

# Madison Asset Allocation Funds

Investment Strategy Letter | March 31, 2025



## Market Recap - First Quarter 2025

The script was completely flipped during the first three months of 2025. The so-called "Magnificent 7" U.S. mega cap growth stocks behind the S&P 500 Index's meteoric rise off the 2022 low were promptly sent from the penthouse to the outhouse, taking the S&P 500 Index down -4.3% for the quarter. Fortunately, the index decline was as narrow as its prior advance and outside of the Mag-7 world, seven of the eleven S&P sectors provided positive returns. Value stocks also generated gains, with the Russell 1000 Value Index up +2.1% versus a steep -10.0% decline from the tech heavy Russell 1000 Growth Index.

The quarter was marked by two distinct events that brought serious questions to investors' minds. First, was the release of the DeepSeek-R1 AI model in China in late January. The model was purportedly created at a mere fraction of the existing AI models in the United States, brining into question the hundreds of billions being spent on AI capital expenditures by the large U.S. firms, who coincidentally, are still looking for a road to realize any material revenue from said AI spending. Then, with ongoing tariff talk causing rising uncertainty among businesses and consumers alike, in an early March interview, President Trump declined to rule out a recession and spoke of a "period of transition" as his policies play out. Investors were instantly unnerved at the prospect of the Administration playing a game of chicken with the economy and our global trading partners.

As bad as things felt domestically, the perennially underperforming international equity markets caught a bid. The broad market MSCI ACWI ex-US Index returned +5.2%, outperforming the S&P by nearly 10%. Eurozone stocks were already performing well when Germany, the bastion of fiscal rectitude, put forth a fiscal stimulus package aimed at infrastructure and defense. The proposed package was seen as a green light for the entire Eurozone to open the fiscal spigot to support the economy. Chinese stocks also performed well, up 15.0%, as investors continue to expect more fiscal policy ease to counter Trump 2.0's trade war.

Turning to fixed income, bonds did well and provided refuge from stocks as interest rates fell during the quarter due to concerns of an economic growth scare associated with the trade war and waning confidence. The Bloomberg U.S. Aggregate Bond Index returned a respectable +2.8%, led by U.S. Treasuries and mortgage-backed securities.

## Performance

Despite being offside this quarter with our preference for U.S. over international equities, a significant headwind given the 10% performance differential between the MSCI ACWI ex-US and Russell 3000 Indexes, portfolios performed very well, especially in portfolios that utilize a higher proportion of ETFs.

Within U.S. equities, our below-market Mag-7 exposure was a huge help, as was our preference for high quality stocks and an overweight to the outperforming energy sector, which was up 10.2%. Small cap stocks struggled over the quarter and our overweight allocation detracted from returns.

Internationally, the headwind generated by our underweight stance was mitigated by outsized returns in our more Europe heavy holdings. Despite the big returns from China, our EM Asia position detracted from performance, as did our overweight to Japan.

Fixed income allocations benefited from our sizable overweight to mortgage-backed securities and U.S. Treasuries versus corporate bonds, which effectively neutralized our more modest relative duration positioning.

