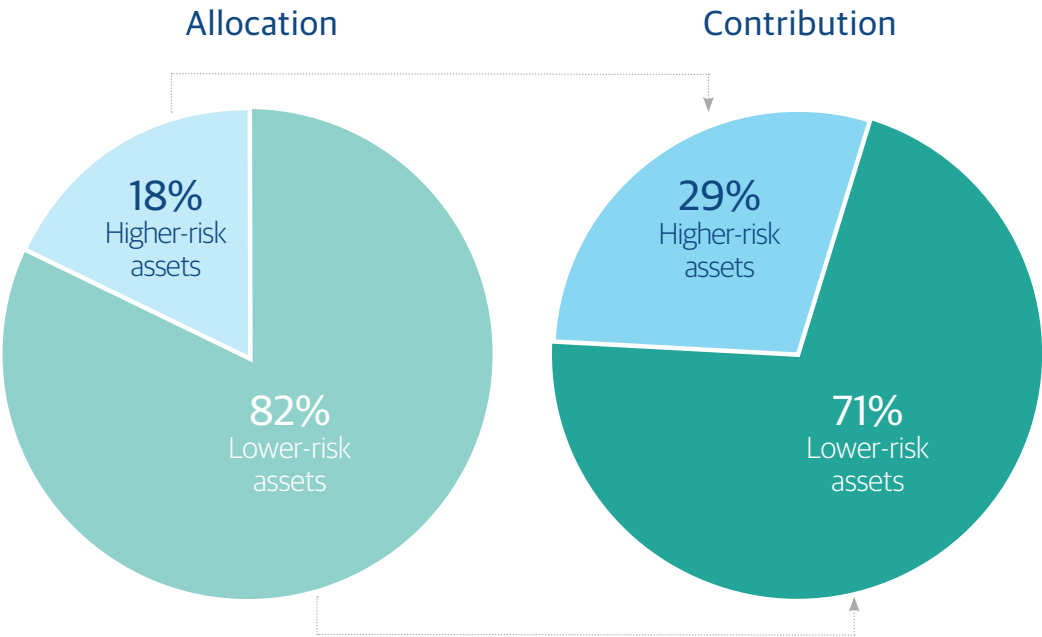
NET INVESTMENT INCOME AND CAPITAL GAINS/LOSSES

in billions



CONTRIBUTION TO NET INVESTMENT INCOME

Though just 18% of the portfolio, our higher-risk investments contributed 29% of net investment income in 2022.



