

American Funds Model Portfolios at Merrill

Quarterly update – Q3 2024



**CAPITAL
GROUP®** | **AMERICAN
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Quarterly models summary

Key takeaways for the quarter ended September 30, 2024

- Equity markets showed signs of broadening, with value-oriented and rate-sensitive sectors leading the way; dividend payers claimed the spotlight.
- Model portfolio asset allocation remains focused on long-term goals and investment opportunities amid geopolitical and economic risks and potentially volatile market shifts.

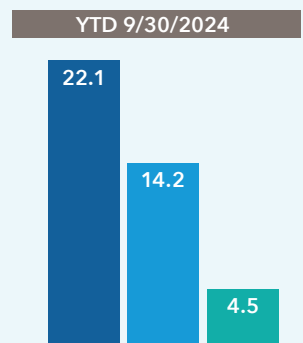
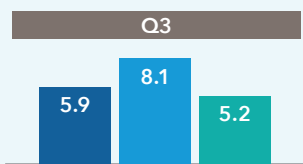
Market review

Markets continued to climb as investors absorbed the rate-cut decision by the U.S. Federal Reserve in mid-September, election uncertainty and the potential economic risks. The S&P 500 Index rose 6%, taking year to date gains to 22%. Among U.S. equity sectors, information technology and communication services stocks lagged the market this quarter in a reversal from earlier this year, while real estate and utilities stocks rebounded 19% and 17%, respectively. In another shift from earlier in the year, value stocks, as measured by the Russell 1000 Value Index, rose 9%, compared with a 3% gain for the Russell 1000 Growth Index for the quarter. International equity stocks, as measured by the MSCI All Country World Index (ACWI) ex USA, outpaced the S&P 500, rising 8% for the quarter. The MSCI ACWI ex USA has climbed 14% so far this year. Bond markets rallied, with the Bloomberg U.S. Aggregate Index and the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index each rising over 5%. The Federal Reserve reduced its benchmark interest rate for the first time since 2020 with a 50-basis-point cut as inflation eased. The Fed indicated that it would remain flexible on the extent and timing of future moves based on economic data.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. Model portfolios are only available through registered investment advisers. This content is intended for registered investment advisers and their clients.

Broad market results

Cumulative returns (%)



- **U.S. equities**
(S&P 500 Index)
- **International equities**
(MSCI ACWI ex USA Index)
- **U.S. fixed income**
(Bloomberg U.S. Aggregate Index)

Investment theme to watch: Health care

Growing health care needs have ushered in a new era of innovation, leading to groundbreaking developments such as the latest class of prescription weight-loss drugs. While these new treatments have dominated headlines as of late, there are numerous investment opportunities within the health care sector that can positively impact the entire suite of American Funds Model Portfolios at Merrill.

As part of an active management approach, underlying American Funds managers identify and invest in companies that exhibit attributes that characterize the goals of each underlying fund. When aggregated, model-level health care exposures embody qualities that align to the objectives of each model portfolio across the suite. Examples of the wide opportunity set in health care include:

Innovation leaders that are more growth-focused:

- **Biotechnology:** innovative cell and gene therapies to treat diseases, often in niche areas, seeking to improve people's lives
- **Pharmaceuticals:** robust product pipelines and advancements in treatments for major diseases such as diabetes, obesity, Alzheimer's, and cancer
- **Life sciences solutions:** analytical equipment for research, discovery, and diagnostics

Income providers with defensive qualities:

- **Managed care:** lower costs and improved access to physicians, hospitals, and medical services
- **Pharmacy benefit managers:** lower drug prices, pharmacy networks, and drug coverage plans
- **Life sciences solutions:** equipment for remote patient monitoring devices and telemedicine

Each of the above categories offers opportunities that span investor objectives as businesses in the same industry can have distinctive characteristics that may make that company a more appropriate investment for one investor objective versus another.

