

NFJ International Value Wrap Strategy

Market Overview

International stocks fell as continued rate hikes and persistent inflation plagued markets. Uncertainty regarding Russia's war on Ukraine, and a subsequent rise in energy and food prices in Europe, have heightened volatility. U.K. equities also suffered, with the British pound falling to its lowest level versus the U.S. dollar since 1985. Meanwhile, Chinese equities sold off amid Covid restrictions, regulatory pressures on tech companies, and rising tensions with Taiwan. Finally, while emerging markets equities have generally been hurt by U.S. interest rate hikes in the past, several countries that benefit from strong demand for oil and metals—including Brazil and Saudi Arabia—have bucked that historical trend. In the MSCI All Country World ex-US Index, energy, consumer staples, and materials held up on a relative basis, while communication services, real estate, and consumer discretionary slumped double digits.

Portfolio Overview

The NFJ International Value Wrap Strategy underperformed the MSCI All Country World ex-US benchmark Index on a relative basis during a quarterly period that has been difficult for active managers. More specifically, we have observed correlations in the market at levels last seen in July 2020, near the height of the global pandemic, and surpassing levels witnessed during the 2018 market sell-off. This has created a difficult environment for stocks, many of which are not necessarily trading on fundamentals but rather caught up in the broader market sell-off.

Over the quarter, stock selection as well as sector and country allocations detracted from performance results over the period.

Portfolio Contributors

Selection was effectively net neutral in communication services during the quarter. From a sector allocation perspective, an overweight in financials benefitted quarterly results. By country, selection was strong across Canada and Singapore. An underweight in South Korea and overweight in the U.S. contributed to relative returns. **HDFC Bank** and **TFI International** were the strongest absolute contributors.

Shares of **HDFC Bank** generally rose alongside India-based equities. The regional bank reported mixed Q1FY23 results including some asset

Over the course of three decades, NFJ Investment Group's commitment to value has remained steadfast. Our investment process – built upon the principles of Benjamin Graham, the father of value investing – has stayed true to the philosophy of the firm's founders while continuing to evolve in the hands of their successors through the integration of new technological capabilities and advanced analytics methods that enhance the research process.

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Performance Data as of September 30, 2022

Annualized Returns (%) ¹	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NFJ International Value Wrap Composite (gross)	-15.04	-32.69	-27.86	-2.47	-1.54	0.66	0.87
NFJ International Value Wrap Composite (net)	-15.72	-34.25	-30.05	-5.37	-4.46	-2.32	-2.11
MSCI ACWI ex-US Index	-9.91	-26.50	-25.17	-1.52	-0.81	3.01	2.13

¹Cumulative return over a partial year

Composite inceptioned January 1, 2011. Composite results. Individual accounts will vary. **Past performance is no guarantee of future results.** The performance shown includes historical performance information from the sub-advisor. Please see Important Information at the end of this presentation for details regarding NFJ and subadvisor performance. Performance is calculated on a total return basis, assuming reinvestment of dividends and interest. Results include accrued income as well as realized and unrealized gains and losses, but do not include the effect of taxes. Gross of fee returns show performance before the deduction of advisory and Sponsor fees (including trading and custodial fees). Net returns presented include the maximum fee associated with the portfolio (fees deducted month after each quarter end for an annual fee of 3% for equity portfolios). Actual fees will vary by client. Team shown effective October 28, 2022.

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Portfolio Contributors, cont.

quality declines due to seasonality alongside improving net interest income (NII) growth and stable net interest margin (NIM).

Canadian logistics operator **TFI International** beat 2Q estimates, with consolidated revenue up 32% y/y on robust results from recent acquisitions and fuel surcharge revenues. Management raised full-year 2022 EPS guidance as strong operations, solid pricing, and cost savings have helped offset macroeconomic weakness. We harvested gains and sold shares on rising valuations in the quarter.

Portfolio Detractors

Stock picking was negative in the financials and industrials sectors, while an overweight in technology detracted. By country, selection was negative among Germany and Japan-based names. Overweight exposures in China and Hong Kong detracted. **China Merchants Bank** and **GN Store Nord** were the strongest absolute detractors.

China-based equities generally struggled in the quarter, and **China Merchants Bank** was not immune to this trend. While the regional bank demonstrates robust profitability versus peers, a slowing economic recovery, declining interest rates domestically, and a challenged property sector have dampened net interest margins (NIMs) in the space. The bank's strong retail presence and strategic focus on wealth management should benefit future results.

