

# Manning & Napier Fund, Inc.

## Unconstrained Bond Series



December 31, 2024

### Overall Morningstar Ranking (Class I)

★★★

MNCPX received a 3-Star Overall Rating out of 260 nontraditional bond funds, based on risk adjusted returns derived from a weighted average of the Fund's 3-, 5- and 10-year Morningstar metrics.

See next page for additional details

### Investment Objective

To provide long-term total return, with a secondary objective of providing preservation of capital.

### Investment Strategy

The portfolio is built around actively managing risk and seeking higher return potential only when the risk/reward trade-off is favorable. Top-down guidelines and bottom-up security analysis are used to build a diversified portfolio of individual securities. Positioning is constructed based on the current environment, so exposures shift as conditions and perceived sources of value shift.

- No maturity or duration limits; expected duration: 0 to 5 years
- 50% - 100% investment-grade securities
- 0% - 50% high yield securities
- 0% - 50% non-U.S. dollar-denominated securities, including securities issued in emerging markets
- May use derivative instruments such as futures, options, swaps, and forwards to manage risk

### Portfolio Managers

Name	Experience
Marc Bushallow, CFA®	23 years industry 19 years Firm
Keith Harwood	27 years industry 27 years Firm
Brad Cronister, CFA®	13 years industry 13 years Firm

### Risk Statistics (Since Inception)

	Class I	BAB Index
Alpha	2.27	--
Beta	0.61	--
Standard Deviation	3.89	4.25
Sharpe Ratio	0.64	0.33

### Credit Quality Distribution

	Series	BAB Index
AAA	46.96%	73.36%
AA	0.86%	2.43%
A	7.74%	10.85%
BBB	4.32%	11.65%
BB	4.51%	0.49%
B	2.79%	--
Below B	0.93%	--
NR/Not Available	31.88%	1.22%

### Fund Information

	Ticker	Cusip	Inception	Minimum Investment	Gross Expenses	Net Expenses
Class I	MNCPX	56382P112	08/01/2013	\$1M	0.49%	--
Class S	EXCPX	563821206	04/21/2005	\$2,000	0.72%	--

Class I minimum investment may be waived for certain qualified retirement plans and discretionary investment accounts of the Advisor.

Class S minimum investment may be waived for certain qualified retirement plans, participants in an automatic investment program, and discretionary investment accounts of the Advisor.

Class S gross expenses includes a 12b-1 fee of 0.25%, of which up to 0.25% is available as a shareholder servicing fee.

### Annualized Performance

	QTD	YTD	1Y	3Y	5Y	10Y	Inception (04/21/2005)*
Class I	-0.71%	4.39%	4.39%	1.22%	2.81%	2.69%	4.10%
Class S	-0.81%	4.08%	4.08%	0.96%	2.57%	2.43%	3.96%
FTSE 3-Month Treasury Bill Index	1.23%	5.45%	5.45%	4.05%	2.54%	1.79%	1.62%
BAB Index	-3.06%	1.25%	1.25%	-2.41%	-0.33%	1.35%	3.08%

Performance data quoted represents past performance and does not guarantee future results. Performance for periods greater than one year is annualized. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than that quoted; investors can obtain the most recent month-end performance at [www.manning-napier.com](http://www.manning-napier.com) or by calling (800) 466-3863.

\*Class I since inception performance is based on the Unconstrained Bond Series Class S inception of 04/21/2005. For periods through 08/01/2013 (the inception date of the Class I shares), performance for the Class I shares is based on the historical performance of the Class S shares. Because the Class I shares invest in the same portfolio of securities as the Class S shares, performance will be different only to the extent that the Class S shares have a higher expense ratio.

### 30-Day SEC Yield (as of 12/31/2024)

Yield

Class I	5.01%
---------	-------

If fees had not been waived, the 30-day SEC Yield (as of 12/31/2024) would have been 5.01% for Class I.

### Effective Duration Breakdown

	Series	BAB Index
< 1 Year	37.59%	0.53%
1-3 Years	23.28%	24.60%
3-5 Years	21.40%	23.52%
5-7 Years	12.76%	19.27%
7-10 Years	2.82%	16.24%
10+ Years	2.16%	15.84%

### Currencies

	Series	BAB Index
US Dollar	93.45%	100.00%
Non-US Dollar	6.55%	--

### What You Should Know About Investing

All investments involve risks, including possible loss of principal. There is an inverse relationship between bond prices and interest rates; as interest rates rise, bond prices (and therefore the value of bond funds) fall. Likewise, as interest rates fall, bond prices and the value of bond funds rise. Investments in higher-yielding, lower-rated securities involve additional risks, including a higher risk of default and loss of principal. Funds that invest in foreign countries may be subject to the risks of adverse changes in foreign economic, political, regulatory and other conditions as well as risks related to the use of different financial standards. Investments in emerging markets may be more volatile than investments in more developed markets. Investments in derivatives can be highly volatile and involve risks in addition to the risks of the underlying instrument on which the derivative is based, such as counterparty, correlation and liquidity risk. Also, the use of leverage increases exposure to the market and may magnify potential losses.