Using biotechnology as an example:

Global Industrial Classification Standard (GICS) Industry	Objective	Sample Characteristics
Biotechnology	Capital appreciation	<ul style="list-style-type: none"> • Focus on rare and specialty diseases • Innovative drug pipeline pursuing high-risk, high-reward opportunities • Invests heavily in research and development (R&D) • No/low dividend yield
	Income	<ul style="list-style-type: none"> • Focus on more common diseases • Mature product portfolios • Invests in R&D but also aims to grow through mergers and acquisitions (M&A) • High dividend yield

Capital Group's model portfolio construction process includes the thoughtful approach to the types of equities utilized in the underlying funds (i.e., the recharacterization of equities) as we believe the type of equity exposure should be considered in context of the objectives of each model portfolio. Underlying funds with more exposure to established firms with mature businesses, attractive yield, and downside resilience history are found in greater quantity in more conservative models, while portfolios more focused on capital appreciation feature greater exposure to companies pioneering advancements in medical care and exhibiting high growth potential.

Overall, the health care sector offers opportunities to address the varying needs of a broad range of investors across the risk spectrum. Portfolio managers for the underlying active funds that make up the American Funds Model Portfolios at Merrill have the tools to capitalize on this investment potential and pursue long-term results that align with investor goals.

Looking ahead

We continue to recognize the potential for ongoing volatility, heightened geopolitical risk and uncertainty about the timing and extent of future rate cuts as Fed officials keep a watchful eye on economic data. At the same time, we think this is a time of market broadening, with the current backdrop offering attractive opportunities relative to specific investor goals. This includes:

- Focusing on company-specific growth opportunities for long-term capital appreciation in growth models
- Emphasizing dividend payers in growth-and-income models to help dampen volatility
- Finding company-specific opportunities in international markets as the broader global landscape shifts over the next 10 years
- Balancing core allocations with conscious credit allocations to capture income opportunities and manage potential risks according to model objective

The Custom Solutions Committee and Capital Solutions Group regularly evaluate strategic asset allocation for models, adjusting as needed, while underlying fund managers continue to take an active approach to company and security-specific opportunities across regions and sectors.

“...I suspect that by 2030 many of us will have devices that will analyze blood, do cardiology monitoring and even remotely check our breathing while we sleep, some of which are readily available.”

– **Richmond Wolf**,
Equity portfolio manager



Model portfolio allocation exposure

Exposure changes are based on actual model allocations, which reflect changes in the underlying funds over the periods shown.

Percent of net assets in equity as of 9/30/24.

■ *Increased allocation by 1% or more

■ †Decreased allocation by 1% or more

Taxable models									
	Total equity	% Change 3 months	% Change 12 months	U.S. equity	% Change 3 months	% Change 12 months	Non-U.S. equities	% Change 3 months	% Change 12 months
American Funds Aggressive MF	88.4	-0.2	1.2*	65.5	0.7	2.1*	22.8	-0.9	-1.0†
American Funds Moderately Aggressive MF	74.1	0.0	0.5	56.1	0.7	1.2*	18.0	-0.7	-0.7
American Funds Moderate MF	58.0	0.1	0.5	42.8	0.8	0.8	15.1	-0.6	-0.3
American Funds Moderately Conservative MF	40.3	0.1	0.3	31.7	0.5	0.5	8.5	-0.4	-0.3
American Funds Conservative MF	21.8	0.0	0.2	18.3	0.1	0.2	3.5	-0.2	0.0

Tax-aware models									
	Total equity	% Change 3 months	% Change 12 months	U.S. equity	% Change 3 months	% Change 12 months	Non-U.S. equities	% Change 3 months	% Change 12 months
American Funds Aggressive MF TA	89.5	-0.5	1.5*	67.0	0.4	2.3*	22.4	-1.0†	-0.9
American Funds Moderately Aggressive MF TA	76.6	-0.1	1.0*	56.9	0.5	1.6*	19.7	-0.6	-0.7
American Funds Moderate MF TA	59.9	-0.2	1.2*	43.2	0.3	1.1*	16.7	-0.6	0.1
American Funds Moderately Conservative MF TA	38.9	-0.2	0.8	29.9	0.1	0.7	9.0	-0.3	0.1
American Funds Conservative MF TA	22.4	0.0	0.5	18.7	0.1	0.1	3.7	-0.1	0.3