WE'VE EARNED THE HIGHEST AVAILABLE FINANCIAL STRENGTH RATINGS, WITH STABLE OUTLOOKS, AWARDED TO ANY U.S. LIFE INSURER⁷

Aaa

HIGHEST

Moody's
Investors
Service

A++

HIGHEST

A.M. Best
Company

AAA

HIGHEST

Fitch Ratings

AA+

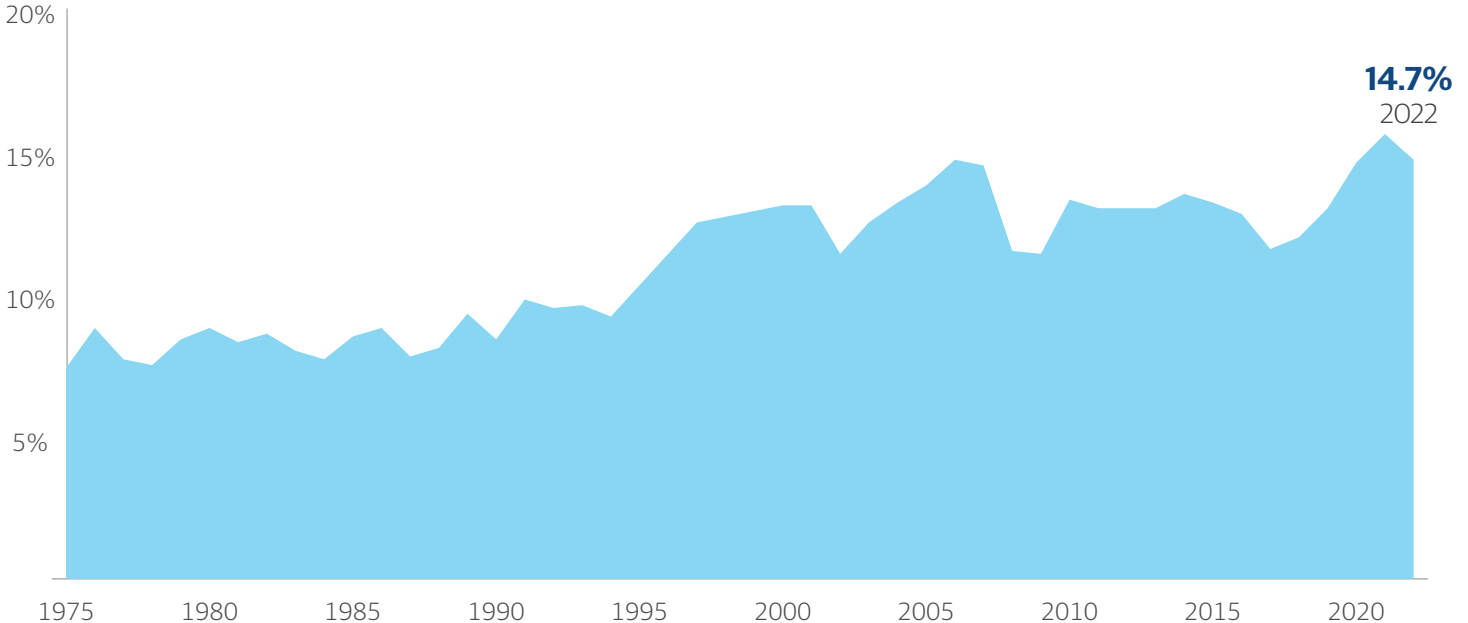
SECOND
HIGHEST

S&P Global
Ratings

A LARGE SURPLUS BEHIND OUR STRENGTH

Surplus is money insurers set aside to cover the unexpected. We maintain strong surplus to help ensure that we continue to earn unsurpassed financial strength ratings, while we pursue superior product performance by taking more investment risk than the industry average (see page 8).

Surplus ratio

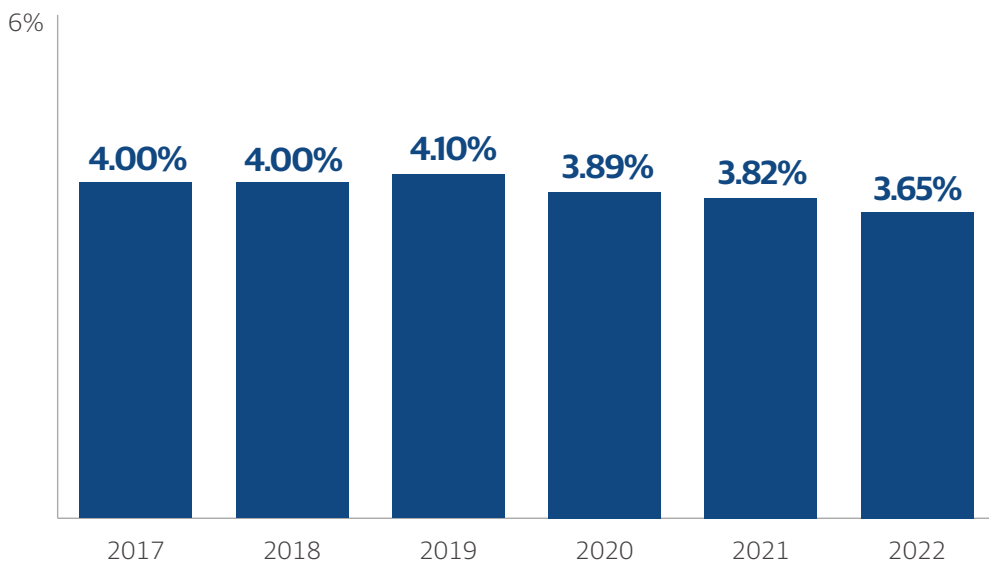


Surplus ratio is Northwestern Mutual's surplus, including surplus notes, and asset valuation reserve as a percentage of General Account insurance reserves (consolidated statutory basis).

