U.S. LARGE CAP GROWTH EQUITY PORTFOLIO

Third Quarter 2018

SGA
Sustainable Growth Advisers
A VIRTUS INVESTMENT PARTNER

KEY TAKEAWAYS FOR THE QUARTER

Markets—U.S. equities outperformed as strong economic data offset concerns over rising interest rates and trade. Non-U.S. stocks were pressured by slowing growth, rising interest rates, a strong U.S. dollar, and climbing oil prices.

Portfolio—We continue to focus on underlying drivers of business quality: strong pricing power, recurring revenue streams, high free cash flow generation, and long duration growth opportunities. The portfolio is forecast to generate 18.5% earnings growth over the next three years with superior quality in terms of higher cash flow generation, less debt, and better profit margins with a more attractive cash flow-based valuation than the benchmark.

Outlook—We expect greater volatility and opportunity with tightening liquidity and greater differentiation between companies in coming years as the unprecedented monetary accommodation of the last decade recedes.

PORTFOLIO CONSTRUCTION

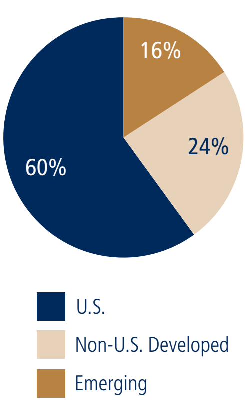
Holdings	Position Size	Max Exposure to One Sector	Max Exposure to One Industry	Expected Annual Turnover
25-30	2-6%	40%	25%	30-40%

PORTFOLIO STATISTICS

Style	U.S. LCG
Assets	$7.3B
Portfolio Holdings	29
Composite Inception	April 1, 2000
Top 10 Positions	40%
Portfolio Turnover (Trailing 12 Months)	33%
Active Share	79%

PORTFOLIO EXPOSURE

By Revenues



TOP 10 HOLDINGS

	Weight
Yum! Brands	4.4%
Ecolab	4.2%
Visa	4.1%
Equinix	4.0%
Red Hat	4.0%
Alphabet	4.0%
UnitedHealth	4.0%
FleetCor	3.9%
Autodesk	3.9%
Schlumberger	3.9%

Founded in 2003, Sustainable Growth Advisers is a growth equity manager focused on providing high conviction U.S., global, and international portfolios, primarily for institutional clients.

Our approach is designed to generate excellent absolute and relative returns over time by aligning client objectives with differentiated global businesses that we believe offer predictable, sustainable growth and have the ability to generate meaningful wealth.

IDENTIFY
only those few differentiated global businesses that offer predictable, sustainable growth over the long term.

CONDUCT
deep company research with coverage by multiple analysts to enhance objectivity.

INCLUDE
valuation as an essential element of growth stock selection; cash flow metrics best reflect reality.

FOCUS
on a longer-term time horizon to take advantage of short-term inefficiencies and volatility.

INVEST
with conviction based solely on opportunity and not benchmark active weights.

Source: Bloomberg, SGA Analyst Estimates and Adjustments. Data as of 9/30/18. SGA weights and characteristics are based on a representative account. All accounts are modeled in line with SGA's representative account. Account holdings and weights may differ from this representative account. Holdings/weights are subject to change without notice and should not be considered to be investment advice, a recommendation to purchase or sell a specific security, or as indicative of the investment performance of SGA's portfolio. **It should not be assumed that future results will be reflective of past performance.**

PORTFOLIO REVIEW

SGA's U.S. Large Cap Growth portfolio returned 9.4% (gross) and 8.6% (net) in the third quarter while the benchmark Russell 1000® Growth Index returned 9.2%, and the S&P 500® Index returned 7.7%. Stock selection contributed positively while sector allocations, a by-product of selection, detracted. On a relative basis, stock selection in consumer discretionary, materials, and communication services sectors benefited portfolio performance the most, while technology stock selection was the largest detractor. Sector weights detracted due to overweight exposure in the weakly performing energy and materials sectors, where positions in oil service leader Schlumberger and industrial gas provider Praxair underperformed.

The two largest contributors to performance in the quarter were Autodesk and Yum! Brands.