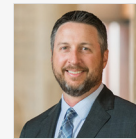
## Tickers - Class A

Conservative: MCNAX

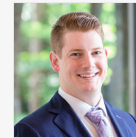
Moderate: MMDAX

Aggressive: MAGSX

## Portfolio Management



**Patrick Ryan, CFA**  
Head of Multi-Asset Solutions,  
Portfolio Manager  
Industry since 2000



**Stuart Dybdahl, CFA, CAIA**  
Portfolio Manager, Analyst  
Industry since 2014

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## Outlook

We entered the year cautiously optimistic based on vastly improved small business sentiment and the outlook for deregulation. However, with inflation remaining sticky and the Administration's penchant for tariffs, uncertainty and confidence have reverted all the way back near pre-election levels. We were of the mind that much of the Administration's initial tariff talk was posturing to extract concessions and policy goals, but as the quarter wore on the approach took on a more reckless tone. Confidence is fickle and uncertainty is anathema to businesses and consumers. Stoking uncertainty and eroding confidence greatly increases the risk of recession. High frequency economic data have clearly been clouded by the front running of tariffs, and it's highly likely that 1Q 2025 real GDP growth will be negative. That said, we remain encouraged by the relative calm of the credit markets, where spreads have widened, but are not alarming. The labor market and consumer spending have cooled but remain stable. The first months of the second quarter will be critical in determining where we are heading. If agreements can be reached on trade, the markets will likely look to the positive aspects of deregulation and tax policy, creating a more favorable business climate over the back half of the year. However, if the trade war escalates and businesses and consumers retreat into preservation mode, recession is a distinct possibility. We are comfortable with our current level of portfolio defense via our minor equity underweight and tilt toward high quality within both stocks and bonds, but stand ready to increase measures should the situation deteriorate.

We truly appreciate your confidence and partnership.

Respectfully,

*Patrick Ryan*      *Stuart Dybdahl*

The Magnificent Seven stocks are a group of high-performing and influential companies in the U.S. stock market: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

Yield Curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main types of yield curve shapes: normal (upward sloping curve), inverted (downward sloping curve) and flat.

Please consult with your financial advisor to determine your risk tolerance and investment objectives. While Madison constructs portfolios for various risk tolerances, its Asset Allocation Team does not determine individual client's risk tolerance or investment objectives.

All investing involves risks including the possible loss of principal. There can be no assurance the asset allocation portfolios will achieve their

investment objectives. The portfolios may invest in equities which are subject to market volatility. In addition to the general risk of investing, the portfolio is subject to additional risks including investing in bond and debt securities, which includes credit risk, prepayment risk and interest rate risk. When interest rates rise, bond prices generally fall. Securities rated below investment grade are more sensitive to economic, political and adverse development changes. International equities involve risks of economic and political instability, market liquidity, currency volatility and differences in accounting standards.

Although the information in this report has been obtained from sources that the firm believes to be reliable, we do not guarantee its accuracy, and any such information may be incomplete or condensed. All opinions included in the report constitute the authors' judgment as of the date of this report and are subject to change without notice.

Madison-716866-2025-04-08



# Madison Aggressive Allocation Fund

Fact Sheet | March 31, 2025



## Why Madison Aggressive Allocation Fund?

High-conviction positioning and dynamic rebalancing reflect real-time convictions	Active risk management to maintain target risk exposures	Open architecture framework incorporating a broad range of investment solutions
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Average Annual Total Returns <sup>1</sup> (%)							
	3-Months	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Class A without sales charge	-0.44	-0.44	2.49	2.29	7.42	5.38	4.95
Class A with sales charge	-6.15	-6.15	-3.39	0.30	6.15	4.76	4.62
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.50	--
Aggressive Allocation Custom Index	-0.86	-0.86	6.65	5.95	12.73	8.24	--

Calendar Year Returns <sup>1</sup> (%)										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A	-1.45	7.91	18.05	-6.60	19.23	9.60	9.50	-15.39	12.32	8.91
S&P 500 Index	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02
Aggressive Allocation Custom Index	-0.82	8.83	18.83	-6.23	24.20	16.26	15.54	-16.97	19.24	14.61

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Standard Deviation (%)			
	3-Year	5-Year	10-Year
Class A	12.71	11.53	10.50
Aggressive Allocation Custom Index	14.50	13.86	12.55

Diversification by Manager (%)	
Madison	32.18
Invesco	14.70
BlackRock	13.90
Vanguard	12.11
Distillate	9.92
State Street	7.09
Franklin	5.52
Janus	1.61
Schwab	1.49

Allocation Funds offer diversification by fund manager. When we combine the expertise and experience of Madison Asset Management, LLC (Madison) with a variety of outside managers, we can offer a more fully diversified portfolio.

Top Ten Holdings (%)	
Madison Invetors Fund	17.66
Invesco Exchange Traded Fund T	14.70
Madison Core Bond Fund	14.53
Distillate US Fundamental Stab	9.92
iShares MSCI Emerging Markets	7.97
Vanguard Information Technology	6.13
Vanguard FTSE Europe ETF	5.98
iShares Core S&P Small Cap ETF	5.93
Franklin FTSE Japan ETF	5.52
SPDR S&P Bank ETF	4.90

## Investment Objective

The Madison Aggressive Allocation Fund seeks income, capital appreciation and relative stability of value.