⁷ Ratings are for The Northwestern Mutual Life Insurance Company and Northwestern Long Term Care Insurance Company as of the most recent review and report by each rating agency. Ratings are as of 12/2022 (Moody's Investors Service), 6/2022 (A.M. Best Company), 8/2022 (Fitch Ratings) and 7/2022 (S&P Global Ratings). Third-party ratings are subject to change and are a measure of the company's relative financial strength and security but are not a reflection of the performance or stability of funds invested in a company's separate accounts.

FIXED-INCOME PORTFOLIO BOOK YIELD

The historic period of low interest rates is the cause of the recent decline in the fixed-income portfolio's yield.



Book yield = fixed-income interest income ÷ average fixed-income assets. The General Account fixed-income book yield is not the same as the various dividend interest rates credited to participating insurance policies or annuity contracts; nor is it a measure of a policy's internal rate of return.

RISING INTEREST RATES

After over a decade of historic lows, interest rates have reversed course in recent years.

Because our General Account backs our product benefits and financial strength, it's more than 80% high-quality fixed income. These conservative investments are heavily impacted by interest rates, so we expect this recent trend of higher rates to benefit book yields over time if sustained.

10-Year U.S. Treasury Yields

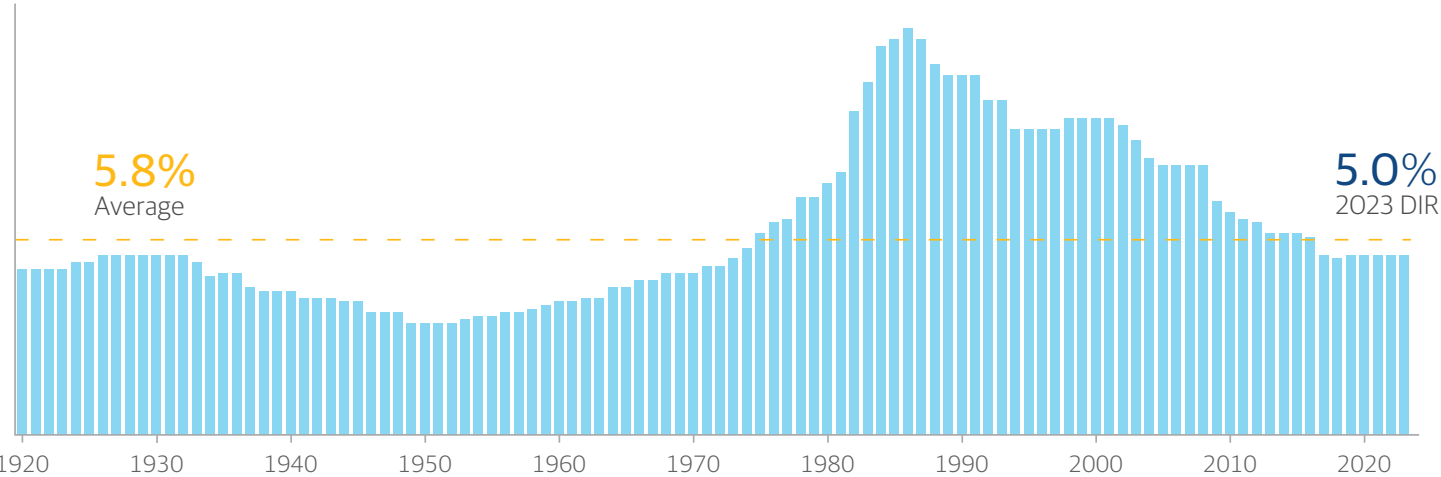


Source: Bloomberg

DETERMINING DIVIDENDS⁸ – THE ROLE OF THE GENERAL ACCOUNT

Northwestern Mutual's General Account portfolio is an important contributor to policyowner dividends. This contribution is reflected in our dividend interest rate, or DIR, which is declared annually for whole life insurance policies by our Board of Trustees and reflects General Account investment earnings in recent years.

