

# MANAGER COMMENTARY

## MoA Balanced Fund

TICKER: MACHX

**LSEG Lipper Fund Awards**  
2024 Winner  
United States

Best Mixed Assets Small Fund  
Family Group Over Three Years

### MORNINGSTAR RATING



Overall Morningstar Rating™ based on risk-adjusted returns among 682 Moderate Allocation Category funds.

### PORTFOLIO MANAGERS



**Christopher Malfant**  
19 Years Experience



**Jacqueline Sabella**  
26 Years Experience



**Joseph R. Gaffoglio, CFA, CPA**  
28 Years Experience



**Jamie Zendel, FRM**  
26 Years Experience

### CONTACT US

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**800.914.8716**

[moafunds.com](http://moafunds.com)

## 1 Would you please comment on the Fund's performance relative to the Morningstar Moderate Allocation Category in the third quarter of 2024 and over longer periods?

The Fund returned 5.75% for the three months ended September 30, 2024, outperforming the Morningstar Moderate Allocation Category average return of 5.34% for the same period. Over the 1-year period ended September 30, 2024, the Fund's 26.82% return surpassed the Morningstar category average return of 21.99% by over 480 basis points.

We are pleased the Fund has maintained an attractive risk-reward profile over longer periods. In fact, the Fund is 1 of only 2 funds (among 163 unique funds) in the Morningstar category that has **both top quintile (20% or better) performance for the 1-, 3-, 5- and 10-year periods and Morningstar's "Below Average" Overall Risk Rating** as of September 30, 2024.

## 2 With respect to the Fund's equity portfolio, what types of companies does your investment process favor?

When selecting companies for investment, we believe that long-term appreciation and risk management are both important. Our investment process favors high-quality companies that have strong fundamentals, stable earnings, ample cash flow, and disciplined capital deployment. We emphasize companies that are actively paying and increasing dividends. As of September 30, 2024, approximately 88% of companies in the equity portfolio pay dividends, representing approximately 90% of the Fund's equity assets.

For example, the Fund's equity portfolio holds positions in the following companies:

- NRG Energy, Inc. is an energy utility company that generates energy and distributes to residential, industrial and commercial customers. The company has employed a disciplined cost structure, increased free cash flow, and has

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### FUND PERFORMANCE (%) as of 9/30/2024

	ANNUALIZED						
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
MoA Balanced Fund	5.75	16.31	26.82	8.10	10.18	8.43	8.35
60% S&P 500® Index, 40% Bloomberg U.S. Aggregate Bond Index	5.61	14.88	26.07	6.63	9.92	8.94	9.82
Morningstar Moderate Allocation Cat. Avg.	5.34	12.27	21.99	4.89	8.01	6.89	—
<b>Percentile Rank in Morningstar Cat.</b>			<b>10</b>	<b>4</b>	<b>13</b>	<b>16</b>	
# of Funds in Cat.			733	682	643	491	
Morningstar Risk Rating				Avg.	Below Avg.	Below Avg.	

Date of Inception: 12/31/1984 | Gross Expense Ratio: 0.54%

Morningstar Percentile Ranking based on total returns. The performance data quoted represents past performance and is no guarantee of future results. 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 lower or higher than the performance data quoted. For the most recent month-end performance, please call 800.914.8716 or visit [moafunds.com](http://moafunds.com).

been actively paying down debt and repurchasing stock. NRG has increased its dividend twice in the last two years.

- T-Mobile US Inc. is a leading wireless telecommunications network company. The company reported year-over-year growth in revenue, earnings per share, and free cash flow in the second quarter of 2024. T-Mobile initiated dividend payments in 2023 and increased its quarterly dividend in September 2024.

### 3 Were any changes made to the Fund's fixed income portfolio in the third quarter?

During the quarter, we increased the allocation to investment grade corporate bonds and mortgage backed securities, with weights of approximately 33% and 32% in the Fund's portfolio, respectively, as of September 30, 2024. At quarter's end, the Fund's fixed income portfolio held primarily AA rated securities, and approximately 99% of the portfolio was comprised of investment grade securities rated AAA through BBB.

### 4 How do the Fund's risk-adjusted returns compare to the Morningstar Moderate Allocation Category?

We believe that our flexible portfolio of high-quality equities and investment grade fixed income securities is well positioned for our goal of seeking attractive returns while minimizing risk. As a result, the Fund's Sharpe Ratio, a measure of risk-adjusted return, is higher than the Morningstar Moderate Allocation Category average for the 3-, 5- and 10-year periods ended September 30, 2024.