Multi-asset income models									
	Total equity	% Change 3 months	% Change 12 months	U.S. equity	% Change 3 months	% Change 12 months	Non-U.S. equities	% Change 3 months	% Change 12 months
American Funds Moderate Income MF	63.4	-0.1	1.4*	45.3	0.4	1.3*	18.1	-0.5	0.1
American Funds Moderately Conservative Income MF	47.3	-0.1	1.1*	33.2	0.3	1.0*	14.2	-0.4	0.1
American Funds Conservative Income MF	35.1	0.0	0.8	25.4	0.2	0.6	9.7	-0.2	0.2

Holdings are weighted averages of the model portfolio's underlying funds. The underlying funds are managed, so holdings will change.

Model portfolio allocation exposure

Exposure changes are based on actual model allocations, which reflect changes in the underlying funds over the periods shown.

Percent of net assets in fixed income and cash as of 9/30/24.

■ *Increased allocation by 1% or more

■ †Decreased allocation by 1% or more

Taxable models												
	Total bond	% Change 3 months	% Change 12 months	U.S. bond	% Change 3 months	% Change 12 months	Non-U.S. bonds	% Change 3 months	% Change 12 months	Cash & equivalents	% Change 3 months	% Change 12 months
American Funds Aggressive MF	7.4	-0.1	0.1	7.4	-0.1	0.2	0.0	0.0	0.0	4.2	0.2	-1.3 [†]
American Funds Moderately Aggressive MF	21.4	-0.1	0.5	21.3	-0.1	0.5	0.0	0.0	0.0	4.6	0.1	-1.0 [†]
American Funds Moderate MF	37.1	-0.3	0.9	37.0	-0.3	0.8	0.1	0.0	0.0	5.0	0.2	-1.3 [†]
American Funds Moderately Conservative MF	54.3	0.4	1.0*	54.2	0.4	1.0*	0.1	0.0	0.0	5.5	-0.4	-1.3 [†]
American Funds Conservative MF	72.3	1.0*	1.2*	72.1	1.0*	1.1*	0.2	0.0	0.1	5.9	-1.0 [†]	-1.4 [†]

Tax-aware models												
	Total bond	% Change 3 months	% Change 12 months	U.S. bond	% Change 3 months	% Change 12 months	Non-U.S. bonds	% Change 3 months	% Change 12 months	Cash & equivalents	% Change 3 months	% Change 12 months
American Funds Aggressive MF	6.4	0.3	-0.2	4.4	0.2	-0.3	2.0	0.1	0.0	4.1	0.2	-1.2 [†]
American Funds Moderately Aggressive MF	19.3	0.0	-0.8	16.6	0.0	-0.7	2.6	0.0	-0.1	4.1	0.1	-0.1
American Funds Moderate MF	35.8	0.3	-1.0 [†]	29.8	0.1	-0.9	5.9	0.1	-0.1	4.3	0.0	-0.2
American Funds Moderately Conservative MF	56.5	-0.1	-1.3 [†]	48.0	-0.1	-1.0 [†]	8.5	0.1	-0.2	4.7	0.3	0.5
American Funds Conservative MF	72.3	-0.9	-2.1 [†]	65.8	-0.6	-1.1 [†]	6.4	-0.3	-0.9	5.3	0.9	1.6*

Multi-asset income models												
	Total bond	% Change 3 months	% Change 12 months	U.S. bond	% Change 3 months	% Change 12 months	Non-U.S. bonds	% Change 3 months	% Change 12 months	Cash & equivalents	% Change 3 months	% Change 12 months
American Funds Moderate Income MF	32.0	0.3	-1.4 [†]	27.5	0.2	-1.3 [†]	4.5	0.1	-0.1	4.6	-0.2	-0.1
American Funds Moderately Conservative Income MF	48.0	0.0	-1.6 [†]	41.8	-0.1	-1.5 [†]	6.1	0.1	-0.1	4.7	0.1	0.4
American Funds Conservative Income MF	60.4	-0.2	-1.5 [†]	54.5	-0.2	-1.2 [†]	5.9	0.0	-0.3	4.4	0.2	0.7