- Computer-aided design software leader **Autodesk** posted solid Q2 earnings and boosted its forecast amid attractive cloud subscriber growth as its digital transition gained strength. While the transition to a SaaS model will result in some added volatility to revenue and earnings growth shorter term, we expect it will lead to higher quality, more predictable revenue, and earnings growth over our 3-5 year investment horizon.
- **Yum! Brands'** stock rebounded from its chicken supply issues in the U.K. in the first half of 2018, as unit growth continued to accelerate and management provided a positive outlook on the current quarter. With a strong consumer and earnings growth expected to accelerate in 2019, the company is gaining appreciation for attractively valued and diversified growth opportunities, predictability of earnings, and cash flow from its royalty fee-based revenue stream.

The two largest detractors were Schlumberger and Booking Holdings.

- Global oil service leader **Schlumberger** was negatively impacted by the sell-off in the oil service sector triggered by competitor Halliburton's reduced guidance tied to a short-term slowdown in North American oilfield activity, a pullback causing producers to realize less for their oil, and fears over the potential impact of trade tariffs on demand. Our research indicates an attractive 2019 for the company with significant growth in international capex as oil companies have already resumed investments to meet a growing supply/demand imbalance after years of underinvestment. We purchased additional shares on the stock price weakness given our positive outlook.
- Online travel agency **Booking Holdings** reported strong Q2 results but offered more cautious Q3 guidance, which put pressure on the stock. Q2 results demonstrated the company's progress in transitioning to a stronger brand with more direct traffic leading to more operating leverage and higher profitability. Organic revenue growth, profit, and cash flow growth all exceeded our estimates as well as those of the consensus. 50% of its traffic was sourced directly, representing its fastest-growing segment, as opposed to through intermediaries such as Google or metasearch engines as it had been historically. While management is deliberately slowing growth to a degree to focus on higher value, higher margin direct traffic, we are also cognizant that the core growth of Booking's business is gradually slowing due to the law of large numbers. With continued opportunities to enhance monetization and benefits from increased direct traffic, we expect the company's profits to grow in the mid-teens over the next 3-5 years, with conservative guidance by management likely to continue. We maintained an average weight position in the portfolio during the quarter.

PORTFOLIO ACTIVITY

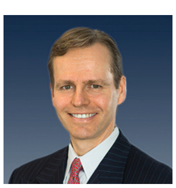
Turnover was slightly below our long-term average, with the sale of global coffee retailer Starbucks and German software provider SAP, and the purchase of healthcare company Abbott. In addition, positions in Autodesk and Ulta Beauty were trimmed on strength, while shares in Ecolab, Estee Lauder, Praxair, Schlumberger, and Yum! Brands were added to on weakness.

- We liquidated the SAP position and reallocated the capital to existing positions in higher-expected return holdings Microsoft and Praxair. SAP continued to benefit from its strengthening cloud business and remains on our Qualified Company List.
- We sold our remaining shares in Starbucks in order to purchase Abbott Laboratories. Starbucks was held since the portfolio's inception and provided a very attractive return as the company expanded its business globally.
- Abbott is a diversified global healthcare company that operates in 150+ countries, with four major segments: nutritionals, branded generics in emerging markets (EM), diagnostics, and medical devices. We consider approximately 30% of Abbott's businesses to be lower growth, such as its U.S. nutrition, vascular, cardiac rhythm management, and legacy diabetes businesses. However, we view its international nutrition, global diagnostics, EM-branded pharmaceuticals, continuous glucose monitoring, and other med-tech businesses as faster growing. We initiated a below-average weight position and expect to build it opportunistically moving forward.

OUTLOOK

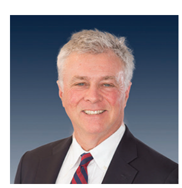
We expect to see greater differentiation between businesses as the unprecedented monetary accommodation of the last decade recedes. Business quality and considerations of underlying risk, which were overshadowed by the Bernanke and Yellen "puts," will again matter as rising financing costs pressure more levered and sub-par businesses which thrived in the environment created. While the transition won't be linear, we do strongly believe that the new trend toward greater differentiation by investors is securely in place. Adding weakening global growth, continuing geopolitical concerns, and the spectacle of rising trade tensions between the U.S. and China to the mix, increasing volatility and differentiation seems likely in 2019 and beyond.

