International ADR Managed Account Fact Sheet & Commentary

DUFF & PHELPS INVESTMENT MANAGEMENT CO.

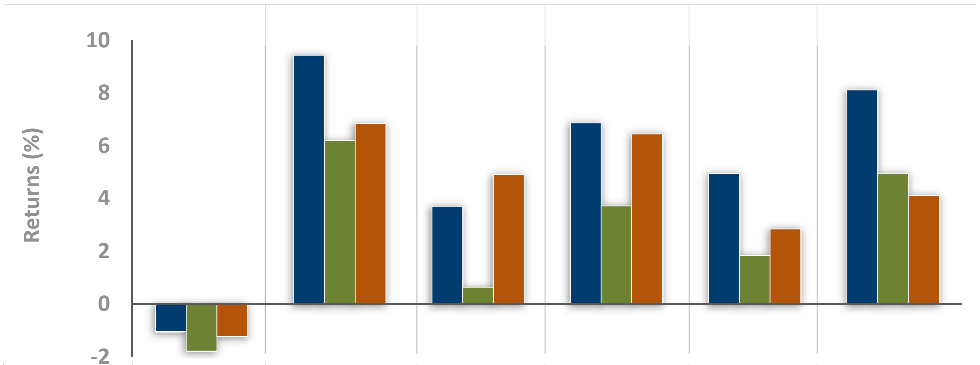
A VIRTUS INVESTMENT PARTNER

Quarter Ending June 30, 2018

STRATEGY

- High conviction portfolio of 30-40 international stocks
- Bottom-up research informed by top-down macros views
- Investment style is Core with a Quality and Value bias
- Cash flow based approach to valuation
- Flexibility to adapt to market conditions

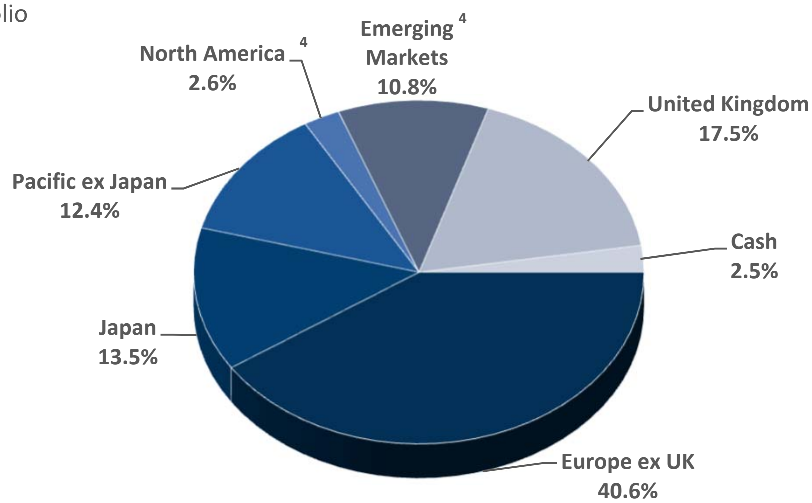
PERFORMANCE[1]



	QTR	1YR	3YRS	5YRS	10YRS	SINCE INCEPTION
Intl. Equity Gross[2]	-1.05%	9.43%	3.70%	6.86%	4.94%	8.11%
Intl. Equity Net	-1.79%	6.19%	0.63%	3.71%	1.84%	4.93%
MSCI EAFE Index (net)	-1.24%	6.84%	4.90%	6.44%	2.84%	4.11%

REGIONAL EXPOSURE[3]

% of Portfolio



STRATEGY OVERVIEW

Inception Date	January 1, 2006
Benchmark	MSCI EAFE® Index (net)
Number of Holdings	30 – 40
Expected Turnover	~50%

PORTFOLIO CHARACTERISTICS[3]

	Portfolio	MSCI EAFE Index (net)
Number of Holdings	34	926
Weighted Avg. Market Cap	$47.4b	$42.1b
Forward Price to Earnings	11.4	14.7
Price to Cash Flow	8.2	9.6
Price to Book	1.5	1.5
Est. 3- 5 Year EPS Growth	7.5%	8.8%
Dividend Yield (net)	3.0%	3.2%

TOP TEN HOLDINGS[3]

	Country	% of Port
Conch Cement H ADR	China	4.3
DBS Group Holdings ADR	Singapore	4.0
Ashtead Group Plc ADR	U.K.	3.9
Sony Corp Sponsored ADR	Japan	3.5
Nidec Corporation ADR	Japan	3.5
Ctrip.Com International ADR	China	3.4
Airbus SE ADR	France	3.4
Hitachi Ltd ADR	Japan	3.4
easyJet ADR	U.K.	3.4
Allergan Plc ADR	U.K.	3.3

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[1]Inception date is January 1, 2006. Periods over one year are annualized. Please see the GIPS Compliant Presentation for more information. [2]Effective April 2011, gross performance is shown as "pure" gross performance, as returns have not been reduced by transaction costs. [3]Holdings, weights, and characteristics are from a representative account and are subject to change. Weights include cash. [4]Mexican holdings of 2.6% reflected in North America.

