

# Manning & Napier Fund, Inc.

## Callodine Equity Income Series



September 30, 2024

### Investment Objective

To provide strong risk-adjusted total returns and preservation of capital with low market correlation. The Series seeks to provide strong risk-adjusted total returns in the income-producing part of the equity market by investing in dividend paying companies with strong cash flows that may be temporarily undervalued by the markets for a variety of reasons.

### Investment Strategy

The Series implements a high-conviction approach to equity investing at the intersection of Value and Yield. The Callodine Capital Management team is led by Jim Morrow, who is supported by a team of dedicated analysts. The team identifies securities that trade at attractive valuations relative to their free cash flow generation and prioritize returning that cash to shareholders through dividends. This segment of the market has historically delivered strong risk-adjusted returns and is an area in which we believe value can be added by active management within a space that tends to be underappreciated within the institutional marketplace. The Series seeks to accomplish its objective by investing primarily in equity and equity-related securities across the market cap spectrum and sectors, including niche yield-oriented areas like master limited partnerships (MLPs), business development companies (BDCs), and real estate investment trusts (REITs).

### Management Team

Name	Experience
<b>Jim Morrow</b> Chief Investment Officer Callodine Capital Management	25+ years
<b>Matthew Masucci</b> Sr. Analyst Callodine Capital Management	12 years
<b>Charles McCaleb, CFA®</b> Sr. Analyst Callodine Capital Management	16 years
<b>Ryan Patton, CFA®</b> Sr. Analyst Callodine Capital Management	12 years
<b>Taylor Wood, CFA®</b> Quantitative Analyst Callodine Capital Management	11 years

### 30-Day SEC Yield (as of 09/30/2024)

	Yield
Class I	4.76%

If fees had not been waived, the 30-day SEC Yield (as of 09/30/2024) would have been 4.36% for Class I.

### Fund Information

	Ticker	Cusip	Inception	Minimum Investment	Mgmt Fee	Gross Expenses	Net Expenses	AFFE Fee**
Class Z	CEIZX	56382R191	10/23/2023	\$1 million*	0.70%	2.63%	0.98% <sup>§</sup>	0.18%
Class I	CEIIX	56382R225	10/23/2023	\$1 million*	0.70%	2.54%	1.13% <sup>§</sup>	0.18%
Class S	CEISX	56382R217	10/23/2023	\$2,000*	0.70%	2.72%	1.38% <sup>§§</sup>	0.18%

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

<sup>§</sup>Reflects the Advisor's contractual agreement to limit its fees and reimburse certain expenses to the extent necessary so that the total direct annual fund operating expenses of each Class, excluding 12b-1 fees and any indirect expenses, do not exceed 0.95% of the average daily net assets of the Class I and Class S shares and 0.80% of the Class Z shares. The contractual waiver may not be amended or terminated without the prior approval of the Fund's Board of Directors. Class Z shares do not make payments to financial intermediaries.

<sup>§§</sup>Class S includes a 12b-1 fee of 0.25%, of which up to 0.25% is available as a shareholder servicing fee.

\*\*Acquired Fund Fees and Expenses (AFFE) reflects the Fund's pro rata share of indirect fees and expenses incurred by investing in other funds, including business development companies (BDC). AFFEs are reflected in the prices of the acquired BDCs, and thus included in the total return of the Fund. Fees and expenses shown are as of 10/17/2024.

### Annualized Performance (as of 09/30/2024)

	QTR	YTD	1Y	3Y	5Y	10Y	Inception (01/01/2022)
Class Z	10.06%	21.33%	33.63%	--	--	--	15.98%
Class I	9.97%	21.20%	33.44%	--	--	--	15.92%
Class S	9.81%	20.91%	33.04%	--	--	--	15.69%
S&P 500 High Dividend Index	14.75%	20.29%	36.34%	--	--	--	8.02%

### Calendar Year Performance

	Class Z	Class I	Class S	S&P 500 High Dividend Index
2022	1.47%	1.47%	1.32%	-1.11%
2023	22.07%	22.04%	21.83%	3.90%

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.

