STRATEGY REVIEW
June 2025

MARKETS EXTEND GAINS AS INFLATION MODERATES

Markets sustained their upward momentum in June, bolstered by easing inflation data and a growing belief that the Federal Reserve may begin cutting rates later this year. The 10-Year Treasury yield declined from 4.46% to 4.24%, and CPI came in slightly better than expected, with headline inflation rising just 0.1% month-over-month in May. Both equities and fixed income markets rallied, with duration-sensitive assets and risk-oriented sectors seeing strong gains.

Below is a summary of how each Kensington strategy navigated these conditions.

MANAGED INCOME STRATEGY

Author: Kensington Asset Management PM Team

The bond market rallied broadly in June as declining yields lifted returns across fixed income sectors. The Managed Income Strategy remained in a Risk-On stance throughout the month, maintaining a core allocation to US high yield bonds with satellite exposure to multisector fixed income.

Lower volatility and a surge in high yield credit contributed to the Strategy's best monthly return since December 2023. High yield spreads continued to narrow, supporting stable income generation. With market focus turning to the Federal Reserve, traders are pricing an increased chance of a rate cut by September, despite expectations of no action in July. Price stability remains a key factor in determining whether the Fed proceeds with easing in the third quarter.

DYNAMIC ALLOCATION STRATEGY

Author: Kensington Asset Management PM Team

The Strategy remained fully invested in a risk-on posture throughout June, primarily allocated across US large-cap growth and core equities. The S&P 500 rose 4.96% while the Nasdaq 100 gained 6.27%, led again by technology stocks.

This marks the first consecutive monthly gain for the S&P 500 since September 2024, underscoring the strength of the current rally. While volatility has declined meaningfully in the first half of the year, lingering concerns around inflation, trade policy, and economic growth may drive future volatility. For now, the Strategy remains fully invested, while monitoring conditions that may warrant tactical shifts.

Continued on next page

ACTIVE ADVANTAGE STRATEGY

Author: Kensington Asset Management PM Team

The Active Advantage Strategy maintained a fully invested allocation in June, split approximately 50% to high-yield-focused fixed income and 50% to diversified equities. Fixed income allocations included emerging markets and multisector bonds, while equities spanned core, growth, and dividend-focused positions.

The Strategy delivered another solid month of performance, with emerging market bonds and global infrastructure adding diversification and return potential. Anchor positions in high yield and US equities continued to support portfolio gains. Should market conditions shift, the Strategy's multi-model approach provides flexibility to adjust exposures accordingly.

DEFENDER STRATEGY

Author: Elio Chiarelli, PhD, AIF - Lead Portfolio Manager, Liquid Strategies

The Defender Strategy posted positive performance in June, supported by a favorable macro backdrop of falling yields and dovish Fed sentiment. The portfolio increased exposure to US large-cap equities, emphasizing companies with strong balance sheets and durable earnings. Select developed international and emerging markets positions were also added due to improving momentum and currency trends.

Intermediate-duration Treasuries contributed positively as yields declined modestly. The S&P 500 option overlay continued to generate steady income through the sale of call spreads, while the tail hedge component remained in place, albeit detracting slightly from returns due to the strong equity rally. As always, the Strategy remains positioned to balance upside participation with capital preservation in shifting market environments.

HEDGED PREMIUM INCOME STRATEGY

Author: Shawn Gibson - CIO, Lead Portfolio Manager, Liquid Strategies

The S&P 500 resumed its climb in June following a brief pause in late May. The Hedged Premium Income Strategy benefited from this rally, particularly after resetting all options positions on June 18. With the index finishing the month above the long call strike, the Strategy entered July with increased bullish exposure.

The monthly income spread generated premium, slightly higher than in May. The quarterly downside buffer was reestablished at standard levels, offering a downside hedge between 5% and 20% down over the next three months. If the market trend continues, the Strategy is positioned to further participate in upside until the current options expire on July 18.

Disclosures on next page

Disclosures:

Investing involves risk, including loss of principal. Past performance does not guarantee future results. There is no guarantee any investment strategy and/or diversification will generate a profit or prevent a loss. Targeted distributions are not guaranteed. For the most recent strategy performance, please visit our website: www.kensingtonassetmanagement.com.

This is for informational purposes only and is not a recommendation nor solicitation to buy, sell or invest in any investment product or strategy. Our materials may contain information deemed to be correct and appropriate at a given time but may not reflect our current views or opinions due to changing market conditions. No information provided should be viewed as or used as a substitute for individualized investment advice. An investor should consider the investment objectives, risks, charges, and expenses of the investment and the strategy carefully before investing.