#### SHARPE RATIO AND RISK RATING

	3 Yr	5 Yr	10 Yr
<b>Fund Sharpe Ratio</b>	<b>0.40</b>	<b>0.69</b>	<b>0.71</b>
Morningstar Moderate Allocation Cat. Avg. Sharpe Ratio	0.14	0.48	0.52
Morningstar Risk Rating	Avg.	Below Avg.	Below Avg.

Source: Morningstar as of 9/30/2024

## ABOUT MoA FUNDS

Mutual of America created its first mutual funds in 1985. Now, Mutual of America Capital Management manages an array of 28 mutual fund strategies that span domestic and international equities, fixed income, target date and allocation funds. With a team of over 20 investment professionals, we manage portfolios with a common goal — to provide investors with attractive returns over time while being mindful of risk.

**You should consider the investment objectives, risks, and charges and expenses of the funds carefully before investing. This and other information is contained in the funds' prospectuses and summary prospectuses, which can be obtained by calling 800.914.8716 or visiting moafunds.com. Read them carefully before investing.**

Mutual fund investing involves risk. Principal loss is possible. Diversification cannot assure a profit or protect against loss in a down market. Dividends are not guaranteed and may fluctuate. The portfolio manager's judgments about the attractiveness, value or potential appreciation of the Fund's investments may prove to be incorrect. The Fund could underperform in comparison to other funds with a similar benchmark or similar objectives and investment strategies if the Fund's overall investment selections or strategies fail to produce the intended results.

The LSEG Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers.

The LSEG Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is an objective, quantitative, risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the LSEG Lipper Fund Award. For more information, see [lipperfundawards.com](http://lipperfundawards.com). Although LSEG Lipper makes reasonable efforts to ensure the accuracy and reliability of the data used to calculate the awards, their accuracy is not guaranteed.

Asset class group awards will be given to the best large and small groups separately. Large fund family groups with at least five equity, five bond, or three mixed-asset portfolios in the respective asset classes are eligible for a group award. Small fund family groups will need to have at least three distinct portfolios in one of the asset classes – equity, bond, or mixed-asset. The lowest average decile rank of the three years' Consistent Return measure of the eligible funds per asset class and group will determine the asset class group award winner over the three-year period. In cases of identical results, the lower average percentile rank will determine the winner. Past performance does not guarantee future results.

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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 a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. 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 10-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. Among Moderate Allocation funds, the MoA Balanced Fund received 5 stars among 682 for the 3-year, 5 stars among 643 for the 5-year, and 4 stars among 491 funds for the 10-year period ended 9/30/2024. **Past performance is no guarantee of future results.**

Morningstar percentile rankings are based on a fund's average annual total return relative to all funds in the same Morningstar category. Fund performance used within the rankings, reflects certain fee waivers, without which, returns and Morningstar rankings would have been lower. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.

Morningstar Risk scores for a given time period (three, five, or 10 years) reflect the Fund's Morningstar risk score plotted on a bell curve: Monthly calculations are based on whether the Fund scores in the top 10% of its category, its risk score is considered High; if it falls in the next 22.5% Above Average; a place in the middle 35% is Average; those lower still, in the next 22.5%, are Below Average and the bottom Low. Overall Morningstar risk score is a weighted average of the available three, five, and 10 year Morningstar risk scores. Investments with less than three years of performance history are not rated.

Fund holdings and/or sector allocations are subject to change and are not recommendations to buy or sell any security. Of the companies mentioned, the Fund's holdings as a percentage of net assets as of 9/30/2024 were as follows: NRG Energy, Inc. 1.00%, T-Mobile US Inc. 1.05%.

The S&P 500® Index is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S. The Bloomberg U.S. Aggregate Bond Index broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the U.S. It is not possible to invest in an index. A basis point is one hundredth of 1 percentage point. Sharpe Ratio is a measure that uses standard deviation and excess return to determine reward per unit of risk. The greater a fund's Sharpe ratio, the better its risk-adjusted performance has been. Free cash flow represents the cash a company can generate after accounting for capital expenditures needed to maintain or maximize its asset base.

Ratings are based on Morningstar DBRS ratings. For securities rated differently, Morningstar provides an average rating. Credit Quality ratings reflect the credit quality of the underlying securities in the Fund's portfolio and not that of the fund itself. Quality ratings are subject to change. Ratings range from AAA as the highest to Below B as the lowest credit quality rating. As of September 30, 2024, the Fund's fixed income portfolio consisted of the following credit quality breakdown: AA 66.15%, A 8.61%, BBB 24.72%.

MoA Funds distributed by Foreside Fund Services, LLC.