

# US Bond Fund

## Benchmark

Bloomberg US Agg Bond TR USD

## Investment Objective & Strategy

The Fund seeks current income and capital appreciation by primarily investing in a mix of US bonds.

The Fund invests in a well-diversified portfolio that is representative of the domestic bond market. The holdings include US Treasury Bonds, mortgage-backed securities, corporate bonds, and other fixed and floating rate issues. The Fund is composed of two managers: 40% target asset allocation with an index fund manager that seeks to match the returns of the Bloomberg US Aggregate Bond Index, and a 60% target asset allocation with an actively managed fund that seeks to outperform the index over the long term. The risk is moderate and the Fund is suitable for somewhat moderate investors with a medium-term investment time horizon. Performance is not shown prior to the fund's inception date of 7/2/2012.

## Operations and Management

|                      |  |
|----------------------|--|
| Fund Inception Date  | 07-02-12                                 |
| Expense Ratio        | 0.15%                                    |
| Portfolio Manager(s) | Management Team                          |
| Name of Issuer       | BlackRock Institutional Trust Company NA |
| Management Company   | BlackRock Institutional Trust Company NA |

Expense ratio includes Plan administration fee of 0.08%.

## Benchmark Description: Bloomberg US Agg Bond TR USD

The index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

## Category Description: Intermediate Core Bond

Intermediate-term core bond portfolios invest primarily in investment-grade U.S. fixed-income issues including government, corporate, and securitized debt, and hold less than 5% in below-investment-grade exposures. Their durations (a measure of interest-rate sensitivity) typically range between 75% and 125% of the three-year average of the effective duration of the Morningstar Core Bond Index.

## Volatility Analysis



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two-thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

## Performance



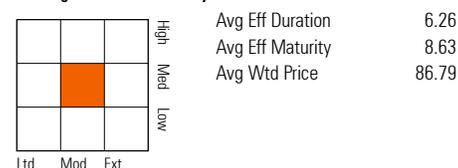
| Trailing Returns       | QTD   | YTD   | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|------------------------|-------|-------|--------|--------|--------|---------|-----------------|
| Fund Return %          | -3.23 | -1.01 | 1.01   | -4.81  | 0.11   | 1.31    | 1.22            |
| Benchmark Return %     | -3.23 | -1.21 | 0.64   | -5.21  | 0.10   | 1.13    | 0.99            |
| Category Average %     | -2.97 | -0.83 | 0.77   | -5.02  | 0.00   | 1.00    | 1.01            |
| # of Funds in Category | 478   | 472   | 468    | 420    | 383    | 277     | —               |

**Performance Disclosure: Returns are net of investment management and administrative expenses, including those of the Plan and the underlying investments. The annual expense ratio is calculated as of September 30, using the most recent data available. Any performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's units when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. Historical returns for the Fund reflect the actual returns of the Fund as its design has evolved over time. The historical returns have not been adjusted to offset the impact of any changes in fund managers, underlying investments, active vs. passive (index) management investment strategy, or other structural changes. Current Month performance may be higher or lower than return data quoted herein. For more current information including month-end performance and daily returns, please call 1-877-NesCALL (1-877-637-2255) or visit the Nestlé SmartSavings website at nestle.voya.com. Please refer to the performance section of the disclosure page for more information.**

## Portfolio Analysis as of 09-30-23



## Morningstar Fixed Income Style Box™ as of 09-30-23



## Top 10 Holdings as of 09-30-23

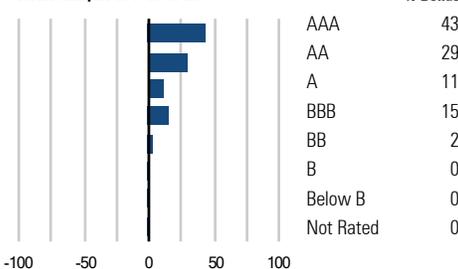
| Top 10 Holdings as of 09-30-23                    | % Assets |
|---|----------|
| Northern Trust Collective Governme                | 3.43     |
| United States Treasury Notes 4.25% 12-31-24       | 1.40     |
| United States Treasury Notes 0.375% 12-31-25      | 1.36     |
| United States Treasury Notes 0.375% 01-31-26      | 1.13     |
| United States Treasury Bonds 3% 11-15-45          | 0.97     |
| United States Treasury Notes 3.875% 12-31-29      | 0.90     |
| United States Treasury Notes 3.125% 11-15-28      | 0.83     |
| United States Treasury Bonds 2% 11-15-41          | 0.69     |
| United States Treasury Bonds 1.875% 02-15-51      | 0.69     |
| Federal National Mortgage Association 2% 01-01-51 | 0.61     |

|                                |        |
|--------------------------------|--------|
| Total Number of Stock Holdings | 0      |
| Total Number of Bond Holdings  | 15310  |
| Annual Turnover Ratio %        | 72.75  |
| Total Fund Assets (\$mil)      | 363.37 |