MANAGEMENT TEAM



George Fraise
Founding Principal
With SGA since 2003

Robert Rohn
Founding Principal
With SGA since 2003



Gordon Marchand
Founding Principal
With SGA since 2003

COMPOSITE RETURNS

	YTD 2018	1-Year	3-Year	5-Year	7-Year	10-Year	Since Inception
SGA U.S. LCG (Gross)	17.9%	24.3%	18.4%	14.7%	17.9%	13.7%	7.7%
SGA U.S. LCG (Net)	15.3%	20.7%	14.9%	11.4%	14.4%	10.4%	4.5%
Russell 1000® Growth Index (TR)	17.1%	26.3%	20.6%	16.6%	18.7%	14.3%	4.4%

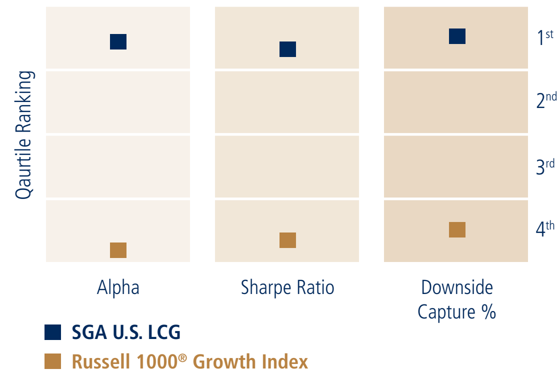
ANNUAL RETURNS

Period	SGA U.S. LCG (Gross)	SGA U.S. LCG (Net)	Russell 1000® Growth Index
April 1–Dec. 31, 2000	3.27%	0.98%	-27.58%
2001	-5.17%	-7.99%	-20.42%
2002	-14.71%	-17.27%	-27.88%
2003	20.32%	16.81%	29.75%
2004	9.96%	6.73%	6.30%
2005	3.42%	0.36%	5.26%
2006	2.70%	-0.34%	9.07%
2007	4.88%	1.79%	11.81%
2008	-34.29%	-36.31%	-38.44%
2009	46.24%	42.05%	37.21%
2010	13.20%	9.88%	16.71%
2011	4.85%	1.76%	2.64%
2012	21.09%	17.57%	15.26%
2013	27.94%	24.23%	33.48%
2014	9.41%	6.20%	13.05%
2015	9.38%	6.16%	5.67%
2016	1.81%	-1.20%	7.08%
2017	26.51%	22.84%	30.21%
YTD 2018	17.91%	15.33%	17.09%

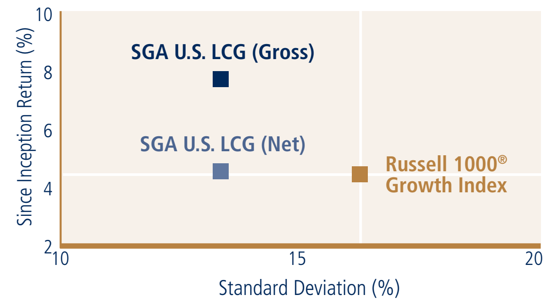
PORTFOLIO CHARACTERISTICS

	SGA U.S. LCG	Russell 1000® Growth Index
Weighted Avg. Market Cap	$178B	$320B
Median Market Cap	$70B	$13B
Estimated 3-Year EPS Growth	18.5%	15.9%
Estimated 3-Year Revenue Growth	10.0%	8.9%
Forward Price/Earnings	26.6x	23.1x
Price/Book	6.4x	7.5x
Dividend Yield	1.0%	1.1%
Gross Margin	41.4%	40.4%
Debt/Equity	127%	236%
Cash/Earnings Ratio (C/E)	97%	83%
Enterprise Yield	3.5%	2.7%