Adjusted earnings for Denmark's **GN Store Nord** were below consensus and FX exposure hurt margins. The hearing aid manufacturer's new platform, ReSound OMNIA, as well as an improving global supply chain, are expected to benefit 2H2022 results. We initiated a position during the quarter on favorable valuations and fundamental strength.

Portfolio Specifics

Stock	Average Weight	Absolute Contribution
Contributors		
HDFC Bank	3.7%	0.18%
TFI International	0.3%	0.12%
Capcom	0.4%	0.12%
DBS Group	1.1%	0.08%
Itochu	1.0%	0.06%

Accounts are managed by NFJ. For certain sponsor firm accounts, NFJ provides the model to the sponsor or the sponsor's designee for discretionary implementation. **Risk Considerations: Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. Local, regional, or global events such as war (e.g., Russia's invasion of Ukraine), acts of terrorism, the spread of infectious illness (e.g., COVID-19 pandemic) or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio's manager(s) to invest the portfolio's assets as intended. **Issuer Risk:** The portfolio will be affected by factors specific to the issuers of securities and other instruments in which the portfolio invests, including actual or perceived changes in the financial condition or business prospects of such issuers. **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 in foreign securities, especially in emerging markets, subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk.

Portfolio Specifics, cont.

Stock	Average Weight	Absolute Contribution
Detractors		
China Merchants Bank	4.1%	-1.25%
GN Store Nord	1.3%	-0.96%
Tencent	3.6%	-0.92%
Vonovia	2.6%	-0.80%
Longfor	1.8%	-0.75%

Outlook

Valuations remain historically disjointed between overseas and U.S. equities, continuing to provide long-term investors opportunities to invest in international stocks. The MSCI ACWI ex-US Index trades at 12.5x earnings versus the MSCI US Index trading at more than 18x earnings. The valuation spread is now over five multiple points, even higher than it was during the prior quarter. That is perhaps unsurprising given the U.S. has served as somewhat of a safe haven—pushing the U.S. dollar to 20-year highs—while the rest of the world grapple with Covid-related headwinds and geopolitical crises.

Few regions have been more challenged than Europe this year as Russia's invasion of Ukraine has resulted in skyrocketing fuel prices and escalating recession fears. The UK also appears on the precipice of recession, driven in part by punishing inflation, dwindling real wages, and rising fuel costs. Finally, a strong U.S. dollar has historically presented particular challenges for emerging markets equities. Going back to 1988, when the U.S. Dollar Index (DXY) rose, the MSCI Emerging Markets (EM) Index has generally lagged the S&P 500. Conversely, when the DXY declined, the MSCI EM Index typically outpaced the S&P 500. Crucially, the last time the DXY was at current levels was October of 2002—when the EM Index outperformed the S&P by 350% over the next five years.

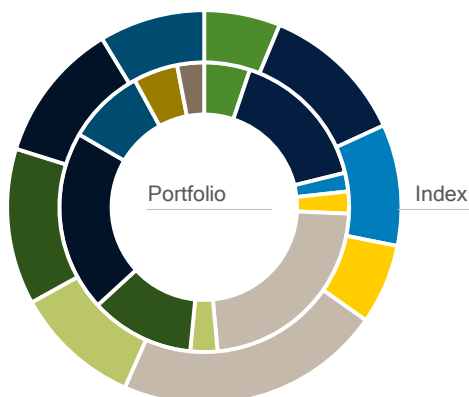
While near term volatility remains likely, we believe international, and EM equities in particular, offer historically attractive valuations for patient investors. In our view, NFJ strategies, which emphasize favorable multiples and quality characteristics, as well as market-exceeding dividend growth, should be well positioned in this stock picker's market.

Managed accounts are available exclusively through financial professionals. Managed accounts have a minimum asset level and may not be suitable for all investors. Financial professionals seeking more information should contact their managed accounts department or call their NFJ representative.