## Morningstar F-I Sectors as of 09-30-23

| Morningstar F-I Sectors as of 09-30-23 | % Fund |
|--|--------|
| Government                             | 35.18  |
| Corporate                              | 26.10  |
| Securitized                            | 36.06  |
| Municipal                              | 0.57   |
| Cash/Cash Equivalents                  | 2.08   |
| Derivative                             | 0.00   |

## Credit Analysis as of 09-30-23



## Principal Risks as of 09-30-23

Inflation-Protected Securities, Reinvestment, U.S. State or Territory-Specific, Active Management, Interest Rate, High-Yield Securities, Mortgage-Backed and Asset-Backed Securities, Municipal Obligations, Leases, and AMT-Subject Bonds, Underlying Fund/Fund of Funds, U.S. Government Obligations, Derivatives, Fixed-Income Securities, Maturity/Duration, Multimanager, Investment-Grade Securities, Unrated Securities, Variable-Rate Securities, Zero-Coupon Bond

# Important Disclosures

This Fund Fact Sheet should be considered in conjunction with other information available with respect to the fund and its underlying investments. The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's units when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

## Performance

Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted.

Standardized Total Return is total return adjusted for sales charges. The sales charge adjusted for may not necessarily be consistent with the prospectus.

The fund's performance is compared with that of an index. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index.

## Expense Ratio

This is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges. In contrast to the net expense ratio, the gross expense ratio does not reflect any fee waivers in effect during the time period.

## Morningstar Style Box™

The Morningstar Style Box™ reveals a fund's investment strategy as of the date noted on this report.

For equity funds, the vertical axis shows the market capitalization of the long stocks owned, and the horizontal axis shows the investment style (value, blend, or growth.) A darkened cell in the style box matrix indicates the weighted average style of the portfolio.

For portfolios holding fixed-income investments, a Fixed Income Style Box is calculated. The vertical axis shows the credit quality based on credit ratings and the horizontal axis shows interest-rate sensitivity as measured by effective duration. There are three credit categories - "High", "Medium", and "Low"; and there are three interest rate sensitivity categories - "Limited", "Moderate", and "Extensive"; resulting in nine possible combinations. As in the Equity Style Box, the combination of credit and interest rate sensitivity for a portfolio is represented by a darkened square in the matrix. Morningstar uses credit rating information from credit rating agencies (CRAs) that have been designated Nationally Recognized Statistical Rating Organizations (NRSROs) by the Securities and Exchange Commission (SEC) in the United States. For a list of all NRSROs, please visit <https://www.sec.gov/occr/current-nrsros.html>. Additionally, Morningstar will use credit ratings from CRAs which have been recognized by foreign regulatory institutions that are deemed the equivalent of the NRSRO designation. To determine the rating applicable to a holding and the

subsequent holding weighted value of a portfolio two methods may be employed. First is a common methodology approach where if a case exists such that two CRAs have rated a holding, the lower rating of the two should be applied; if three or more CRAs have rated a holding, the median rating should be applied; and in cases where there are more than two ratings and a median rating cannot be determined, the lower of the two middle ratings should be applied. Alternatively, if there is more than one rating available an average can be calculated from all and applied.

Please Note: Morningstar, Inc. is not an NRSRO nor does it issue a credit rating on the fund. Credit ratings for any security held in a portfolio can change over time.

Morningstar uses the credit rating information to calculate a weighted-average credit quality value for the portfolio. This value is based only upon those holdings which are considered to be classified as "fixed income", such a government, corporate, or securitized issues. Other types of holdings such as equities and many, though not all, types of derivatives are excluded. The weighted-average credit quality value is represented by a rating symbol which corresponds to the long-term rating symbol schemas employed by most CRAs. Note that this value is not explicitly published but instead serves as an input in the Style Box calculation. This symbol is then used to map to a Style Box credit quality category of "low," "medium," or "high". Funds with a "low" credit quality category are those whose weighted-average credit quality is determined to be equivalent to the commonly used High Yield classification, meaning a rating below "BBB", portfolios assigned to the "high" credit category have either a "AAA" or "AA+" average credit quality value, while "medium" are those with an average rating of "AA-" inclusive to "BBB-". It is expected and intended that the majority of portfolios will be assigned a credit category of "medium".