100 years of our dividend interest rate



For years prior to 1982, the dividend interest rate (DIR) reflects the highest applicable dividend interest rate across all traditional permanent life insurance policies. After 1982, this graph reflects the dividend interest rate for unborrowed funds for most traditional permanent life insurance policies with direct recognition.

The DIR compared to common fixed-income yields

While the DIR is only one of many factors to keep in mind when considering purchasing insurance, comparing it to the yields of common high-quality fixed-income instruments can provide useful perspective.

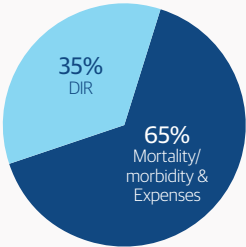
NM Dividend Interest Rate	5.0%
Money Market	0.39%
5-year CD	2.74%
U.S. Municipal Bonds	3.55%
10-year Treasury Bond	3.88%
U.S. Corporate Bonds	4.80%

Sources: *The Wall Street Journal*, Bloomberg Barclays Municipal Bond Index, Bloomberg, Bloomberg Barclays AA Rated Index as of December 31, 2022. Money market and 5-year CD rates as of February 16, 2023.

Is the dividend interest rate the entire dividend?

No. Like other insurers, our dividend consists of three components: mortality/morbidity, expenses and interest. The DIR reflects interest only.

The interest component is currently about 35%, meaning our industry-leading mortality/morbidity and expenses make up the majority of our total dividend payout.



⁸ This section applies to Northwestern Mutual's dividend on whole life insurance products only.

IMPORTANT NOTE: Please see REPORTING CONSIDERATIONS on page 15 for more information on determining dividends and the dividend interest rate (DIR).

REPORTING CONSIDERATIONS

About Northwestern Mutual's General Account investments and insurance products

The vast majority of the company's managed assets back most of its life, disability income and Portfolio Income Annuity liabilities. The investment strategies described in this booklet apply to the investment of those assets. A portion of managed assets backs the remaining liabilities (primarily fixed deferred annuities, income plans and long-term care insurance), which have different investment exposures than described in this report. When purchasing the company's life insurance and annuity products, clients are not investing in the company's General Account portfolio but purchasing products backed by the financial strength of Northwestern Mutual. Long-term care insurance is issued by Northwestern Long Term Care Insurance Company, Milwaukee, WI, a subsidiary of Northwestern Mutual.

General Account investments reporting considerations

Northwestern Mutual publishes the Annual Investment Report to provide information on the asset mix of its portfolio and the investment results generated during the previous calendar year. For additional information on its investments, see Northwestern Mutual's The Power of the Portfolio, available at www.northwesternmutual.com/financial-information. Certain types of investments have been grouped differently for this report than in Northwestern Mutual's Audited Financial Statements (AFS). The most significant of these differences as of December 31, 2022, are:

- Other investments of \$30.1 billion reported in the AFS primarily represent certain interests in subsidiaries and affiliates, joint ventures and partnerships. This report classifies these investments based on the character of the underlying assets, such as public bonds, private equities, real estate and public common stock.
- Mortgage loans of \$51.8 billion reported in the AFS include \$2.4 billion of loans made to real estate joint ventures in which the company is an equity investor. This report classifies these assets as real estate equity investments.
- Due and accrued investment income of \$2.26 billion is reported separately in the AFS. This report includes these amounts in their respective asset classes.
- Loans on policies reported in the AFS represent amounts borrowed from the company by life insurance policyowners and annuity contract owners. Policy loans are reported at the unpaid principal balance. This report includes the unpaid principal balance and interest due and accrued on these loans in the policy loan amount shown.
- Net capital gains/losses in this report include realized capital gains and losses, net of any income tax and interest maintenance reserve deferrals, as well as, unrealized gains/losses net of tax. Realized capital gains/losses and unrealized capital gains/losses are reported separately in the AFS.