Cash and equivalents includes short-term securities, other assets less liabilities, and may include accrued income. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Model portfolio allocation ranges

Taxable models		
	Strategy ID	Estimated allocation range* (equity/fixed income % range)
American Funds Aggressive MF	28S02452	80%-90% Equity/10%-20% Fixed Income
American Funds Moderately Aggressive MF	28S02451	70%-80% Equity/20%-30% Fixed Income
American Funds Moderate MF	28S02450	60%-70% Equity/30%-40% Fixed Income
American Funds Moderately Conservative MF	28S02449	30%-40% Equity/60%-70% Fixed Income
American Funds Conservative MF	28S02448	15%-25% Equity/75%-85% Fixed Income
Tax-aware models		
	Strategy ID	Estimated allocation range* (equity/fixed income % range)
American Funds Aggressive MF TA	28S02457	80%-90% Equity/10%-20% Fixed Income
American Funds Moderately Aggressive MF TA	28S02456	70%-80% Equity/20%-30% Fixed Income
American Funds Moderate MF TA	28S02455	60%-70% Equity/30%-40% Fixed Income
American Funds Moderately Conservative MF TA	28S02454	30%-40% Equity/60%-70% Fixed Income
American Funds Conservative MF TA	28S02453	15%-25% Equity/75%-85% Fixed Income
Multi-asset income models		
	Strategy ID	Estimated allocation range* (equity/fixed income % range)
American Funds Moderate Income MF	28S02347	55%-65% Equity/35%-45% Fixed Income
American Funds Moderately Conservative Income MF	28S02346	45%-55% Equity/45%-55% Fixed Income
American Funds Conservative Income MF	28S02345	35%-45% Equity/55%-65% Fixed Income

*Capital Group Custom Solutions Committee does not explicitly manage to these asset allocation ranges. The ranges reflect current expectations for the portfolios' allocations. These ranges may change based on market conditions or Merrill CIO guidance.

Model portfolio results as of September 30, 2024

For additional model results, please view the profile sheets available on the Capital Group investment managers page in Resource Central.

MAA composite results (gross and net percentage)

Taxable models								
	Strategy ID	Inception date	Type of return	QTD	YTD	1 year	3 year	Lifetime
American Funds Aggressive MF Taxable	28S02452	2/28/2021	Gross	5.8	17.0	31.6	6.9	8.6
			Net	5.3	15.5	29.3	5.0	6.7
Merrill CIO Benchmark (Aggressive MF) Taxable				7.0	16.9	29.6	7.4	9.0
American Funds Moderately Aggressive MF Taxable	28S02451	3/31/2021	Gross	6.2	15.1	27.8	7.1	8.1
			Net	5.7	13.6	25.6	5.1	6.2
Merrill CIO Benchmark (Moderately Aggressive MF) Taxable				6.7	14.7	26.4	6.0	7.0
American Funds Moderate MF Taxable	28S02450	3/31/2021	Gross	6.1	12.1	22.8	5.2	6.3
			Net	5.6	10.7	20.7	3.3	4.4
Merrill CIO Benchmark (Moderate MF) Taxable				6.4	12.4	22.9	4.4	5.3
American Funds Moderately Conservative MF Taxable	28S02449	3/31/2021	Gross	6.2	9.9	18.8	3.7	4.4
			Net	5.8	8.4	16.7	1.9	2.5
Merrill CIO Benchmark (Moderately Conservative MF) Taxable				5.9	10.0	19.3	3.0	3.8
American Funds Conservative MF Taxable	28S02448	3/31/2021	Gross	5.5	7.5	14.4	2.4	2.9
			Net	5.0	6.1	12.4	0.6	1.0
Merrill CIO Benchmark (Conservative MF) Taxable				5.2	7.6	15.7	2.1	2.6

Past results are not predictive of results in future periods.