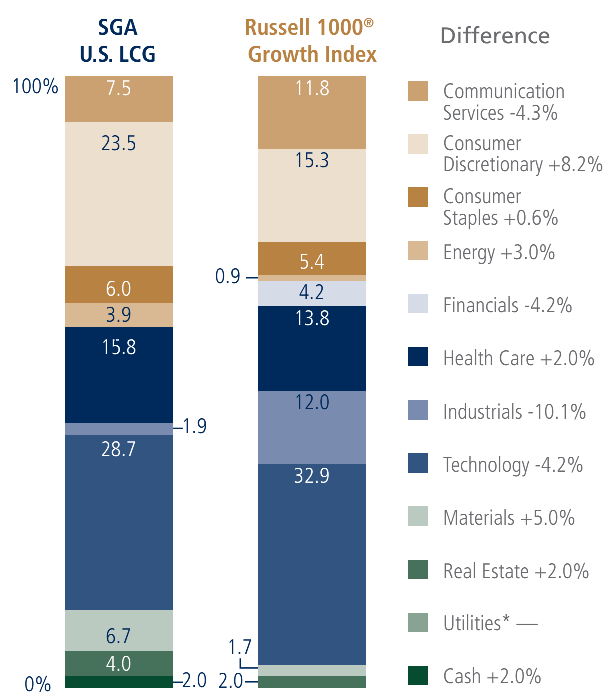
PEER COMPARISON



RISK VS. RETURN



SECTOR ALLOCATION



*Index and Portfolio had 0% allocation to the Utilities sector.

Source: Bloomberg, SGA Analyst Estimates and Adjustments. Data as of 9/30/18. SGA EPS Growth data is based upon portfolio companies non-GAAP operating earnings. SGA Enterprise Yield (EY) is a proprietary measure of the projected free cash flow truly available to investors as a percentage of market value (CFATS / Market Capitalization). SGA weights and characteristics are based on a representative account. All accounts are modeled in line with SGA's representative account. Account holdings and weights may differ from this representative account. Holdings/weights are subject to change without notice and should not be considered to be investment advice, a recommendation to purchase or sell a specific security or as indicative of the investment performance of SGA's portfolio. The list provided does not represent all of the securities recommended for advisory clients. A complete list of all securities recommended for the strategy in the preceding year can be obtained free of charge by contacting SGA at (203) 348-4742. Gross and net performance as of 9/30/18. The Net Returns are calculated based upon the highest published fees. The net performance has been reduced by the amount of the highest published fee that may be charged to SGA clients, 3.00%, employing the U.S. Large Cap Growth WRAP equity strategy during the period under consideration. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. Returns reflect the reinvestment of dividends, interest and other earnings. SGA U.S. Large Cap Growth WRAP composite inception is 4/1/2000. The performance record presented for periods prior to July 1, 2003 occurred before the inception of SGA, and represents the portable performance record established by two of SGA's founders (and investment committee members) Gordon Marchand and George Fraise while affiliated with a prior firm. This information is supplemental & complements full disclosure presentation on composite performance found on the back page of this document. **It should not be assumed that future results will be reflective of past performance.**