Performance prior to 10/23/2023 is based on the historical performance of Callodine Equity Income Fund, LP (the "Predecessor Fund"), which was managed by Callodine Capital Management, LP and reorganized into the Manning & Napier Fund, Inc. Callodine Equity Income Series on 10/23/2023. Inception performance is based on the Predecessor Fund's inception of 01/01/2022. The Predecessor Fund, a private investment company, was not registered under the Investment Company Act of 1940, and therefore was not subject to the same investment and tax restrictions. If the Predecessor Fund had operated as a registered mutual fund, performance may have been lower. The Predecessor Fund's fees and expenses were higher than the fees and expenses of the Series' Class I and Z Shares and lower than the Series' Class S Shares. Accordingly, performance shown for the Class I and Z shares is the Predecessor Fund's performance unadjusted. The performance shown for the Class S Shares is the Predecessor Fund's performance adjusted to reflect the fees and expenses of the Class S Shares.

### Portfolio Composition

	Series
<b>Stocks</b>	<b>98.44%</b>
Large Capitalization	28.80%
Mid Capitalization	22.63%
Small Capitalization	47.01%
<b>Bonds</b>	<b>--</b>
<b>Cash</b>	<b>1.56%</b>
	<b>Series</b>
International Equity	18.36%
Domestic Equity	81.64%

### Equity Sector Allocation

	Series
Communication Services	--
Consumer Discretionary	14.75%
Consumer Staples	12.82%
Energy	9.43%
Financials	17.83%
Health Care	22.01%
Industrials	3.56%
Information Technology	--
Materials	3.68%
Real Estate	3.40%
Utilities	12.52%

# Manning & Napier Fund, Inc.

## Callodine Equity Income Series



September 30, 2024

### Portfolio Construction

Number of Positions	15-30
Core Position Size	4%-8%
Sector Exposures	Diversified across targeted sectors including specialty niches
Market Cap Exposures	Invests across the market cap spectrum
Targeted Div Yield	3%-5%
Investment Horizon	18-36 months

### Top Ten Investments

Holdings	%
Spectrum Brands Holdings Inc.	9.26
Wolverine World Wide Inc.	8.85
Energy Transfer LP	6.46
Baxter International Inc.	6.43
Viatrix Inc.	5.41
Blue Owl Capital Inc.	5.33
GSK PLC	5.19
Sanofi	4.64
Algonquin Power & Utilities	4.61
M&T Bank Corp.	4.52

Top Ten Investments is unaudited and excludes cash.

### Fund Commentary

The Callodine Equity Income Fund (the Fund) posted positive absolute returns in the third quarter but underperformed relative to its benchmark, the S&P 500 High Dividend Index. Returns in the equity markets broadened out this past quarter as the concentration in market leadership that marked the previous several quarters began to abate. This was a positive for market segments outside of mega-capitalization growth, including the dividend-paying space and value stocks more broadly.

Despite strong absolute returns, the Fund's relative underperformance during the quarter was a function of both sector exposures and individual company results. Specifically, an overweight to the Energy sector, which lagged during the quarter, as well as an underweight to the Utilities and the Real Estate sectors, which benefited meaningfully from declining interest rates, detracted from relative returns. With the Fund's high-conviction portfolio, relative returns are often mostly driven by individual stock outcomes. This quarter, however, while there are a handful of specific names (Wolverine Worldwide, Douglas Emmett, and SS&C Technologies to name a few) that were notable positive contributors, the majority of underperformance came as a result of exposures that the Fund doesn't have, most notably to the Utilities sector broadly as mentioned above, as well as specific areas of the Consumer space within both Discretionary and Staples that posted strong quarters. Two notable Consumer stocks in the portfolio that did detract from returns were Jack in the Box and Walgreens which faced challenging quarters.

In terms of positioning, the team is continuing to maintain a generally defensive posture with a focus on "self-help" companies that are not overly reliant on economic growth for their success. Health Care is an attractive sector for us right now with its combination of little economic sensitivity and attractive valuations, and therefore is a meaningful part of the portfolio. Conversely, Financials continues to be an area that we are not finding a lot of opportunity, especially since we recently removed previous exposure to business development companies (BDCs) within that sector. We currently view Financials and Information Technology in a somewhat similar light: market segments for various reasons that are likely experiencing the peak of revenues, margins, and valuations, and therefore not presenting many attractive value opportunities. We do have select Financials exposure, primarily to asset managers, but very little to traditional banks.