Performance data shows MAA Composite Performance results. Merrill Lynch is responsible for the calculation of these results.

MAA Composites: The MAA Composite performance results represent the actual performance of all unconstrained accounts managed by MAA in this Strategy that have enrolled in the Merrill Lynch Investment Advisory Program (IAP) as well as in other Merrill or Merrill affiliated investment advisory programs that meet the criteria set by MAA for inclusion in the MAA Composite performance calculation. The MAA Composite performance results shown, if any, are affected by the methodology used by MAA to select accounts and also by the size and number of accounts in the MAA Composite, which can vary.

Gross/Net Performance Results: Performance results are shown 'gross' or '(before fees)' which reflects the performance before the deduction of the Program Fee. Performance results are also shown 'net' or '(after fees)' which reflects the performance after the deduction of the Program Fee based on the maximum rate then in effect for the period shown for the Program and the maximum Style Manager Expense Rate charged for the Strategy, as reflected in the Strategy Profile. This maximum rate may differ from the actual rate agreed to by the client for IAP services and investment in the Style Manager Strategy. The return on investment for your client's Account will be reduced by the deduction of the Program Fee they pay. The compound impact on Composite performance of the deduction of fees is determined by the account size, the amount of the fee, the time period, and the gross investment performance.

The net of fee performance information shown for the Strategy for the period from May 1, 2022, to the date of this Profile is calculated using the maximum Program Fee of 1.75%, which is based on the maximum Style Manager Expense Rate (is applicable) in effect during the period and the maximum Merrill Lynch Fee Rate of 1.75%. The net of fee performance information shown for prior past periods is calculated based on the Style Manager Expense Rate then in effect plus the maximum Merrill Lynch Fee rate then in effect for the periods indicated as follows: (i) 2.00% rate in effect for the period from January 1, 2019, to April 30, 2022; (ii) 2.20% rate in effect from February 1, 2017 to January 1, 2019; and (iii) 2.70% rate in effect for the period prior to January 31, 2017.

For more information on the Merrill CIO benchmarks refer to page 9.

Model portfolio results as of September 30, 2024

For additional model results, please view the profile sheets available on the Capital Group investment managers page in Resource Central.

MAA composite results (gross and net percentage).

Tax-aware models								
	Strategy ID	Inception date	Type of return	QTD	YTD	1 year	3 year	Lifetime
American Funds Aggressive MF Tax-Aware	28S02457	11/30/2021	Gross	5.5	17.0	31.8	–	5.2
			Net	5.0	15.5	29.5	–	3.3
Merrill CIO Benchmark (Aggressive MF Tax-Aware)				6.8	16.7	29.5	–	6.2
American Funds Moderately Aggressive MF Tax-Aware	28S02456	5/31/2021	Gross	5.4	15.1	28.3	7.2	6.8
			Net	4.9	13.6	26.1	5.3	4.8
Merrill CIO Benchmark (Moderately Aggressive MF Tax-Aware)				6.1	14.1	25.9	6.3	6.0
American Funds Moderate MF Tax-Aware	28S02455	4/30/2021	Gross	4.9	12.5	24.0	5.8	6.2
			Net	4.5	11.0	21.8	3.9	4.3
Merrill CIO Benchmark (Moderate MF Tax-Aware)				5.4	11.6	22.5	5.0	5.6
American Funds Moderately Conservative MF Tax-Aware	28S02454	5/31/2021	Gross	4.7	9.7	18.9	4.8	4.4
			Net	4.3	8.3	16.8	2.9	2.5
Merrill CIO Benchmark (Moderately Conservative MF Tax-Aware)				4.8	9.1	18.9	3.4	3.4
American Funds Conservative MF Tax-Aware	28S02453	6/30/2022	Gross	4.1	6.8	14.0	–	5.2
			Net	3.7	5.4	12.0	–	3.4
Merrill CIO Benchmark (Conservative MF Tax-Aware)				4.4	6.8	15.3	–	5.6