For assignment to an interest-rate sensitivity category, Morningstar uses the average effective duration of the portfolio. From this value there are three distinct methodologies employed to determine assignment to category. Portfolio which are assigned to Morningstar municipal-bond categories employ static breakpoints between categories. These breakpoints are: "Limited" equal to 4.5 years or less, "Moderate" equal to 4.5 years to less than 7 years; and "Extensive" equal to more than 7 years. For portfolios assigned to Morningstar categories other than U.S. Taxable, including all domiciled outside the United States, static duration breakpoints are also used: "Limited" equals less than or equal to 3.5 years, "Moderate" equals greater than 3.5 years but less than or equal to 6 years, and "Extensive" is assigned to portfolios with effective durations of more than 6 years.

Note: Interest-rate sensitivity for non-U.S. domiciled portfolios (excluding those in Morningstar convertible categories) may be assigned using average modified duration when average effective duration is not available.

For portfolios Morningstar classifies as U.S. Taxable Fixed-Income, interest-rate sensitivity category assignment is based on the effective duration of the Morningstar Core Bond Index (MCBI). The classification assignment is dynamically determined relative to the benchmark index value. A "Limited" category will be assigned to portfolios whose average effective duration is between 25% to 75% of MCBI average effective duration, where the average effective duration is between 75% to 125% of the MCBI the portfolio will be classified as "Moderate", and those portfolios with an average effective duration value 125% or greater of the average effective duration of the MCBI will be classified as

"Extensive".

## Additional Fund Information

In general, the annual turnover ratio is the percentage of an investment fund's holdings that have been "turned over" or replaced with other holdings in a given year. The type of investment fund, its investment objective and/or the portfolio manager's investing style impact its turnover ratio. High turnover can result in higher brokerage and other transaction fees, which reduce fund returns. The annual turnover ratio is calculated as of December 31, 2022.

## General Information

The information provided in this Fund Fact Sheet should not be considered a recommendation by Nestlé USA, any related parties or any other person to invest in the Fund or any other fund. The Fund is privately offered. The Fund's underlying investments are managed by one or more investment managers or are invested in one or more other funds which may also be privately offered, such as investment bank-maintained collective investment funds (including for example, as a fund managed by BlackRock Institutional Trust Company, N.A.). Prospectuses are not required and prices are not available in local publications.

The underlying investments of the Fund may be changed at any time. In addition, the index or benchmark used for the Fund, or the composition of the benchmark, may be changed at any time, prospectively or retroactively, without restating any prior reports or disclosures.

This fund fact sheet includes investment option-related information provided in connection with Department of Labor ("DOL") Rule 404a-5 under ERISA ("Rule 404a-5") and ERISA Section 404(c). Additional information disclosed under Rule 404a-5 and ERISA Section 404(c) (including plan-related information, information related to fees and expenses that are charged to participant accounts and further investment return information including daily returns) are also provided to plan participants and beneficiaries, including through the Nestlé Smart\$aving website at [nestle.voya.com](http://nestle.voya.com) or the Nestlé Smart\$aving Call Center at 1-877-NesCALL (1-877-637-2255) (select the "401(k) Savings" prompt; representatives are available weekdays from 7:30 a.m. to 8:00 p.m. (Eastern Time) except on NYSE holidays).

Before investing, remember to review all fund literature and other information available, including this Fund Fact Sheet and the Nestlé Smart\$aving website, which contains important details relating to the Fund and the savings plan. However, the information provided herein and on the Nestlé Smart\$aving website does not constitute individual investment advice, is only informational in nature and should not be used by any plan participant or beneficiary as a primary basis for making an investment decision. "Savings plan" refers to the Nestlé 401(k) Savings Plan and the Nestlé USA, Inc. Hourly Retirement Savings Plan.

## Collective Trusts and Separate Accounts

Collective Trusts and Separate Accounts are professionally managed investment options designed to offer cost effective investments to large investors. In general, Collective Trusts are overseen by banking regulators and the Separate Accounts and other investments may be overseen by the SEC or be subject to prospectus or other requirements of federal securities laws. However, in this case, the Fund is not required to have a prospectus. The plan involved and its investments are subject to the provisions of Employee Retirement Income Security Act (ERISA) regarding fiduciary

# Important Disclosures

duties and the US Department of Labor is the regulatory agency with authority under ERISA.