	Total Return						3 Year Standard Deviation			Total Assets at Period End (USD millions)		
Period	Before Fees	After Fees	Russell 1000® Growth Index	S&P 500® Index	Number of Portfolios	Composite Dispersion	SGA Composite	Russell 1000® Growth Index	S&P 500® Index	Composite	Firm	WRAP Accounts % of Composite Assets
April 1–Dec. 31, 2000	3.27%	0.98%	-27.58%	-11.14%	25	-				394	-	0%
2001	-5.17%	-7.99%	-20.42%	-11.89%	25	0.7%				305	-	0%
2002	-14.71%	-17.27%	-27.88%	-22.10%	26	2.0%				558	-	0%
2003	20.32%	16.81%	29.75%	28.68%	Five or Fewer	N/A	14.17%	22.66%	18.07%	747	777	0%
2004	9.96%	6.73%	6.30%	10.88%	6	N/A	12.08%	15.45%	14.86%	1,408	1,460	0%
2005	3.42%	0.36%	5.26%	4.91%	13	0.1%	9.04%	9.53%	9.04%	2,661	2,711	0%
2006	2.70%	-0.34%	9.07%	15.79%	15	0.1%	8.19%	8.31%	6.82%	3,467	3,512	0%
2007	4.88%	1.79%	11.81%	5.49%	17	0.2%	8.48%	8.54%	7.68%	2,883	2,920	0%
2008	-34.29%	-36.31%	-38.44%	-37.00%	16	0.3%	14.51%	16.40%	15.08%	1,324	1,360	0%
2009	46.24%	42.05%	37.21%	26.46%	16	0.4%	18.19%	19.73%	19.63%	1,589	1,711	0%
2010	13.20%	9.88%	16.71%	15.06%	19	0.3%	21.30%	22.11%	21.85%	1,508	1,600	0%
2011	4.85%	1.76%	2.64%	2.11%	25	0.3%	17.85%	17.76%	18.71%	1,637	2,686	0%
2012	21.09%	17.57%	15.26%	16.00%	41	0.3%	16.06%	15.66%	15.09%	2,819	4,278	0%
2013	27.94%	24.23%	33.48%	32.39%	53	0.4%	11.91%	12.18%	11.94%	4,084	5,611	6%
2014	9.41%	6.20%	13.05%	13.69%	52	0.3%	9.66%	9.59%	8.97%	3,842	5,332	6%
2015	9.38%	6.16%	5.67%	1.38%	53	0.3%	11.42%	10.70%	10.47%	4,296	5,318	6%
2016	1.81%	-1.20%	7.08%	11.96%	48	0.2%	12.24%	11.15%	10.59%	4,181	5,672	5%
2017	26.51%	22.84%	30.21%	21.83%	51	0.4%	11.46%	10.54%	9.92%	6,058	9,971	4%
YTD 2018	17.91%	15.33%	17.09%	10.56%	43	0.3%	10.56%	10.02%	9.05%	5,910	10,294	4%
Since Inception (April 1, 2000)	7.71%	4.54%	4.44%	5.70%			13.39%*	16.33%*	14.20%*			

N/A- Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
*Since Inception Annualized Standard Deviation

Sustainable Growth Advisers, LP ("SGA") was formed in 2003 and is a registered investment advisor under the Investment Advisers Act of 1940. SGA manages portfolios of publicly traded equity assets according to its "Large Cap Growth Equity" investment approach for pooled funds, institutions, trusts and private accounts. SGA is an operationally independent investment management firm and an affiliate of Virtus Investment Partners. The SGA U.S. Large Cap Growth WRAP Composite was created in July 2018. The firm maintains a complete list and description of all composites, which is available upon request.

Sustainable Growth Advisers, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sustainable Growth Advisers, LP has been independently verified for the periods July 1, 2003 - June 30, 2018. 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. The SGA U.S. Large Cap Growth WRAP composite has been examined for the periods July 1, 2003- June 30, 2018. The verification and performance examination reports are available upon request.

Performance presented prior to July 1, 2003 occurred prior to the inception of the firm and the portability track record was examined by Ashland Partners & Company, LLP.

SGA U.S. Large Cap Growth WRAP Composite contains fee-paying large cap growth equity portfolios under full discretionary management of the firm. Except as described above with respect to portability, no alteration of the composite as presented here has occurred because of changes in firm personnel. For comparison purposes the composite is measured against the S&P 500 and Russell 1000 Growth indices.

Prior to January 2013, the composite included non-wrap accounts only. Sub-advisory wrap fee portfolios entered the composite beginning January 2013. Each sub-advisory relationship is included in the composite as one account.

The composite calculation has been appropriately weighted for the size of each portfolio on a time-weighted, total return basis. Monthly portfolio returns have been used in the construction of the composite. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

The U.S. Dollar is the currency used to express performance. Results are presented gross and net of management fees and include the reinvestment of all income. Gross returns for certain wrap and other bundled fee accounts have not been reduced by transaction costs. Composite gross returns for the periods that include wrap accounts are presented as supplemental information to the net returns. Bundled fees include management, transaction, custody and other administrative fees. The Net Returns are calculated based upon the highest published fees. The net performance has been calculated by reducing the gross performance by the amount of the highest published wrap fee that may be charged to SGA clients, 3.00%, employing the U.S. Large Cap Growth WRAP strategy during the period under consideration. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. For interest and capital gains, SGA does not withhold taxes. However, for dividends SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The annual dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is not indicative of future results.

The standard wrap fee schedule in effect is 3.00% on total assets. Actual investment advisory fees incurred by clients used in the composite may vary from the standard fee schedule.

The **Russell 1000® Growth Index** is a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