Multi-asset income models								
	Strategy ID	Inception date	Type of return	QTD	YTD	1 year	3 year	Lifetime
American Funds Moderate Income MF	28S02347	12/31/2020	Gross	6.7	13.1	23.6	6.2	7.9
			Net	6.2	11.6	21.4	4.4	5.9
Merrill CIO Benchmark (Moderate Income MF)				6.4	12.4	22.9	4.4	6.0
American Funds Moderately Conservative Income MF	28S02346	12/31/2020	Gross	6.5	10.9	20.2	4.7	6.0
			Net	6.1	9.4	18.1	2.8	4.1
Merrill CIO Benchmark (Moderately Conservative Income MF)				5.9	10.0	19.3	3.0	4.1
American Funds Conservative Income MF	28S02345	12/31/2020	Gross	6.5	8.9	17.1	2.9	4.0
			Net	6.0	7.5	15.1	1.1	2.1
Merrill CIO Benchmark (Conservative Income MF)				5.2	7.6	15.7	2.1	2.6

Market index results as of September 30, 2024

Index name	Cumulative total returns (%)			Average annual total returns (%)		
	QTD	YTD	1 year	3 years	5 years	10 years
Bloomberg U.S. Aggregate Index	5.2	4.45	11.57	-1.39	0.33	1.84
MSCI All Country World Index (ACWI) ex USA	8.06	14.21	25.35	4.14	7.59	5.22
S&P 500 Index	5.89	22.08	36.35	11.91	15.98	13.38

Past results are not predictive of results in future periods.

Important information

Merrill CIO Benchmarks (pages 7-8)

The Merrill CIO Benchmarks, referred to as Style Indexes at Merrill, provide a reasonably relevant market comparison to the performance of the Strategy. Merrill selects either a single market index or customizes the Style Index. For a Style Index customized by Merrill, its performance is derived from the performance of the two or more indexes identified according to the percentage allocations noted. The Merrill CIO Benchmarks and their respective weightings are as follows:

Aggressive MF: 31% Russell 1000 Value Index, 27% Russell 1000 Growth Index, 16% MSCI All Country World Index (ACWI) ex USA (Net), 9% MSCI Emerging Markets Index (Net), 5% ICE BofA US Corporate Master Index, 4% Russell 2000 Growth Index, 4% Russell 2000 Value Index, 3% ICE BofA Government Master, 1% ICE BofA Treasury Bill LOC TR.

Aggressive MF TA: 31% Russell 1000 Value Index, 27% Russell 1000 Growth Index, 16% MSCI All Country World Index (ACWI) ex USA (Net), 9% MSCI Emerging Markets Index (Net), 7% Bloomberg Municipal Total Return Index, 4% Russell 2000 Growth Index, 4% Russell 2000 Value Index, 1% Bloomberg Municipal High Yield Total Return Index, 1% ICE BofA US Treasury Bill LOC TR.

Conservative MF, Conservative Income MF: 22% ICE BofA Global Broad Market ex USD TR Hedged, 17% ICE BofA Government Master, 17% ICE BofA US Corporate Master, 12% ICE BofA Mortgage Master Index, 8% Russell 1000 Value Index, 7% Russell 1000 Growth Index, 5% ICE BofA US Treasury Bill LOC TR, 5% MSCI All Country World Index (ACWI) ex USA (Net), 3% ICE BofA US Cash Pay High Yield, 2% MSCI Emerging Markets Index (Net), 1% Russell 2000 Growth Index, 1% Russell 2000 Value Index.

Conservative MF TA: 28% Bloomberg Municipal Total Return Index, 17% ICE BofA Global Broad Market ex USD TR Hedged, 9% ICE BofA Government Master, 8% Russell 1000 Value Index, 7% ICE BofA US Corporate Master Index, 7% Russell 1000 Growth Index, 5% ICE BofA Mortgage Master Index, 5% ICE BofA US Treasury Bill LOC TR, 4% Bloomberg Municipal High Yield Total Return Index, 4% MSCI All Country World Index (ACWI) ex USA (Net), 3% ICE BofA US Cash Pay High Yield, 1% MSCI Emerging Markets Index (Net), 1% Russell 2000 Growth Index, 1% Russell 2000 Value Index.