Northwestern Mutual's Audited Financial Statements utilize the statutory method of accounting. Investment values under generally accepted accounting principles may differ materially from the figures presented in this report. The notes to the AFS provide further details as to the accounting and valuation methods applied to the reported investment values. PricewaterhouseCoopers LLP is the company's independent auditor.

A copy of Northwestern Mutual's 2022 Audited Financial Statements is available at www.northwesternmutual.com/financial-information or by written request to: Northwestern Mutual, Corporate Communications, NO4, 720 E. Wisconsin Ave., Milwaukee, WI 53202.

Important information about determining dividends

In regard to Northwestern Mutual's dividend payout and dividend interest rate (DIR), comments in this document pertain generally to life insurance policy dividends.

The company's DIR for unborrowed funds for most traditional permanent life insurance policies reflects the investment performance of the applicable managed assets net of taxes and any contribution to surplus. This rate is used for the determination of the interest component of a policy's dividend. The rate is applied to unborrowed funds for most traditional permanent life insurance policies after mortality and expense charges have been deducted from policy values. Depending on the terms of a particular policy, a different rate may be applied. For example, either a different rate is credited on borrowed funds to reflect individual policy loan activity; or all funds, both borrowed and unborrowed, are credited with a single rate that reflects the average level of borrowing for all similar policies.

The primary function of permanent life insurance is to provide a death benefit. The volatility of the DIR does not reflect that of the underlying assets of the General Account portfolio in part because determination of the DIR in any given year considers investment performance over a period of years. The DIR is not the rate of return on a policy and is only one factor for determining the life insurance dividend. Currently, approximately 65 percent of our life insurance dividend payment is a result of favorable mortality costs and diligent expense management. Policy value is best measured by annual studies of long-term performance and not by one component of the dividend scale, such as the DIR.

Decisions with respect to the determination and allocation of divisible surplus are left to the discretion and sound business judgment of the company's Board of Trustees. There is no guaranteed specific method or formula for the determination and allocation of divisible surplus. Accordingly, the company's approach is subject to change. Neither the existence nor the amount of a dividend is guaranteed on any policy in any given policy year. Some policies may not receive any dividends in a particular year or years even while other policies receive dividends.

In its 2023 dividend scale resolution, the Board of Trustees has exercised its discretion to guarantee a minimum amount of dividends to be paid in 2023 to the policyholders as a group. If this guaranteed amount exceeds the aggregate amount of dividends actually paid to individual policyholders in 2023, that excess will be paid out in 2024 pursuant to the 2023 dividend scale resolution. The presence of a guaranteed minimum amount in the 2023 dividend scale resolution does not obligate Northwestern Mutual to declare a dividend in future years or to guarantee any portion of dividends that may be declared in future years.

Strength and stability you can count on:

AAA

A++, Aaa and AA+, the highest available financial strength ratings of any life insurer from all four major rating agencies⁹

Top 10

ranked among the top U.S. Independent Investment Broker-Dealers¹⁰

165

years strong through depressions, downturns, two world wars and pandemics



⁹ Ratings are for The Northwestern Mutual Life Insurance Company and Northwestern Long Term Care Insurance Company as of the most recent review and report by each rating agency. Ratings are as of 12/2022 (Moody's Investors Service), 6/2022 (A.M. Best Company), 8/2022 (Fitch Ratings) and 7/2022 (S&P Global Ratings). Third-party ratings are subject to change and are a measure of the company's relative financial strength and security but are not a reflection of the performance or stability of funds invested in a company's separate accounts.

¹⁰ Ranking for Northwestern Mutual Investment Services, LLC (NMIS) based on total 2021 AUM, which includes figures that combine NMIS brokerage account activity and AUM with account activity and AUM of investment advisory account of NMIS's affiliate Northwestern Mutual Wealth Management Company (NMWMC), which are held through NMIS. Source: Financial Advisor, April 2022.

Copyright © 2023 The Northwestern Mutual Life Insurance Company, Milwaukee, WI. All Rights Reserved. Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI (NM) (life and disability insurance, annuities and life insurance with long-term care benefits) and its subsidiaries.