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Portfolio Statistics as of September 30, 2022

Sector Allocation (%)



	Portfolio	MSCI ACWI ex-US
Communication Services	4.9	5.9
Consumer Discretionary	15.5	11.3
Consumer Staples	2.0	9.4
Energy	2.4	6.2
Financials	22.0	20.7
Health Care	2.9	9.8
Industrials	11.2	12.1
Information Technology	19.5	10.9
Materials	8.3	8.2
Real Estate	4.8	2.4
Utilities	2.9	3.4

Characteristic	Portfolio	MSCI ACWI ex-US
Dividend Yield (trailing 1YR, %)	3.7	3.6
Dividend Growth (5YR wtd. avg, %)	15.3	7.5
Price-to-Earnings (next 12Mos.)	9.8x	10.6x
Price-to-Earnings (trailing 1YR)	9.4x	11.1x
Return on Equity (%)	21.3	15.8
Return on Assets (%)	9.3	6.8
Earnings Growth (trailing 3YR avg.)	17.3	12.9
Earnings Growth (trailing 5YR avg.)	16.8	9.9
Market Cap (weighted avg., \$ bn)	77.9	54.3
Number of Holdings	59	2,274

Top Ten Positions

Top Ten Positions	Portfolio Weight (%)
Taiwan Semiconductor Manufacturing	3.9
Tencent	3.9
ASML Holding	3.9
China Merchants Bank	3.9
Techtronic Industries	3.9
HDFC Bank	3.5
Vonovia	2.9
London Stock Exchange	2.9
Rio Tinto	2.9
Ping An Insurance	2.5
TOTAL	34.1

Region Allocation (%)

	Portfolio	MSCI ACWI ex-US		Portfolio	MSCI ACWI ex-US
Asia/Pacific ex-Japan	6.6	8.6	Japan	9.1	14.1
Emerging Markets	25.8	28.6	North America	6.1	8.3
Europe ex-UK	43.4	31.1	UK	9.0	9.4

The information is historical and may not reflect current or future characteristics and may vary among individual accounts depending on a variety of factors, including portfolio size, specific investment guidelines and inception dates of individual accounts. Certain projected characteristics (such as the forward P/E ratio) of the model portfolio and indices shown have been estimated in this material. Estimated data reflect subjective judgments and assumptions and unexpected events may occur. Therefore, there can be no assurance that developments will transpire as forecasted. **P/E** is a ratio of security price to earnings per share. Typically, an undervalued security is characterized by a low P/E ratio, while an overvalued security is characterized by a high P/E ratio. The forward P/E ratio shown uses funds from operations, instead of earnings, for REITs. **Return on Equity (ROE)** is a measure of a corporation's profitability, calculated as net income divided by shareholder equity. It is an indication of how well the firm used reinvested earnings to generate additional earnings. **Portfolio Information:** All portfolio statistics represent a model portfolio of this strategy currently managed by NFJ. Individual account holdings will vary depending on the size of an account, cash flows, and account restrictions. These statistics are representative of how the portfolios in the composite are invested as of the indicated date. Portfolio holdings are subject to change daily. This material is not an offer or solicitation for the purchase or sale of any financial instrument. It is presented only to provide information on investment strategies and opportunities. Statements concerning financial market trends are based on assessments of current market conditions, which will fluctuate. References to specific securities and issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities. The information presented in this material has been developed internally and/or obtained from sources which NFJ believes to be reliable; however we do not guarantee the accuracy, adequacy or completeness of such information nor do we guarantee the appropriateness of any strategy referred to for any particular investor. **Past performance is not indicative of future results.** Source: Virtus Performance & Analytics, Factset.

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Schedule of composite performance results as of December 31, 2021

Year	Composite Return Gross (%)	Composite Return Net (%)	MSCI ACWI Ex-US Index Returns (%)	Composite 3-Yr St. Dev. (%)	Benchmark 3-Yr St. Dev. (%)	Internal Dispersion	# of Portfolios in the Composite at Period End	Composite Total Assets at Period End (USD \$ M)	Total Firm Assets (USD \$ M)
2021	16.3	12.9	7.8	17.1	16.8	0.3	171	63	5,923
2020	8.5	5.3	10.7	18.3	17.9	0.5	227	71	*
2019	21.7	18.2	21.5	12.2	11.3	0.2	314	95	*
2018	-14.0	-16.6	-14.2	11.7	11.4	0.3	422	117	*
2017	22.6	19.0	27.2	12.5	11.9	0.3	690	244	*
2016	-3.8	-6.7	4.5	13.2	12.5	0.4	846	246	*
2015	-11.3	-13.9	-5.7	12.7	12.1	0.5	1,654	652	*
2014	-3.7	-6.6	-3.9	12.9	12.8	0.4	2,467	1,113	*
2013	12.5	9.2	15.3	15.8	16.2	0.6	3,052	1,367	*
2012	20.8	17.3	16.8	-	-	0.9	3,038	1,148	*

*Prior to February 1, 2021, NFJ was part of Allianz Global Investors LLC.