Moderately Aggressive MF: 26% Russell 1000 Value Index, 22% Russell 1000 Growth Index, 14% MSCI All Country World Index (ACWI) ex USA (Net), 11% ICE BofA US Corporate Master Index, 8% ICE BofA Government Master Index, 7% MSCI Emerging Markets Index (Net), 3% ICE BofA Mortgage Master Index, 3% Russell 2000 Growth Index, 3% Russell 2000 Value Index, 1% ICE BofA Global Broad Market ex USD TR Hedged, 1% ICE BofA US Cash Pay High Yield, 1% ICE BofA US Treasury Bill LOC TR.

Moderately Aggressive MF TA: 26% Russell 1000 Value Index, 22% Bloomberg Municipal Total Return Index, 22% Russell 1000 Growth Index, 13% MSCI All Country World Index (ACWI) ex USA (Net), 7% MSCI Emerging Markets Index (Net), 3% Bloomberg Municipal High Yield Total Return Index, 3% Russell 2000 Growth Index, 3% Russell 2000 Value Index, 1% ICE BofA US Treasury Bill LOC TR.

Moderately Conservative MF, Moderately Conservative Income MF: 17% ICE BofA Government Master Index, 16% ICE BofA US Corporate Master Index, 14% Russell 1000 Value Index, 13% ICE BofA Mortgage Master Index, 12% Russell 1000 Growth Index, 10% ICE BofA Global Broad Market ex USD TR Hedged, 8% MSCI All Country World Index (ACWI) ex USA (Net), 4% MSCI Emerging Markets Total Return Net Index, 3% ICE BofA US Cash Pay High Yield, 1% ICE BofA US Treasury Bill LOC TR, 1% Russell 2000 Growth Index, 1% Russell 2000 Value Index.

Moderately Conservative MF TA: 34% Bloomberg Municipal Total Return Index, 14% ICE BofA Global Broad Market ex USD TR Hedged, 14% Russell 1000 Value Index, 12% Russell 1000 Growth Index, 8% MSCI All Country World Index (ACWI) ex USA (Net), 4% Bloomberg Municipal High Yield Total Return Index, 4% ICE BofA US Corporate Master Index, 4% MSCI Emerging Markets Total Return Net Index, 2% ICE BofA Mortgage Master Index, 1% ICE BofA US Cash Pay High Yield, 1% ICE BofA US Treasury Bill LOC TR, 1% Russell 2000 Growth Index, 1% Russell 2000 Value Index.

Moderate MF, Moderate Income MF: 20% Russell 1000 Value Index, 17% Russell 1000 Growth Index, 13% ICE BofA US Government Master Index, 13% ICE BofA US Corporate Master, 11% MSCI All Country World Index (ACWI) ex USA (Net), 10% ICE BofA Mortgage Master Index, 6% MSCI Emerging Markets Total Return Net Index, 3% ICE BofA Global Broad Market ex USD TR Hedged, 2% ICE BofA US Cash Pay High Yield, 2% Russell 2000 Growth Index, 2% Russell 2000 Value Index, 1% ICE BofA US Treasury Bill LOC TR.

Moderate MF TA: 35% Bloomberg Municipal Total Return Index, 20% Russell 1000 Value Index, 17% Russell 1000 Growth Index, 11% MSCI All Country World Index (ACWI) ex USA (Net), 6% MSCI Emerging Markets Total Return Net Index, 4% Bloomberg Municipal High Yield Total Return Index, 2% Russell 2000 Growth Index, 2% Russell 2000 Value Index, 1% ICE BofA Global Broad Market ex USD TR Hedged, 1% ICE BofA US Cash Pay High Yield, 1% ICE BofA US Treasury Bill LOC TR.

The Style Index is unmanaged and is not subject to management fees and other expenses. Securities contained in the Style Index will vary from those in the strategies list or in the client account. It is not possible to invest directly in a Style Index. There may have been periods when the model portfolios lagged the Style Index.

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The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

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