

Market Overview

The stock market fell over the third quarter, marking the first time it has posted three consecutive quarterly declines since 2008. There was nowhere to hide, as stocks of all sizes and styles were in the red, alongside bonds and commodities. Against this backdrop, investors began to shift focus from inflation figures to signs of a slowing global economy. In the Russell 2000® Value Index, energy and health care were the only sectors to deliver positive total returns. Systemic supply challenges and producers' capital expenditure discipline boosted energy results despite oil price declines, and investors flocked to more defensive positioning in healthcare. Conversely, higher-yielding sectors, like communication services and real estate, slumped double digits given continued rate hikes.

Portfolio Overview

The NFJ Small-Cap Value Wrap Strategy underperformed Russell 2000 Value 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, negative stock selection drove performance results while sector allocations were effectively net neutral.

Portfolio Contributors

Selection was positive across utilities and energy. From a sector allocation perspective, underweight exposures in real estate and utilities contributed to quarterly results. **Wingstop** and **Addus HomeCare** were the strongest absolute contributors.

Shares of restaurant company **Wingstop** rose on optimism for 2H2022 sales initiatives, including the addition of national delivery partner Uber Eats; the launch of its first ever sandwich option; and plans to increase national advertising spending. We exited the position due in part to rising valuations.

Performance Data as of September 30, 2022

Annualized Returns (%) ¹	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NFJ Small-Cap Value Wrap Composite (gross)	-7.73	-24.04	-14.05	-0.09	2.27	7.71	6.72
NFJ Small-Cap Value Wrap Composite (net)	-8.44	-25.79	-16.63	-3.05	-0.76	4.54	3.58
Russell 2000 Value Index	-4.61	-21.12	-17.69	4.72	2.87	7.94	7.43

¹Cumulative return over a partial year

Composite inception 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.

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

John R. Mowrey, CFA

Executive Managing Director,
 Chief Investment Officer,
 Co-Lead Senior Portfolio Manager/Analyst

Paul A. Magnuson

Managing Director,
 Co-Lead Senior Portfolio Manager/Analyst

Jeff N. Reed, CFA

Managing Director,
 Senior Portfolio Manager/Analyst

J. Garth Reilly

Managing Director,
 Senior Portfolio Manager/Analyst

NFJ Small-Cap Value Wrap Strategy

Portfolio Contributors, cont.

Addus HomeCare delivered largely in-line 2Q results, solid cost controls, and positive comments on improving labor trends. Shares for the in-home and hospice care provider generally rose over the quarter, and we harvested some gains by trimming the position.

Portfolio Detractors

Stock picking was negative in the health care and real estate sectors during the quarter. From an allocation perspective, underweight positions in energy and health care also detracted. **Industrial Logistics Properties Trust** and **YETI Holdings** were the strongest absolute detractors.

Management for **Industrial Logistics Properties Trust** announced a temporary dividend cut to shore up the balance sheet following the recent acquisition of industrial REIT Monmouth. Second quarter adjusted EBITDA beat consensus estimates and company fundamentals continue to appear favorable, backed by solid operating trends from its portfolio of properties and industrial sector tailwinds.

Second quarter results for **YETI Holdings** disappointed on softer-than-expected sales and higher freight costs negatively impacting gross margins. Management for the outdoor and recreation products manufacturer reduced 2H22 revenue guidance on "greater overall uncertainty."

Portfolio Specifics

Stock	Average Weight	Absolute Contribution
Contributors		
Wingstop	1.1%	0.60%
Addus HomeCare	1.4%	0.21%
UFP Industries	1.4%	0.17%
EMCOR Group	1.0%	0.17%
United Community Banks	2.2%	0.17%

Portfolio Specifics, cont.

Stock	Average Weight	Absolute Contribution
Detractors		
Industrial Logistics Properties Trust	0.9%	-0.75%
YETI Holdings	1.8%	-0.65%
Allegiant Travel	1.3%	-0.65%
Glatfelter	0.9%	-0.63%
Hannon Armstrong Sustainable Infrastructure	2.1%	-0.47%

Outlook

Evidence is mounting that a recession is not a question of if but when as the economy cools, the cost of living rises, and real wages shrink. While jobs remain tight and retail spending has held, a deepening and lengthening inverted yield curve suggests that the risk of a recession in 2023 continues to rise.