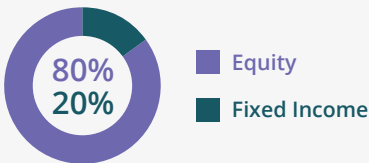
Class	Ticker	Inception	Exp. Ratio
A	MAGSX	6/30/06	0.99%

Expense ratios are based on the fund's most recent prospectus and include the weighted average expenses of the underlying funds in which the fund invests.

## Fund Characteristics

Number of Holdings	13
Annual Portfolio Turnover (%)	55
Net Assets (\$ millions)	51.4
Distribution Frequency	Annual

## Target Asset Mix



## Portfolio Management

**Patrick Ryan, CFA**  
Head of Multi-Asset Solutions, Portfolio Manager  
Industry since 2000

**Stuart Dybdahl, CFA, CAIA**  
Portfolio Manager  
Industry since 2014



**Shareholder Services**

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**Consultant and**

**Advisor Services**

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Madison, WI 53711  
888.971.7135



Madison Investments offers a series of funds that emphasize quality and durability—all built with the long run in mind. While a risk management approach is not unique to us, the way in which we deploy our investment strategies is what sets us apart.

*This material is authorized for use only when preceded or accompanied by the current prospectus. Before investing, please fully consider the investment objectives, risks, charges and expenses of the fund. This and other important information is contained in the current prospectus, which you should carefully read before investing or sending money. For more complete information about Madison Funds® obtain a prospectus from your financial adviser, by calling 800.877.6089 or by visiting [www.madisonfunds.com](http://www.madisonfunds.com) to view or download a copy.*

1. Average annual total returns and calendar year returns assume all distributions are reinvested and reflect applicable fees and expenses. Class A share returns without sales charge would be lower if sales charge were included. Class A share returns with sales charge reflect the deduction of the maximum applicable sales charge of 5.75%.

Madison Asset Management, LLC does not provide investment advice directly to shareholders of the Madison Funds.

Madison Funds are distributed by MFD Distributor, LLC, member of FINRA. Portfolio data is as of the date of this piece unless otherwise noted and holdings are subject to change.

"Madison" and/or "Madison Investments" is the unifying tradename of Madison Investment Holdings, Inc., Madison Asset Management, LLC ("MAM"), and Madison Investment Advisors, LLC ("MIA"). MAM and MIA are registered as investment advisers with the U.S. Securities and Exchange Commission. Madison Funds are distributed by MFD Distributor, LLC. MFD Distributor, LLC is registered with the U.S. Securities and Exchange Commission as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority. The home office for each firm listed above is 550 Science Drive, Madison, WI 53711. Madison's toll-free number is 800-767-0300.

Any performance data shown represents past performance. Past performance is no guarantee of future results.

Non-deposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of, or guaranteed by, any financial institution. Investment returns and principal value will fluctuate.

This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security and is not investment advice.

The Fund is a fund of funds, meaning that it invests primarily in the shares of underlying funds, including exchange traded funds ("ETFs"). Thus, the Fund's investment performance and its ability to achieve its investment goal are directly related to the performance of the underlying funds in which it invests. Each underlying fund's performance, in turn, depends on the particular securities in which that underlying fund invests and the expenses of that underlying fund.

An investment in the Fund is subject to risks of the underlying funds in direct proportion to the allocation of its assets among the underlying funds, and there can be no assurance the Fund will achieve its investment objective. The risks associated with an investment in the Fund can increase during times of significant market volatility. The principal risks of investing in the Fund include asset allocation risk, interest rate risk, credit and prepayment/extension risk, non-investment trade risk, equity risk, ETF risk, foreign security risk, and market risk.

Investing in underlying funds that invest in foreign securities involves risks relating to currency fluctuations and to political, social, and economic developments abroad, as well as risks resulting from differences between

the regulations to which U.S. and foreign issuers and markets are subject. These risks may be greater in emerging markets. The investment markets of emerging countries are generally more volatile than markets of developed countries with more mature economies. Investing in underlying funds that invest in small- and mid-sized companies are susceptible to greater risk than is customarily associated with investing in more established companies. Investing in underlying funds that invest in non-investment grade securities, may provide greater returns but are subject to greater-than-average risk. More detailed information regarding these risks can be found in the Fund's prospectus.

