

Market Overview

Third quarter was marked by worries, as investors grappled with the possibility of enduring inflation, slowing economic growth, the rise of the Delta variant, Congressional paralysis, fears of property-developer China Evergrande unleashing a Lehman-esque contagion, and last, but certainly not least, indications from the US Federal Reserve (Fed) that ultra-easy monetary policy is nearing an end. The cyclical and reopening trades that buoyed markets in 1H2021 stalled. Higher growth tech stocks surged early in the quarter as a haven play amid broader economic softening, and then were hit the hardest in September on greater sensitivity to rising interest rates. In the Russell 1000® Value Index, financials, REITs, and utilities led returns, while materials, industrials, and communication services were the quarter's weakest-performing sectors.

Portfolio Overview

The Portfolio delivered positive absolute and relative returns during the quarter and outperformed the Russell 1000 Value benchmark Index. Stock selection drove outperformance results while sector allocations modestly detracted from returns over the reporting period.

Portfolio Contributors

Selection was robust across the health care and materials sectors during the quarter. An underweight in communication services benefitted quarterly results. **Hill-Rom Holdings** and **NextEra Energy** were the strongest absolute contributors.

Baxter International agreed to acquire medical technology and supplies company **Hill-Rom Holdings**, in a ~\$10.5billion deal expected to close by early 2022. We believe this deal validated our team's view that Hill-Rom not only exhibited attractive underlying fundamentals but favorable valuations as well.

NextEra Energy is an industry-leading utility with a large and lucrative renewables business. Management reported strong 2Q results, including adjusted earnings up ~9% y/y. NextEra continues to expand its portfolio of renewable energy assets, growing its backlog by an additional 1.84 gigawatts of new renewables and energy storage projects in the quarter.

Performance Data as of September 30, 2021

Annualized Returns (%) ¹	QTD	YTD	1 Year	3 Year	5 Year	10 Year
NFJ Large-Cap Value Wrap Composite (gross)	0.27	15.52	30.41	8.95	12.19	12.93
NFJ Large-Cap Value Wrap Composite (net)	-0.48	12.99	26.64	5.74	8.90	9.62
Russell 1000 Value Index	-0.78	16.14	35.01	10.07	10.94	13.51

¹Cumulative return over a partial year

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.

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.

INVESTMENT TEAM

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NFJ Large-Cap Value Wrap Strategy

Portfolio Detractors

Stock picking was positive across all eleven GICS sectors during the quarter. From an allocation perspective, an overweight in industrials detracted. **Activision Blizzard** and **Lam Research** were the strongest absolute detractors.

Activision Blizzard, alongside many other video game publishers, traded down in valuation in recent quarters on concerns about potentially being in a softening part of the video console cycle. We see these concerns as transitory thus with continued strong fundamental trajectory for the company into the foreseeable future and attractive valuation we are optimistic about future return potential.

Chip-equipment maker **Lam Research** reported all time high quarterly sales and profit, as well as record revenue and earnings for the fiscal year. Management also approved a 15% increase in the quarterly dividend. That said, semiconductor names largely traded downward in part due to concerns that component shortages and elevated logistics costs may negatively impact pending quarters' revenue growth.

Portfolio Specifics

Stock	Average Weight	Absolute Contribution
Contributors		
Hill-Rom Holdings	1.1%	0.31%
NextEra Energy	3.5%	0.25%
JPMorgan Chase	4.2%	0.25%
Thermo Fisher Scientific	2.0%	0.23%
ConocoPhillips	1.5%	0.19%
Detractors		
Activision Blizzard	0.8%	-0.18%
Lam Research	1.2%	-0.16%
Mercury Systems	0.5%	-0.16%
MarketAxess Holdings	1.3%	-0.13%
Royal Gold	0.7%	-0.12%

Outlook

Last quarter it appeared the economy had completed a “V shaped” recovery, as stocks nearly doubled from their COVID lows. This massive rebound can be primarily attributed to policy tailwinds. The M2 money supply is up nearly a third since the end of 2019; it's probably not a coincidence that this nearly matches the stock market's gains. Emergency stimulus spending has been a multiple of that employed during the global financial crisis. Perhaps the biggest tailwind has been COVID vaccinations, which returned mobility to nearly pre-pandemic levels in some places. As of early October, 57% of Americans are fully vaccinated. While some areas such as travel and leisure continue to be buffeted by COVID-related headwinds, much of the economy has regained or even surpassed its prior trendline.

Going forward, a rising tide may not lift all ships, and we are braced for a more volatile fall and winter. Government stimulus is beginning to roll off. The Fed has laid the groundwork for tapering asset purchases, while making it clear this does not mean rate hikes are imminent. If anything, policy tailwinds are poised to become headwinds. As of this writing, there remains uncertainty regarding passage of the president's bipartisan infrastructure proposal and larger spending bill. The most probable outcome would be a more scaled back plan. However, any package that is passed would likely be attached to an increase in personal and corporate taxes, which could eat into current 2022 earnings forecasts.