Kensington Asset Management, LLC ("KAM") relies on third party sources for some of its information that we believe is reliable. However, we make no representation, warranty, endorse or affirm as to its accuracy or completeness. The information provided is current as of the date of publication and may be subject to change. We are not responsible for updating this information to reflect any subsequent developments or events.

Any indices and other financial benchmarks shown are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. Investors cannot invest directly in an index. Comparisons to indexes have limitations because indexes have volatility and other material characteristics that may differ from a particular strategy such as the types of securities being substantially different.

Certain information contained herein constitutes "forward-looking statements," which can be identified using forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results, or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance, or a representation as to the future.

Advisory services offered through Kensington Asset Management, LLC, Barton Oaks Plaza, Bldg II, 901 S Mopac Expy – Ste 225, Austin, TX 78746. Liquid Strategies, LLC, serves as a Sub Advisor for the Kensington Defender Strategy and investment adviser to Hedged Premium Income Strategy. Liquid Strategies, LLC is not affiliated with KAM.

Managed Income Strategy

Risks specific to the Managed Income Strategy include Management Risk, High-Yield Bond Risk, Fixed-Income Security Risk, Loans Risk, Market Risk, Underlying Funds Risk, Derivatives Risk, Non-Diversification Risk, Turnover Risk, US Government Securities Risk, Models and Data Risk.

Dynamic Allocation Strategy

Risks specific to the Dynamic Allocation Strategy include Management Risk, Equity Securities Risk, Market Risk, Underlying Funds Risk, Derivatives Risk, Non-Diversification Risk, Turnover Risk, US Government Securities Risk, Models and Data Risk.

Active Advantage Strategy

Risks specific to the Active Advantage Strategy include Management Risk, High-Yield Risk, Fixed-Income Security Risk, Equity Securities Risk, Loans Risk, Market Risk, Underlying Funds Risk, Derivatives Risk, Non-Diversification Risk, Turnover Risk, US Government Securities Risk, Models and Data Risk.

Defender Strategy

Risks specific to the Defender Strategy include Management Risk, High-Yield Bond Risk, Fixed-Income Securities Risk, Equity Securities Risk, Foreign Investment Risk, Market Risk, Emerging Markets Risk, Real Estate and REITs Risk, Commodities Risk, Tax Risk, Underlying Funds Risk, Derivatives Risk, Non-Diversification Risk, Turnover Risk, US Government Securities Risk, Models and Data Risk, Momentum Risk, and Limited History of Operations Risk.

Hedged Premium Income Strategy

The Strategy invests in options that derive their performance from the performance of the S&P 500 Index. Selling (writing) and buying options are speculative activities and entail greater than ordinary investment risks. The Strategy's use of put options can lead to losses because of adverse movements in the price or value of the underlying asset, which may be magnified by certain features of the options. When selling a put option, the Strategy will receive a premium; however, this premium may not be enough to offset a loss incurred by the Strategy if the price of the underlying asset is below the strike price by an amount equal to or greater than the premium. Purchased put options may expire worthless and the Strategy would lose the premium it paid for the option. The Strategy may lose significantly more than the premiums it receives in highly volatile market conditions.

The Strategy will invest in short term put options which are financial derivatives that give buyers the right, but not the obligation, to sell (put) an underlying asset at an agreed-upon price and date. The Strategy's use of options may reduce the Strategy's ability to profit from increases in the value of the underlying asset. The Strategy could experience a loss or increased volatility if its derivatives do not perform as anticipated or are not correlated with the performance of their underlying asset or if the Strategy is unable to purchase or liquidate a position.

Disclosures continued on next page

Definitions:

Call Spread: An options trading strategy where the Strategy buys and sells call options on the same asset with different strike prices or expiration dates. The strategy helps manage risk and profit from small price changes.

Put Spread: An options strategy where the Strategy buys and sells put options with different strike prices but the same expiration date. This strategy can be used to limit potential losses while still allowing for profit if the underlying asset's price declines.

S&P 500: A capitalization weighted index of 500 stocks representing all major domestic industry groups. Index assumes the reinvestment of dividends and capital gains.

NASDAQ 100 Index: A market index that comprises of the 100 largest, most actively traded companies listed on the Nasdaq stock exchange.

KAM20250716