## **Investment Risk:**

### **Inflation-Protected Securities**

Unlike other fixed-income securities, the values of inflation-protected securities are not significantly impacted by inflation expectations because their interest rates are adjusted for inflation. Generally, the value of inflation-protected securities will fall when real interest rates rise and rise when real interest rates fall.

### **Reinvestment**

Payments from debt securities may have to be reinvested in securities with lower interest rates than the original securities.

### **U.S. State or Territory-Specific**

Investments in the municipal securities of a particular state or territory may be subject to the risk that changes in the economic conditions of that state or territory will negatively impact performance.

### **Active Management**

The investment is actively managed and subject to the risk that the advisor's usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the portfolio to lose value or underperform investments with similar objectives and strategies or the market in general.

### **Interest Rate**

Most securities are subject to the risk that changes in interest rates will reduce their market value.

### **High-Yield Securities**

Investments in below-investment-grade debt securities and unrated securities of similar credit quality, commonly known as "junk bonds" or "high-yield securities," may be subject to increased interest, credit, and liquidity risks.

### **Mortgage-Backed and Asset-Backed Securities**

Investments in mortgage-backed ("MBS") and asset-backed securities ("ABS") may be subject to increased price volatility because of changes in interest rates, issuer information availability, credit quality of the underlying assets, market perception of the issuer, availability of credit enhancement, and prepayment of principal. The value of ABS and MBS may be adversely affected if the underlying borrower fails to pay the loan included in the security.

### **Municipal Obligations, Leases, and AMT-Subject Bonds**

Investments in municipal obligations, leases, and private activity bonds subject to the alternative minimum tax have varying levels of public and private support. The principal and interest payments of general-obligation municipal bonds are secured by the issuer's full faith and credit and supported by limited or unlimited taxing power. The principal and interest payments of revenue bonds are tied to the revenues of specific projects or other entities. Federal income tax laws may limit the types and volume of bonds qualifying for tax exemption of interest and make any further purchases of tax-exempt securities taxable.

### **Underlying Fund/Fund of Funds**

A portfolio's risks are closely associated with the risks of the securities and other investments held by the underlying or subsidiary funds, and the ability of the portfolio to meet its investment objective likewise depends on the ability of the underlying funds to meet their objectives. Investment in other funds may subject the portfolio to higher costs than owning the underlying securities directly because of their management fees.

### **U.S. Government Obligations**

Investments in U.S. government obligations are subject to varying levels of government support. In the event of default, some U.S. government securities, including U.S. Treasury obligations and Ginnie Mae securities, are issued and guaranteed as to principal and interest by the full faith and credit of the U.S. government. Other securities are obligations of U.S. government-sponsored entities but are neither issued nor guaranteed by the U.S. government.

### **Derivatives**

Investments in derivatives may be subject to the risk that the advisor does not correctly predict the movement of the underlying security, interest rate, market index, or other financial asset, or that the value of the derivative does not correlate perfectly with either the overall market or the underlying asset from which the derivative's value is derived. Because derivatives usually involve a small investment relative to the magnitude of liquidity and other risks assumed, the resulting gain or loss from the transaction will be disproportionately magnified. These investments may result in a loss if the counterparty to the transaction does not perform as promised.

### **Fixed-Income Securities**

The value of fixed-income or debt securities may be susceptible to general movements in the bond market and are subject to interest-rate and credit risk.

### **Maturity/Duration**

Securities with longer maturities or durations typically have higher yields but may be subject to increased interest-rate risk and price volatility compared with securities with shorter maturities, which have lower yields but greater price stability.

### **Multimanager**

Managers' individual investing styles may not complement each other. This can result in both higher portfolio turnover and enhanced or reduced concentration in a particular region, country, industry, or investing style compared with an investment with a single manager.

### **Investment-Grade Securities**

Investments in investment-grade debt securities that are not rated in the highest rating categories may lack the capacity to pay principal and interest compared with higher-rated securities and may be subject to increased credit risk.

### **Unrated Securities**

Investments in unrated securities may be subject to increased interest, credit, and liquidity risks if the advisor does not accurately assess the quality of those securities.

### **Variable-Rate Securities**

Investments in variable-rate securities, which periodically adjust the interest-rate paid on the securities, may be subject

to greater liquidity risk than are other fixed-income securities. Because variable-rate securities are subject to less interest-rate risk than other fixed-income securities, their opportunity to provide capital appreciation is comparatively reduced.

### **Zero-Coupon Bond**

Investments in zero-coupon bonds, which do not pay interest prior to maturity, may be subject to greater price volatility and liquidity risks than are fixed-income securities that pay interest periodically. Still, interest accrued on these securities prior to maturity is reported as income and distributed to shareholders.