Diversification does not assure a profit or protect against loss in a declining market.

Upon request, Madison may furnish to the client or institution a list of all security recommendations made within the past year.

Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only, and do not represent the performance of any specific investment. Index returns do not include any expenses, fees or sales charges, which would lower performance.

**The S&P 500® Index** is a large-cap market index which measures the performance of a representative sample of 500 leading companies in leading industries in the U.S.

**The Aggressive Allocation Fund Custom Index** consists of 42% Russell 3000® Index, 40% Bloomberg U.S. Aggregate Bond Index and 18% MSCI ACWI ex-USA Index. The custom index is calculated using a monthly rebalancing frequency (i.e., rebalanced back to original constituent weight every calendar month-end). See market index descriptions below.

**The Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

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**The MSCI ACWI ex-USA Index (net)** is a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The index includes both developed and emerging markets.

**Portfolio Turnover:** a measure of the trading activity in an investment portfolio—how often securities are bought and sold by a portfolio. The range represents the typical turnover of the portfolio.

**Standard Deviation:** a statistical measurement of dispersion about an average, which, for a portfolio, depicts how widely the returns varied over a certain period of time. Investors may use the standard deviation of historical performance to understand the range of returns for a portfolio. When a portfolio has a higher standard deviation than its benchmark, it implies higher relative volatility. Standard deviation has been calculated using the trailing monthly total returns for the appropriate time period. The standard deviation values are annualized.

Madison-707461-2025-03-20



# Madison Moderate Allocation Fund

Fact Sheet | March 31, 2025



## Why Madison Moderate Allocation Fund?

High-conviction positioning and dynamic rebalancing reflect real-time convictions	Active risk management to maintain target risk exposures	Open architecture framework incorporating a broad range of investment solutions
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Average Annual Total Returns <sup>1</sup> (%)							
	3-Months	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Class A without sales charge	0.28	0.28	2.93	1.84	5.47	4.42	4.50
Class A with sales charge	-5.45	-5.45	-2.98	-0.16	4.23	3.80	4.17
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.50	--
Moderate Allocation Custom Index	0.06	0.06	6.24	4.65	9.41	6.63	--

Calendar Year Returns <sup>1</sup> (%)											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Class A	-1.22	6.51	14.29	-4.80	16.00	9.72	6.78	-14.50	10.32	6.99	
S&P 500 Index	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02	
Moderate Allocation Custom Index	-0.37	7.35	14.84	-4.58	20.29	14.44	11.09	-15.87	15.72	11.16	

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Standard Deviation (%)			
	3-Year	5-Year	10-Year
Class A	10.80	9.65	8.41
Moderate Allocation Custom Index	12.48	11.59	10.07

Diversification by Manager (%)	
Madison	40.37
Invesco	10.88
BlackRock	10.13
Vanguard	8.72
Distillate	8.00
Schwab	7.02
State Street	5.07
Janus	4.82
Franklin	4.12

Allocation Funds offer diversification by fund manager. When we combine the expertise and experience of Madison Asset Management, LLC (Madison) with a variety of outside managers, we can offer a more fully diversified portfolio.

Top Ten Holdings (%)	
Madison Core Bond Fund	26.51
Madison Investors Fund	13.86
Invesco Exchange Traded Fund	10.88
Distillate US Fundamental Stab	8.00
Schwab Intermediate Term US	7.02
iShares MSCI Emerging Markets	5.91
Janus Henderson Mortg Backed	4.82
Vanguard Information Technology	4.47
Vanguard FTSE Europe ETF	4.25
iShares Core S&P Small Cap ETF	4.23

## Investment Objective

The Madison Moderate Allocation Fund seeks capital appreciation, income and moderated market risk.

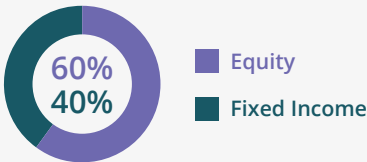
Class	Ticker	Inception	Exp. Ratio
A	MMDAX	6/30/06	0.98%

Expense ratios are based on the fund's most recent prospectus and include the weighted average expenses of the underlying funds in which the fund invests.

