

# Manning & Napier Fund, Inc.

## Diversified Tax Exempt Series



June 30, 2024

### Investment Objective

To provide as high a level of current income exempt from federal income tax as the Advisor believes is consistent with the preservation of capital.

### Investment Strategy

The Series invests primarily in municipal bonds that provide income exempt from federal income tax.

### Portfolio Managers

Name	Experience
Marc Bushallow, CFA	23 years industry 9 years portfolio
Elizaveta Akselrod	22 years industry 9 years portfolio

### Sector Allocation (%)

	Series	Bloomberg Municipal 1-15 Year Bond Index
General Obligation Bonds	40.84	31.59
Revenue Bonds	41.56	61.32
Pre-Refunded Bonds	2.39	2.87
Treasury	3.64	--
Cash	6.29	--
Other	5.27	4.21

### 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. The income earned by the Series may be subject to the Alternative Minimum Tax (AMT), depending on your tax situation.

### Fund Information

	Ticker	Cusip	Inception	Minimum Investment*	Gross Expenses	Net Expenses
Class A	EXDVX	563821677	02/14/1994	\$2,000	0.63%	0.63%

\*May be waived for certain qualified retirement plans and discretionary investment accounts of the Advisor.

### Annualized Performance

	QTD	YTD	1Y	3Y	5Y	10Y
Class A	-0.30%	-0.82%	2.13%	-1.01%	0.88%	1.18%
Bloomberg Municipal 1-15 Year Bond Index	-0.34%	-0.63%	2.69%	-0.45%	1.16%	2.09%

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.

### 30-Day SEC Yield

	Yield
Class A	2.60%

If fees had not been waived, the 30-day SEC Yield (as of 06/30/2024) would have been 2.60% for Class A.

### Effective Duration Breakdown

	Series	Bloomberg Municipal 1-15 Year Bond Index
<1 Year	8.09%	3.84%
1-3 Years	20.52%	27.90%
3-5 Years	21.74%	26.93%
5-7 Years	23.10%	21.34%
7-10 Years	26.55%	18.62%
10+ Years	--	1.38%

### Credit Quality Distribution

	Series	Bloomberg Municipal 1-15 Year Bond Index
AAA	32.25%	20.28%
AA	50.61%	53.59%
A	14.08%	20.91%
BBB	--	3.70%
NR/Not Available	0.05%	1.52%

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**Fund Characteristics**

	Series	Bloomberg Municipal 1- 15 Year Bond Index
Average Effective Duration	4.86y	4.57y
Average Effective Maturity	8.38y	7.98y
Fund Assets	\$241M	--
Yield to Maturity	3.77%	3.80%
Number of Holdings	146	--
Annual Turnover	20%	--
5Y Turnover	25%	--

**Fund Commentary**

Against a backdrop of a modestly slowing economy and moderating inflation, credit spreads ended the quarter roughly unchanged. Interest rates experienced some mild turbulence as rates rose on longer-dated securities, while shorter-term rates generally remained unchanged as the Federal Reserve made no changes to their target range. Taking a closer look at the Federal Reserve, despite the progress that has been made thus far on bringing down inflation, they noted that they are not considering any adjustments to the target range (5.25% - 5.50%) until they have greater confidence that inflation is moving towards their 2.00% target. The broad municipal bond market modestly outperformed taxable bonds for the quarter despite elevated supply levels and lower tiered credits generally outperformed their higher quality counterparts.

The Diversified Tax-Exempt Series posted slightly negative absolute returns for the quarter but outperformed the benchmark. Outperformance was primarily driven by yield curve positioning. More specifically, an underweight to the belly of the curve as yields rose the most there.

In terms of positioning, we continue to favor essential service revenue bonds, and within general obligations (GOs), we have a relatively higher quality tilt due to our selectivity within the sector.

In our view, an economic “soft-landing” scenario has become increasingly possible as the probability of an imminent economic downturn has declined over the past several months. However, we continue to believe that the U.S. economy remains in a late-cycle environment.

We see reasons that inflation could remain elevated longer-term (e.g., putting a floor under yields), giving us caution in the short to intermediate-term. As we look to navigate this difficult environment, we believe that a select, disciplined approach focused on current valuations and economic conditions will be key to avoiding areas of risk and uncovering opportunities.

**Definitions**

**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.**

**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 “Other” category contains securities such as ETFs and others that cannot otherwise be classified.

The Bloomberg Municipal 1-15 Year Bond Index covers the USD denominated long term, tax exempt bond market, with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. The Index returns do not reflect any fees or expenses. Index returns provided by Bloomberg. Index data referenced herein is the property of Bloomberg Finance L.P. and its affiliates (“Bloomberg”), and/or its third party suppliers 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 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.