As we progress through 2024, we continue to gain conviction in the view that the current market setup presents an opportunity for value and yield-oriented stocks. Valuation spreads remain wide as growth stock multiples may not accurately reflect the strength of underlying business fundamentals, while historic market concentration presents an opportunity for other market segments like value and yield as that concentration unwinds. Our team will continue to focus on identifying stable, cash flowing businesses where we can source yield at a reasonable price (or "YARP", as we say). We believe that the opportunity set for our target universe of income-oriented equities is appealing in the context of the current market environment and will continue to seek attractive risk-adjusted returns for our investors.

### A Word About Risk

All investments involve risks, including possible loss of principal. As with any fund that invests in equities, the value of your investment will fluctuate in response to stock market movements. Investing in the Series will involve several other risks, including issuer-specific risk, small-cap/mid-cap risk, concentration risk, foreign investment risk, and the risk that the investment approach may not be successful. The Series invests primarily in income-producing securities. There is no assurance or guarantee that companies which issue dividends will declare, continue to pay, or increase dividends. The Series is non-diversified, which means that it may invest in the securities of relatively few issuers. Additionally, the Series may at times invest more heavily in a particular sector. As a result, the Series may be more susceptible to adverse economic or political occurrence affecting one or more of these issuers or sectors and, therefore, may experience increased volatility. Stocks of small- and mid-cap companies with more limited product lines, markets, and financial resources, may be subject to more abrupt or erratic market movements, and may be less marketable than and fail more often than larger companies. Investments in foreign countries may be subject to the risks of adverse changes in foreign economic, political, regulatory, and other conditions as well as risks related to the use of different financial standards. Investments in emerging markets may be more volatile than investments in more developed markets. The Series may invest a portion of its assets in real estate investment trusts (REITs), which are subject to risks associated with the direct ownership of real estate: interest rate risk, liquidity risk, and changes in property value, among others. The Series may also invest a portion of its assets in business development companies (BDCs) or master limited partnerships (MLPs). BDCs are subject to additional risks, as they generally invest in less mature private companies or thinly traded U.S. public companies which involve greater risk than well-established publicly traded companies. MLPs are subject to additional risks, including risks associated with the specific industry or industries in which the partnership invests. To the extent that an MLP's interests are all in a particular industry, the MLP will be negatively impacted by economic events adversely impacting that industry. Additionally, the potential tax benefits from investing in MLPs depend on their continued treatment as partnerships for federal income tax purposes. The Series may invest in fixed income securities. 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. Investments in higher-yielding, lower-rated securities involve additional risks, including a higher risk of default and loss of principal. Investments in options, like all derivatives, can be highly volatile and involve risks in addition to the risks of the underlying instrument on which the derivative is based, such as counterparty, correlation, and liquidity risk.

**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.**

The data presented in the commentary is for informational purposes only. It is not to be considered a specific recommendation. Analysis: Manning & Napier. Investments will change over time. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property and a service mark of MSCI Inc. (MSCI) and Standard & Poor's, a division of S&P Global Inc. (S&P), and is licensed for use by Manning & Napier when referencing GICS sectors. Neither MSCI, S&P, nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification, nor shall any such party have any liability therefrom. **Dividend yield** (Div Yield) is calculated by dividing dividends paid per share by a company's share price. There is no assurance that the stated targeted dividend yield will be achieved.

The S&P 500 High Dividend Index is designed to measure the performance of 80 high yield companies within the S&P 500 and is equally weighted to best represent the performance of this group, regardless of constituent size. Index returns do not reflect any fees or expenses. You cannot invest directly in an index. Index returns provided by Bloomberg.

Index data referenced herein is the property of S&P Dow Jones Indices LLC, a division of S&P Global Inc., its affiliates ("S&P") and/or its third party suppliers and has been licensed for use by Manning & Napier. S&P 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. (the Fund) is managed by Manning & Napier. Manning & Napier Investor Services, Inc. (MNBD), an affiliate of Manning & Napier, is the distributor of the Fund shares. Manning & Napier has contracted Callodine Capital Management, LP, an affiliate of Manning & Napier and MNBD, to sub-advise the Callodine Equity Income Series.