# Manning & Napier Fund, Inc.

## Unconstrained Bond Series



December 31, 2024

### Fund Characteristics

	Series	BAB Index
Average Effective Duration	2.7y	6.1y
Average Effective Maturity	11.2y	12.7y
Fund Assets	\$846M	--
Number of Holdings	203	--
Annual Turnover	42%	--
5Y Turnover	68%	--

### Sector Allocation

	Series	BAB Index
Corporate Credit	19.12%	24.26%
Derivatives	--	--
Mortgage	18.68%	25.13%
Municipal	--	--
Non-U.S. Gov't and Supranational Credit	0.05%	2.24%
Securitized Credit	30.63%	1.97%
U.S. Agency	--	1.34%
U.S. Treasury	29.15%	44.33%
TIPS	--	--
Cash	2.37%	--
Other	--	0.73%

### Fund Commentary

The end of 2024 for financial markets was defined by the U.S. presidential election and, subsequently, indications from the Federal Reserve that rate cuts are likely to slow. In the immediate aftermath of President Trump's victory, markets responded in the form of a meaningful rally for U.S. stocks while foreign equities were left behind, posting negative returns. The risk appetite in the U.S. then somewhat cooled upon the hawkish signaling from the Fed, and bond yields finished the quarter higher to conclude a rocky year for fixed income markets but a banner year for risk assets.

The Unconstrained Bond Series generated slightly negative absolute returns during the quarter but outperformed the broad market (as represented by the Bloomberg U.S. Aggregate Bond Index). On an absolute basis, negative returns were driven by rising interest rates as yields rose ~20-80bps for securities with maturities greater than one year. Alternatively, relative outperformance was due to the portfolio's lower duration, as well as exposure to higher yielding securities.

In terms of positioning, we removed our steeper as the curve normalized and the potential for further steepening declined. As a result, duration was modestly extended. Additionally, we incrementally increased high yield exposure as we continue to find select opportunities in the space.

From a sector perspective, the Series continues to have a notable allocation to securitized credit (i.e., asset-backed and commercial mortgage-backed securities) as we view them as relatively attractive and focus on securities with seniority in the capital structure that are backed by asset classes with high-quality fundamentals and low credit risk. Alternatively, we are more cautious on corporate credit as valuations are near all-time lows and the risk/reward potential remains skewed to the downside.

Going forward, we believe that the path of interest rates is unclear as markets grapple with uncertainty on inflation expectations, increasing fiscal deficits, and the incoming administration's policies towards tariffs and immigration. Overall, we foresee elevated volatility in markets in the coming year. We believe that our active approach to investment management allows us to prioritize risk mitigation while also pursuing select, compelling investment opportunities. As such, we're confident that our processes arm us with the tools we need to navigate a challenging market environment.

### Definitions

**Alpha:** A measure of an investment's performance relative to a benchmark index. It represents the excess return of an investment compared to the return of the benchmark.

**Beta:** A measure of an investment's volatility relative to the overall market.

**Standard Deviation:** A statistical measure of the dispersion of returns for a given investment. It quantifies the amount of variation or volatility from the average return.

**Sharpe Ratio:** A measure of risk-adjusted return, calculated by subtracting the risk-free rate from the investment's return and then dividing by its standard deviation.

**Duration:** A measure of the sensitivity of a fixed income security's price to changes in interest rates. It indicates the expected life of the security and how much its price will change with a 1% change in interest rates. Securities with shorter durations are generally less affected by interest rate changes than those with longer durations.

**For more information about any of the Manning & Napier Fund, Inc. Series, you may obtain a prospectus at [www.manning-napier.com](http://www.manning-napier.com) or by calling (800) 466-3863. Before investing, carefully consider the objectives, risks, charges and expenses of the investment and read the prospectus carefully as it contains this and other information about the investment company.**

The data presented in the commentary is for informational purposes only. It is not to be considered a specific recommendation. Analysis: Manning & Napier. Portfolio Composition data for the Series (excluding SEC yield) provided by FactSet. Industry Breakdown is provided by FactSet. Cash allocation may vary slightly given the different sources of data. Analysis: Manning & Napier. Investments will change over time. While not reflected within Sector Allocation, the Series does maintain exposure to derivatives, specifically interest rate futures. The "Other" category contains securities such as ETFs and others that cannot otherwise be classified.

Manning & Napier Fund, Inc. Unconstrained Bond Series I was rated against Nontraditional Bond funds and had a 3 star rating for the three year, a 3 star rating for the five year, a 3 star rating for the ten year, and a 3 star rating overall, as of 12/31/2024, out of 260, 238, 166, and 260 funds respectively. Ratings for other share classes may differ. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar, Inc. is a global investment research firm providing data, information, and analysis of stocks and mutual funds. ©2025 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is no guarantee of future results.

**Credit quality ratings:** are measured on a scale that generally ranges from AAA (highest) to D (lowest). Not Rated (NR) is used to classify securities for which a rating is not available. Credit quality ratings reflect the median of Moody's Investors Services and Standard & Poor's ratings. Data obtained from Bloomberg.

The Bloomberg U.S. Aggregate Bond (BAB) Index is an unmanaged, market-value weighted index of U.S. domestic investment-grade debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more. Index returns do not reflect any fees or expenses. Index returns provided by Intercontinental Exchange (ICE). Index data referenced herein is the property of Bloomberg Finance L.P. and its affiliates ("Bloomberg"), and/or its third party suppliers and has been licensed for use by Manning & Napier. Bloomberg and its third party suppliers accept no liability in connection with its use. Data provided is not a representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and none of these parties shall have any liability for any errors, omissions, or interruptions of any index or the data included therein. For additional disclosure information, please see: <https://go.manning-napier.com/benchmark-provisions>.

The FTSE 3-Month Treasury Bill Index is an unmanaged index based on 3-Month U.S. treasury bills. The Index measures the monthly return equivalents of yield averages that are not marked to market. The Index returns do not reflect any fees or expenses. Index returns provided by Intercontinental Exchange (ICE). Mid-month performance may not be available for the benchmark. If applicable, performance shown is from the first of the month following the corresponding Fund's inception date.

**The Manning & Napier Fund, Inc. is managed by Manning & Napier Advisors, LLC. Manning & Napier Investor Services, Inc., an affiliate of Manning & Napier Advisors, LLC, is the distributor of the Fund shares.**