Past performance is not indicative of future results.

The Quarter in Review

In the second quarter of 2018 international equity markets declined for the second consecutive quarter. Non-US developed markets represented by the MSCI EAFE Index declined -1.24% in 2Q while the Duff & Phelps International Equity Strategy performed essentially in line with the benchmark down -1.05% (gross return). The “melt up” euphoria which lasted through 2017 has given way to new fears in 2018. Markets in the U.S., Europe, and China continue to digest the implications of the “tariff wars” and a host of other uncertainties both political and economic, and sanguine reactions to uncertainty have given way to episodes of market skittishness. However, underlying economic fundamentals remain largely positive which served to mute the overall impact of adverse news events.

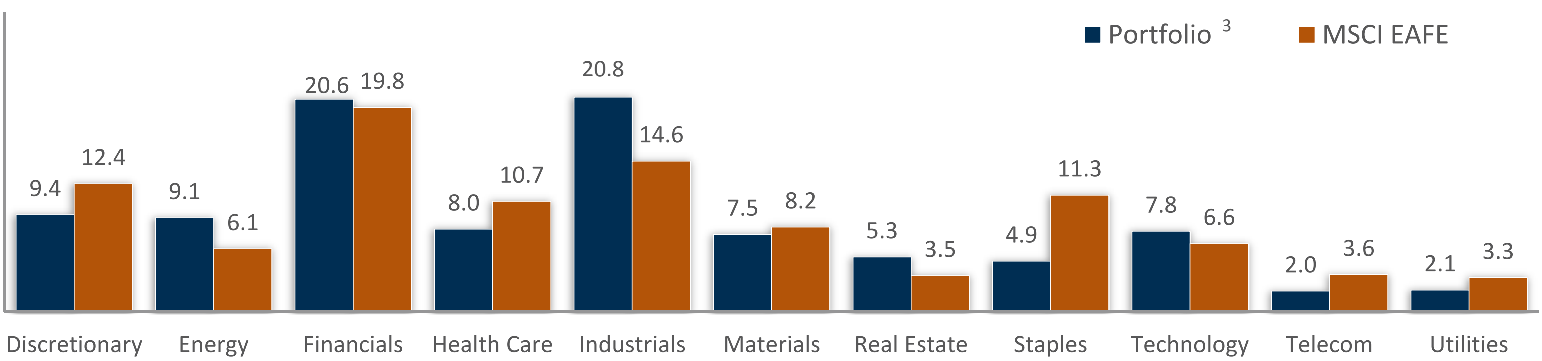
Our strategy’s performance in the second quarter was driven by the positive impact of our sector allocations, attributable to the strategy’s overweights to energy and materials, as well as an underweight to telecommunications. An overweight to financials as well as underweights to consumer staples and healthcare were modest detractors, as defensive sectors held up well in a weaker market. Security selection detracted from results this quarter, namely in financials and materials. Security selection in industrials, consumer discretionary, and information technology was accretive to results, but was not enough to offset the security selection drag from other sectors. At the index level only five out of eleven sectors posted positive returns. The energy sector was the standout, rising more than 11%, while the financials sector was the laggard with a nearly -6% decline. Healthcare was the only other sector to rise more than 1% in the quarter.

Portfolio Positioning

At the sector level, our most significant changes this quarter were moving both the financials and the materials sectors from significant overweights to more of a market weight. In the case of financials this was achieved by selling ING and Nomura, while in materials we eliminated Heidelberg Cement and Toray. Proceeds were deployed across new purchases in several other sectors including consumer discretionary (Carnival), real estate (British Land), health care (Bayer) and energy (ENI). We also added to existing positions in Golden Ocean while trimming our positions in Equinor (formerly known as Statoil), and Technip in order to partially fund the ENI purchase. At the end of the quarter our largest overweights were industrials, energy, and real estate while our largest underweights were in consumer staples, consumer discretionary, and health care. We still view our portfolio as being geared for a secular global growth environment, albeit incrementally less so than a quarter ago.

Regionally, we finished the quarter with our largest out of index weighting in emerging markets, a market weight allocation to Asia ex-Japan and the UK, and underweights to Japan and Europe ex-UK. The underweight to Europe can be mostly accounted for through consumer related names we do not hold. The emerging markets exposure is almost entirely concentrated in China-focused names and is primarily a call on the region’s ongoing economic expansion with exposure to the financial sector (China Construction Bank), expanding middle class travel (Ctrip.com), and general construction (Anhui Conch Cement). Given the depth and breadth of the Chinese markets, one wonders if the true definition of emerging market still rings true for the largest economy in the world measured on a purchasing power parity basis.