## Fund Characteristics

Number of Holdings	13
Annual Portfolio Turnover (%)	51
Net Assets (\$ millions)	88.5
Distribution Frequency	Annual

## Target Asset Mix



## Portfolio Management

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Head of Multi-Asset Solutions, Portfolio Manager  
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Madison-707461-2025-03-20



# Madison Conservative Allocation Fund

Fact Sheet | March 31, 2025



## Why Madison Conservative Allocation Fund?

High-conviction positioning and dynamic rebalancing reflect real-time convictions	Active risk management to maintain target risk exposures	Open architecture framework incorporating a broad range of investment solutions
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Average Annual Total Returns <sup>1</sup> (%)							
	3-Months	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Class A without sales charge	1.24	1.24	3.75	1.17	2.95	3.01	3.66
Class A with sales charge	-4.61	-4.61	-2.25	-0.80	1.74	2.40	3.33
ICE BofA Corp/Govt & Mtg	2.81	2.81	4.94	0.46	-0.49	1.46	--
Conservative Allocation Custom	1.20	1.20	5.70	2.97	5.30	4.54	--

Calendar Year Returns <sup>1</sup> (%)											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Class A	-1.17	4.77	9.68	-2.98	12.44	9.15	2.96	-13.80	7.95	4.55	
ICE BofA Corp/Govt & Mtg	0.58	2.61	3.63	0.00	8.96	7.64	-1.62	-13.31	5.39	1.35	
Conservative Allocation Custom	0.09	5.43	10.00	-2.60	15.44	11.81	5.70	-14.59	11.41	6.95	

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Standard Deviation (%)			
	3-Year	5-Year	10-Year
Class A	8.92	7.74	6.32
Conservative Allocation Custom	10.16	8.98	7.27

Diversification by Manager (%)	
Madison	50.60
Schwab	11.87
Janus	7.95
Invesco	6.90
Vanguard	6.10
BlackRock	5.16
Distillate	5.11
State Street	3.05
Franklin	2.32

Allocation Funds offer diversification by fund manager. When we combine the expertise and experience of Madison Asset Management, LLC (Madison) with a variety of outside managers, we can offer a more fully diversified portfolio.

Top Ten Holdings (%)	
Madison Core Bond Fund	41.93
Schwab Intermediate Term U.S.	11.87
Madison Investors Fund	8.66
Janus Henderson Mortg Backed	7.95
Invesco Exchange Traded Fund	6.90
Distillate US Fundamental Stab	5.11
iShares MSCI Emerging Markets	3.16
Franklin FTSE Japan ETF	2.32
Vanguard Short Term Corporate	2.10
Vanguard FTSE Europe ETF	2.00

## Investment Objective

The Madison Conservative Allocation Fund seeks income, capital appreciation and relative stability of value.

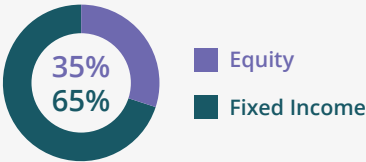
Class	Ticker	Inception	Exp. Ratio
A	MCNAX	6/30/06	0.97%

Expense ratios are based on the fund's most recent prospectus and include the weighted average expenses of the underlying funds in which the fund invests.

## Fund Characteristics

Number of Holdings	14
Annual Portfolio Turnover (%)	51
Net Assets (\$ millions)	40.0
Distribution Frequency	Quarterly

## Target Asset Mix



## Portfolio Management

**Patrick Ryan, CFA**  
Head of Multi-Asset Solutions, Portfolio Manager  
Industry since 2000

**Stuart Dybdahl, CFA, CAIA**  
Portfolio Manager  
Industry since 2014



**Shareholder Services**

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Madison Investments offers a series of funds that emphasize quality and durability—all built with the long run in mind. While a risk management approach is not unique to us, the way in which we deploy our investment strategies is what sets us apart.

*This material is authorized for use only when preceded or accompanied by the current prospectus. Before investing, please fully consider the investment objectives, risks, charges and expenses of the fund. This and other important information is contained in the current prospectus, which you should carefully read before investing or sending money. For more complete information about Madison Funds® obtain a prospectus from your financial adviser, by calling 800.877.6089 or by visiting [www.madisonfunds.com](http://www.madisonfunds.com) to view or download a copy.*

1. Average annual total returns and calendar year returns assume all distributions are reinvested and reflect applicable fees and expenses. Class A share returns without sales charge would be lower if sales charge were included. Class A share returns with sales charge reflect the deduction of the maximum applicable sales charge of 5.75%.