Amidst this backdrop, the most pressing topic has been inflation that has proven to be far from “transitory.” Many supply chain bottlenecks driving up prices have yet to subside. Difficulties finding workers has driven wage growth higher, which may put pressure on corporate profit margins. Stock valuations are at extreme levels, reducing the risk/reward calculus for investors and limiting price appreciation potential to earnings growth. Heightened volatility is likely. We believe this environment remains supportive of companies paying and raising their dividends. Dividends serve the dual purpose of blunting portfolio volatility, while dividend growth may help offset inflation, offering more defensive positioning in uncertain markets.

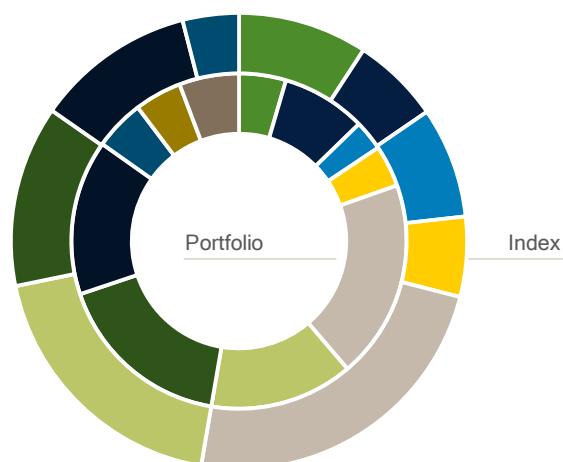
Managed accounts are available exclusively through financial professionals. Managed accounts have a minimum asset level and may not be suitable for all investors. Financial professionals seeking more information should contact their managed accounts department or call their NFJ representative. Accounts 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: Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness 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 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.

NFJ Large-Cap Value Wrap Strategy

Portfolio Statistics as of September 30, 2021

Sector Allocation (%)



	Portfolio	Russell 1000 Value
■ Communication Services	4.4	8.3
■ Consumer Discretionary	7.9	5.6
■ Consumer Staples	2.8	7.1
■ Energy	3.9	5.1
■ Financials	18.6	21.4
■ Health Care	13.4	17.3
■ Industrials	16.7	11.6
■ Information Technology	14.5	10.2
■ Materials	4.7	3.6
■ Real Estate	4.4	4.7
■ Utilities	5.6	4.9

Characteristic	Portfolio	Russell 1000 Value
Dividend Yield (trailing 1YR, %)	1.60	1.94
Dividend Growth (trailing 5YR wtd avg, %)	12.94	7.80
Price-to-Earnings (next 12Mo.)	17.86	15.47
Price-to-Earnings (trailing 1YR)	21.19	17.92
Return on Equity (%)	19.44	11.80
Return on Assets (%)	9.03	4.85
Earnings Growth (trailing 3YR avg, %)	18.52	8.84
Earnings Growth (trailing 5YR avg, %)	17.52	8.72
Market Cap (wtd avg, \$ bn)	235.3	156.0
Number of Holdings	107	848

Top Ten Positions	Portfolio Weight (%)
NextEra Energy	4.0
JPMorgan Chase	3.9
Microsoft	2.7
L3Harris Technologies	2.4
Merck	2.0
Home Depot	2.0
Thermo Fisher Scientific	2.0
ConocoPhillips	1.5
Apple	1.5
Cable One	1.5
TOTAL	23.5

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. The forward P/E ratio shown uses funds from operations, instead of earnings, for REITs.

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.

NFJ Large-Cap Value Wrap Strategy

Schedule of composite performance results as of March 31, 2021

Year	Composite Return Gross (%)	Composite Return Net (%)	Russell 1000 Value 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)
3/31/21	7.1	6.3	11.3	18.8	19.7	0.2	73	40.9	5,739
2020	3.8	0.7	2.8	18.9	19.6	0.4	68	33.0	
2019	25.6	21.9	26.5	12.1	11.9	0.2	70	30.6	
2018	-8.6	-11.3	-8.3	11.6	10.8	0.2	174	55.6	
2017	18.0	14.5	13.7	10.7	10.2	0.2	266	105.7	
2016	14.5	11.1	17.3	11.2	10.8	0.3	284	104.6	
2015	-4.4	-7.2	-3.8	10.8	10.7	0.3	301	98.3	
2014	11.9	8.6	13.5	9.4	9.2	0.2	360	134.5	
2013	33.0	29.1	32.5	12.2	12.7	0.5	382	168.6	
2012	13.8	10.5	17.5	-	-	0.2	514	185.9	
2011	2.3	-0.7	0.4	-	-	73	519	152.7	

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. The verification reports are available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report.

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The Composite: The NFJ Large Cap Value Wrap Composite (the “Composite”) consists of portfolios that invest in a diversified group of large capitalization stocks considered to have attractive valuations and return value to shareholders. 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 Russell 1000 Value Index measures the performance of the 1,000 largest companies in the Russell 3000 Index with lower price-to-book ratios and lower forecasted growth values. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. 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. For comparison purposes, the index is fully invested, which includes reinvestment of income. 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 2011 and 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.**