Sector Weights (in %) as of 06/30/18



The Market Ahead

Coming into 2018 a sense of positive inevitability had created an uncharacteristic calm across equity markets. This bullish calm relied heavily on expectations for globally synchronized economic growth and a flat-to-weakening U.S. dollar. But six months in, neither has held true. Economic growth trajectories have diverged and the dollar has strengthened. Both events have served to undermine the confidence of international equity market participants, and have particularly punished commodity stocks and emerging markets equities. The escalation of tariff announcements – both in terms of frequency and magnitude – as well as a market which is just now having to come to grips with the removal of a decade-plus of monetary and fiscal stimulus packages, have served to shake confidence in the globally coordinated growth story. And stronger-than-elsewhere U.S. GDP growth and rising U.S. interest rates have led to a surprisingly durable rally in the reserve currency.

That said, global growth still appears relatively strong. Manufacturing activity is still expanding in all but 6% of countries globally. We still observe favorable global PMIs[1], led by the U.S. and the Eurozone. Labor markets remain robust, while wage growth hasn't crossed into inflationary territory. This is at least partly attributable to excess capacity, which has also enabled producers to accommodate surging demand without a litany of supply issues. The bid for investment grade corporate debt remains strong. Yield curves are flattish, driven more by technical demand on the back end of the curve rather than recessionary fears. And corporate earnings growth is healthy globally. These are among the metrics which give us confidence that the risks to continued global economic growth remain to the upside.

In acknowledgement of the episodes of market skittishness, we have taken steps to modestly reduce the beta and cyclical tilt of our portfolio, namely through reductions to our financials and materials sector exposures. We have elected, however, to maintain our significant overweight to industrial sector stocks. While industrials have lagged recently, we see the sector as having more than priced in any semblance of a moderating global growth outlook. We are intrigued about the possibility of capital goods orders in developed markets outside the U.S. catching up with U.S., which has already seen steady post-Crisis growth, and the positive implications that could have for the industrial names we've selected for our portfolio.

We expanded our underweight to Japan even further during the second quarter. We have long had a positive (and oftentimes out of consensus) opinion about the longer term changes taking place in that country. However, over the past year we've identified better actionable opportunities in Asia outside of Japan, which when combined with a persistently strong yen have led us to move our exposure elsewhere – and to China in particular. The strong yen hurts Japan's global competitiveness and increases the risk of a return to deflation. We also see other risks in Japan including high government debt to GDP, little excess capacity in its labor market, and uncertainty around the timing and effects of its fiscal tapering and yield curve control. So we remain underweight but that is less of a negative long term view on Japan and more of an affirmation of ideas we are finding elsewhere in the near term.

We continue to monitor global political events closely. We handicap their potential outcomes and evaluate those outcomes' implications for our portfolio. In Europe, for example, Germany's Merkel sits atop an ever-weakening coalition, Italy is transferring control to a new Euro-skeptic leadership, and Theresa May's cabinet in the UK continues to fray over BREXIT plans. And in the emerging markets, China sits in President Trump's tariff crosshairs as it tries to stave off an economic slowdown, Mexico has elected a leftist leader likely to further escalate tensions with the U.S., and Venezuela sits on the brink of a collapse in its oil-fueled economy. All that said, we believe we have positioned our portfolio optimally for the vision of global growth we've described in this note. And we continue to be excited about the return of a market environment where companies with strong balance sheets, durable earnings profiles, and excellent stewardship of capital will distinguish themselves as outperformers. It is exactly this sort of environment which sets an excellent stage for our strategy to excel.

As always, we thank you for your continued support. Please call us directly if we can provide additional portfolio commentary to you or your clients.

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Senior Portfolio Manager

John Creswell
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Executive Managing Director

[1]Purchasing Managers' Indices

IMPORTANT RISK CONSIDERATIONS:
Equity Securities: The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Foreign & Emerging Markets**: Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Derivatives**: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