Madison Asset Management, LLC does not provide investment advice directly to shareholders of the Madison Funds.

Madison Funds are distributed by MFD Distributor, LLC, member of FINRA. Portfolio data is as of the date of this piece unless otherwise noted and holdings are subject to change.

"Madison" and/or "Madison Investments" is the unifying tradename of Madison Investment Holdings, Inc., Madison Asset Management, LLC ("MAM"), and Madison Investment Advisors, LLC ("MIA"). MAM and MIA are registered as investment advisers with the U.S. Securities and Exchange Commission. Madison Funds are distributed by MFD Distributor, LLC. MFD Distributor, LLC is registered with the U.S. Securities and Exchange Commission as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority. The home office for each firm listed above is 550 Science Drive, Madison, WI 53711. Madison's toll-free number is 800-767-0300.

Any performance data shown represents past performance. Past performance is no guarantee of future results.

Non-deposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of, or guaranteed by, any financial institution. Investment returns and principal value will fluctuate.

This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security and is not investment advice.

The Fund is a fund of funds, meaning that it invests primarily in the shares of underlying funds, including exchange traded funds ("ETFs"). Thus, the Fund's investment performance and its ability to achieve its investment goal are directly related to the performance of the underlying funds in which it invests. Each underlying fund's performance, in turn, depends on the particular securities in which that underlying fund invests and the expenses of that underlying fund.

An investment in the Fund is subject to risks of the underlying funds in direct proportion to the allocation of its assets among the underlying funds, and there can be no assurance the Fund will achieve its investment objective. The risks associated with an investment in the Fund can increase during times of significant market volatility. The principal risks of investing in the Fund include asset allocation risk, interest rate risk, credit and prepayment/extension risk, non-investment trade risk, equity risk, ETF risk, foreign security risk, and market risk.

Investing in underlying funds that invest in foreign securities involves risks relating to currency fluctuations and to political, social, and economic developments abroad, as well as risks resulting from differences between the regulations to which U.S. and foreign issuers and markets are subject. These risks may be greater in emerging markets. The investment markets of emerging countries are generally more volatile than markets of developed countries with more mature economies. Investing in underlying funds that invest in small and mid-sized companies are susceptible to greater risk than is customarily associated with investing in more established companies. Investing in underlying funds that invest in non-investment grade securities, may provide greater returns but are subject to greater-than-average risk. More detailed information regarding these risks can be found in the Fund's prospectus.

Portfolio allocations are subject to change. Diversification does not assure a profit or protect against loss in a declining market.

Upon request, Madison may furnish to the client or institution a list of all security recommendations made within the past year.

Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only, and do not represent the performance of any specific investment. Index returns do not include any expenses, fees or sales charges, which would lower performance.

**The Conservative Allocation Fund Custom Index** consists of 65% Bloomberg U.S. Aggregate Bond Index, 24.5% Russell 3000® Index and 10.5% MSCI ACWI ex-USA Index. The custom index is calculated using a monthly rebalancing frequency (i.e., rebalanced back to original constituent weight every calendar month-end). See market index descriptions below.

**The Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

**THE MSCI ACWI ex-USA Index (net)** is a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The index includes both developed and emerging markets.

**ICE BofA Corp/Govt & Mtg. Index** is a broad-based measure of the total rate of return performance of the U.S. investment-grade bond markets.

**Portfolio Turnover:** a measure of the trading activity in an investment portfolio—how often securities are bought and sold by a portfolio. The range represents the typical turnover of the portfolio.

**Standard Deviation:** a statistical measurement of dispersion about an average, which, for a portfolio, depicts how widely the returns varied over a certain period of time. Investors may use the standard deviation of historical performance to understand the range of returns for a portfolio. When a portfolio has a higher standard deviation than its benchmark, it implies higher relative volatility. Standard deviation has been calculated using the trailing monthly total returns for the appropriate time period. The standard deviation values are annualized.

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