The Firm: The firm is defined as NFJ Investment Group, LLC ("NFJ"), a Registered Investment Advisor with the SEC. NFJ is an affiliated investment manager of Virtus Investment Partners, Inc. ("Virtus"). NFJ was founded in February 1989 with funding from Pacific Financial Asset Management Corp ("PFAMCo"). In 1994 PFAMCo merged with Thomson Advisory Group LP and became PIMCO Advisors. In 2000 Allianz AG acquired PIMCO Advisors, including NFJ. In 2010, Allianz Global Investors US LLC was formed, including NFJ. In July 2017 NFJ rolled up their RIA designation within Allianz Global Investors US LLC. At this time NFJ became a division of Allianz Global Investors LLC ("AllianzGI") and was no longer independently registered with the SEC. Effective February 1, 2021, in connection with a strategic partnership between Virtus and AllianzGI, NFJ moved from AllianzGI and registered with the SEC as a newly established investment advisory subsidiary of Virtus. The firm definition includes all investment portfolios managed directly or indirectly by NFJ including institutional, pooled fund and wrap fee accounts.

NFJ claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. NFJ has been independently verified for the periods February 1, 2021 to March 31, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The verification reports are available upon request.

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The Composite: The NFJ International Value Wrap Composite (the "Composite") consists of portfolios that invest in a diversified group of international stocks considered to have attractive valuations and return value to shareholders. As of January 1, 2018, the investable universe was redefined to consist of non-US securities with a market capitalization generally greater than \$1B at purchase. The strategy can invest in ADRs traded in the U.S. The Composite was created February 1, 2021 and has a performance inception date of January 1, 2011. Composite performance is linked to composite performance generated at a prior firm for all periods prior to the composite creation date. The Composite includes all discretionary wrap fee portfolios with comparable investment objectives and risks, managed by NFJ for at least one full month. The Composite can include both tax-exempt and taxable accounts. No leverage has been used in the accounts included in the Composite. The Composite includes only wrap fee accounts.

A list of composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Portfolio Returns: Returns are calculated on a total return basis, including all dividends and interest, accrued income, realized and unrealized gains or losses reinvestment of dividends and other earnings. Performance results are expressed in U.S. dollars. Returns are presented gross and net of fees. Gross of fees performance results are "pure" gross and are provided as supplemental information, as results have not been reduced by advisory and sponsor fees (including trading and custodial fees). Net of fee returns have been reduced by the highest applicable managed account fee of 3.00% applied on a quarterly basis. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Fees: The managed account fee is a bundled fee (3.00%) inclusive of advisory, trading, custodial and administrative fees. There are no fees charged to clients at the commingled level; sponsor and advisory fees apply to the account as a whole. Actual fees incurred by client accounts may vary. Individual results may vary as a result of market conditions, trading costs and other factors, which may be unique to each account. NFJ's compensation from the Program Sponsors vary, but it is generally between 0.33% and 0.50% of assets under management.

Index: The MSCI All Country World (ACWI) Ex-US Index (Net) measures the equity market performance of the developed and emerging markets, excluding the United States. The MSCI ACWI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The index is calculated on a total return basis with net dividends reinvested. Although NFJ is a value investor, the broader ex-U.S. index provides a more accurate benchmark because it is more diversified. Based on client mandates our selection universe is primarily composed of ADR's (American Depositary Receipts) which provide U.S. based investors with a liquid way to own and invest in a diversified basket of foreign stocks. This unmanaged market index is provided to represent the investment environment existing during the time periods shown. The index is referred to for comparative purposes only and is not intended to parallel the risk or investment style of the portfolios in the Composite. The returns for this unmanaged index do not include any transaction costs, management fees or other costs. An investor may not invest directly in any index. All returns presented are calculated using U.S. dollars. The portfolios within this composite may and do invest in non-benchmark securities. Further information is available upon request.

The three-year annualized standard deviations for the composite and the benchmark are not presented as of year-end 2012 because 36 months of composite returns are not available.

Internal Dispersion: The internal dispersion statistic is the asset weighted standard deviation calculation using beginning of period market values and pure gross of fee performance returns for the portfolios in the composite for the full period. For periods where there were 5 or fewer portfolios in the composite for the full period the internal dispersion statistic is not meaningful and is shown as "N/A". **Past performance is not indicative of future results.**