GIPS Compliant Presentation

Year-end (12/31)	Annual Composite Return (%)		Annual Benchmark Return (%)	3-Year Annualized Standard Deviation (%)		Number of Accounts	Asset-weighted Dispersion (%)	Composite Assets (US $M)	Firm Total Assets (US $B)	% of Bundled Fee Accounts In Composite
	Gross	Net		Composite	Benchmark					
2017	18.55	15.05	25.03	10.35	11.83	<5	n.a.	58.8	10.2	100%
2016	-0.40	-3.35	1.00	11.33	12.46	<5	n.a.	11.4	10.3	100%
2015	2.43	-0.60	-0.81	12.26	12.46	<5	n.a.	57.8	n.a.[1]	100%
2014	-4.04	-6.89	-4.90	12.09	13.03	<5	n.a.	54.1	n.a.[1]	100%
2013	15.96	12.57	22.78	14.15	16.25	<5	n.a.	12.0	n.a.[1]	100%
2012	16.32	12.92	17.32	16.78	19.37	<5	n.a.	10.9	n.a.[1]	100%
2011	-2.88	-5.77	-12.14	19.34	22.43	<5	n.a.	5.1	n.a.[1]	100%
2010	11.95	8.67	7.75	21.97	26.23	<5	n.a.	1.4	n.a.[1]	0%
2009	37.05	33.09	31.78	20.32	23.58	<5	n.a.	0.8	n.a.[1]	0%
2008	-28.89	-31.06	-43.38	17.89	19.24	<5	n.a.	0.5	n.a.[1]	0%

[1]Results were achieved while at a prior firm. [2]Effective April 2011 gross performance is shown as "Pure" gross performance for bundled fee accounts as returns have not been reduced by transaction costs and is presented as Supplemental Information.

Duff & Phelps Investment Management Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Duff & Phelps Investment Management Co. has been independently verified for the periods January 1, 1993 through December 31, 2016. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

1. Organization – Duff & Phelps Investment Management Co. ("Duff & Phelps" or the "firm") is a registered investment adviser and a wholly owned subsidiary of Virtus Investment Partners. Duff & Phelps manages assets on behalf of institutional and retail separate accounts and open-end and closed-end funds. Registration of an investment adviser does not imply any level of skill or training.

2. Composite Description – The International ADR Equity Managed Account Composite includes all fully discretionary wrap/SMA accounts from all managed account platforms (excluding UMA assets) that focus their investments in international ADR equity securities with the objective of achieving superior long-term returns through capital appreciation and dividend income as prices of such securities return to fair value. Risk is controlled by monitoring regional and sector exposures and by pursuing investments with a bias towards valuation and quality. Prior to April 2011, the Composite did not include wrap/SMA accounts and consisted of other bundled fee accounts. The inception date of the Composite is January 1, 2006 and the Composite was created on October 1, 2016.

Performance presented for the period August 1, 2012 through September 6, 2016 occurred while the Portfolio Manager was affiliated with Euclid Advisors LLC. Performance presented prior to August 1, 2012 occurred while the Portfolio Manager was affiliated with Avatar Associates. From 2006 through 2010, none of the portfolios in the Composite were fee-paying, from January 2011 through April 2011 the portfolios converted to fee-paying accounts, and effective April 30, 2011 and forward, all of the portfolios in the Composite are fee-paying. For all periods, the Portfolio Manager was the only individual responsible for selecting securities to buy and sell. This presentation conforms to the GIPS guidelines regarding the portability of investment results.

The strategy invests primarily in developed markets, including the U.S. and Canada. It may also invest up to 20% in emerging market securities.

3. Benchmark – The Composite Benchmark is the MSCI EAFE Index (Europe, Australasia, Far East) (net), a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. Benchmark returns are calculated net of non-reclaimable withholding taxes.

4. Calculations – Returns are expressed in U.S. dollars and include accrued income. The Composite and Benchmark results reflect the reinvestment of dividends and other earnings. The Composite return is an asset weighted average of the performance results of all the portfolios in the Composite based on beginning of month values. The withholding tax rates used in the calculation of account performance are dependent on account domicile and/or platform methodologies. The annual composite dispersion is an asset weighted standard deviation calculated for the accounts in the composite for the entire year and is not presented for periods with 5 or fewer portfolios. The 3-year annualized ex-post standard deviation measures the variability of the Composite and the Benchmark returns over the preceding 36-month time period and is not presented for periods of less than 36 months. The table above reflects corrected 2016 Composite assets of $11.4 million. Gross Composite performance results prior to 2012 have been restated from prior presentations, as have been the resulting net Composite results and the Composite 3-year standard deviation results for the period.

5. Performance and Fee Information – Investment performance returns are presented on both a gross of fee and net of fee basis. Gross returns do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. Effective April 2011, gross performance is shown as "pure" gross performance, as returns have not been reduced by transaction costs, and is presented as Supplemental Information. Net of fee performance was calculated monthly using an assumed highest bundled fee of 3.00%, the standard wrap fee schedule. Bundled fees include trading and administrative fees, investment management fees and advisory fees; and actual bundled fee rates are determined at the platform sponsor level. Returns realized by clients will be reduced by actual bundled fee rates and rates incurred by clients may vary. Index returns do not reflect the deduction of any fees.

6. Additional Information – Duff & Phelps's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request.