

**MANAGER COMMENTARY**

# MoA Small Cap Growth Fund

**TICKER: MAGKX**
**MORNINGSTAR RATING**


Overall Morningstar Rating™ based on risk-adjusted returns among 535 Small Growth Category funds as of 3/31/2025.

**PORTFOLIO MANAGERS**


**Thad Pollock, CFA, CAIA**  
29 Years Experience



**Duygu Akyatan**  
29 Years Experience

**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.

**CONTACT US**

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**443.652.4218**

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

## 1 Would you please discuss the performance of small-capitalization stocks in the first quarter of 2025 and comment on the Fund's returns?

In Q1, the stock market experienced significant volatility related to the Trump administration's economic policies and the imposition of tariffs on imports from various countries, particularly China. These developments led to uncertainty in global trade and economic relations.

The Russell 2000® Index of small-cap stocks experienced a decline of 9.48% during the first quarter of 2025. This performance was influenced by higher inflation expectations and concerns about economic growth, which particularly impacted small-cap stocks. The Russell 2000® Growth Index had a difficult quarter, declining by 11.12%, largely due to steep losses in the technology and consumer discretionary sectors. The S&P 500® Index, representing large-cap stocks, fell by 4.27% in Q1, outperforming the Russell 2000® Index and Russell 2000® Growth Index by over 520 basis points and 680 basis points, respectively.

We are pleased to report that the Fund's return of -7.99% outperformed the Morningstar Small Cap Growth Category average of -10.51% by over 250 basis points for the three months ended March 31, 2025.

Through various market conditions, we maintain our investment approach of selecting a portfolio of high-quality, small-cap companies that are well positioned for growth over the next three to five years.

## 2 Would you please comment on any merger & acquisition (M&A) activity within the portfolio during the quarter?

Johnson & Johnson (J&J) announced the acquisition of Intra-Cellular Therapies, a portfolio holding, during the first quarter in an effort to bolster its commitment to advancing treatments for neuropsychiatric and neurodegenerative disorders. We see the acquisition of one of our portfolio holdings as validation of the investment approach and the opportunities that exist within the MoA small-cap portfolios.

The acquisition includes CAPLYTA®, a once-daily oral therapy approved for treating adults with schizophrenia and bipolar I and II depression. CAPLYTA® has the potential to become a new standard of care for major depressive disorders

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**FUND PERFORMANCE (%) as of 3/31/2025**

	ANNUALIZED						
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
MoA Small Cap Growth Fund	-7.99	-7.99	-5.40	-1.27	11.02	6.08	7.53
Russell 2000® Growth Index	-11.12	-11.12	-4.86	0.78	10.78	6.14	7.96
Morningstar Small Growth Cat. Avg.	-10.51	-10.51	-4.56	-0.34	11.99	7.48	—

Date of Inception: 7/1/2005 | Gross Expense Ratio: 0.84%

*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.*

if approved by the FDA. CAPLYTA® is expected to generate over \$5 billion in peak year sales, contributing significantly to J&J's sales growth. In addition, J&J also gains access to a promising Phase 2 compound being studied for generalized anxiety disorder and Alzheimer's disease-related psychosis and agitation.

We have owned Intra-Cellular since the third quarter of 2022. The acquisition closed on April 2, and totaled approximately \$14.6 billion, a substantial 39% premium in price. Intra-Cellular was a top contributor to the Fund in the first quarter.

### 3 The Health Care sector is the Fund's largest sector allocation. Would you please provide some portfolio examples?

As of March 31, 2025, the Fund held 28.5% of assets in the Health Care sector, compared to 24.8% by the Russell 2000® Growth Index, a 3.7% overweight. We invest in high-quality companies we believe are well-positioned for growth. In addition to Intra-Cellular referenced above, we own Corcept Therapeutics. The company has a diverse pipeline of drugs, including a flagship drug, Korlym, which treats hyperglycemia and Cushing's Syndrome. Cushing's Syndrome is

a condition caused by prolonged exposure to high levels of cortisol, a hormone produced by the adrenal glands. Symptoms of the condition include weight gain, skin issues, muscle weakness and bone loss. Korlym has demonstrated significant efficacy in treating hyperglycemia and Cushing's Syndrome. Corcept Therapeutics was also a top performer during the quarter and is the Fund's largest position as of March 31, 2025.

### 4 Would you please comment on your approach to mitigating risk?

Our investment process is highly selective, favoring small-cap companies with profitable growth opportunities and strong business economics. While it's common for smaller companies to operate at a loss due to their earlier stage of growth lifecycle and/or choices around reinvestment, our focus on companies with profitable unit economics leads us to generally own companies with either positive cash earnings or near term prospects of such based on strong reinvestment economics. This conviction is reflected in our portfolio, where nearly 90% of the Fund's holdings have positive earnings, compared to 65% of the companies in the Russell 2000® Growth Index.

**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](http://moafunds.com). Read them carefully before investing.**

Mutual fund investing involves risk. Principal loss is possible. Investing in small- and mid-cap stocks involves risks including greater volatility and less liquidity than large-cap stocks. 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.

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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 Small Growth funds, the MoA Small Cap Growth Fund received 3 stars among 535 for the 3-year, 3 stars among 520 for the 5-year, and 3 stars among 395 funds for the 10-year period ended 3/31/2025. **Past performance is no guarantee of future results.**

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.

# MoA Small Cap Growth Fund



The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The S&P 500® Index is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. It is not possible to invest in an index.

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 3/31/2025 were as follows: Johnson & Johnson 0.00%, Intra-Cellular Therapies 0.00% and Corcept Therapeutics 3.91%.

MoA Funds distributed by Foreside Fund Services, LLC.