We continue to focus on inflation figures to help indicate where stocks are headed going forward. While inflation may have peaked, markets are keenly aware that the speed at which inflation cools could determine how quickly the U.S. Federal Reserve takes its foot off the brake and potentially breathe life back into stocks.

Though uncertainty often leads to increased volatility, we believe in the saying "time in the market is more important than timing the market," and that dividend growth can serve investors regardless of the market environment. If stocks continue to fall, dividend income can cushion the blow. Also, dividend-yielding stocks have historically outperformed non-yielders the last several recessions. Further, as investor fears grow that inflation will erode real investment returns, consider that over the past five decades, U.S. equity dividend growth (S&P 500) has exceeded the Consumer Price Index (CPI) in both low and high inflationary environments,¹ effectively illustrating the inflation-fighting power of dividend-paying stocks over time.

1. Source: Bureau of Labor Statistics and [Robert Shiller Data Library](#), January 1957 to September 2022. Dividends reflect past performance and there is no guarantee they will continue to be paid.

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.

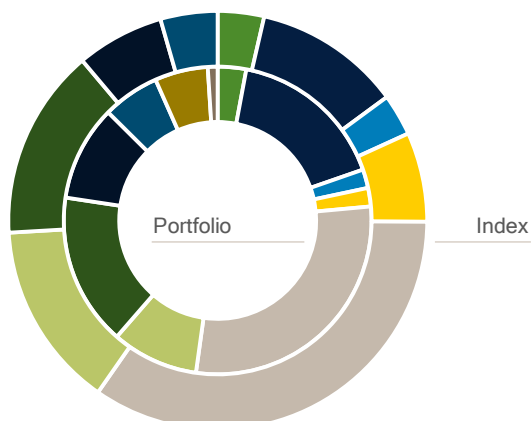
Accounts are managed by NFJ. For certain sponsor firm accounts, NFJ provides the model to the sponsor or the sponsor's designee for discretionary implementation.

Risk Considerations: Market Volatility: 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.

NFJ Small-Cap Value Wrap Strategy

Portfolio Statistics as of September 30, 2022

Sector Allocation (%)



	Portfolio	Russell 2000 Value
■ Communication Services	2.9	3.0
■ Consumer Discretionary	16.1	9.6
■ Consumer Staples	1.9	2.7
■ Energy	1.9	5.8
■ Financials	27.8	29.1
■ Health Care	8.8	12.1
■ Industrials	15.5	12.4
■ Information Technology	9.7	5.7
■ Materials	5.8	3.7
■ Real Estate	5.4	10.8
■ Utilities	1.0	5.1

Characteristic	Portfolio	Russell 2000 Value
Dividend Yield (trailing 1YR, %)	2.7	2.3
Dividend Growth (5YR wtd avg, %)	8.6	2.9
Price-to-Earnings (next 12Mos.)	10.1x	8.6x
Price-to-Earnings (trailing 1YR)	11.8x	21.8x
Return on Equity (%)	18.2	6.2
Return on Assets (%)	8.4	2.4
Earnings Growth (trailing 3YR avg)	19.2	9.2
Earnings Growth (trailing 5YR avg)	19.5	10.9
Market Cap (wtd avg, \$ bn)	3.6	2.1
Number of Holdings	78	1,394

Top Ten Positions	Portfolio Weight (%)
Enterprise Financial Services	3.0
Walker & Dunlop	3.0
Houlihan Lokey	2.2
United Community Banks	2.0
First American Financial	2.0
Columbia Banking System	2.0
Cogent Communications	2.0
M.D.C. Holdings	2.0
KB Home	2.0
Hannon Armstrong Sustainable Infrastructure	2.0
TOTAL	22.0

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, Russell Investments.

NFJ Small-Cap Value Wrap Strategy

Schedule of composite performance results as of December 31, 2021

Year	Composite Return Gross (%)	Composite Return Net (%)	Russell 2000 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)
2021	27.8	24.1	28.3	20.2	25.0	0.2	32	17	5,923
2020	-2.5	-5.4	4.6	21.7	26.1	0.3	35	15	*
2019	28.2	24.5	22.4	15.5	15.7	0.4	44	22	*
2018	-12.6	-15.2	-12.9	14.3	15.8	0.3	44	19	*
2017	14.8	11.5	7.8	11.4	14.0	0.3	54	26	*
2016	23.8	20.2	31.7	12.3	15.5	0.4	59	34	*
2015	3.5	0.5	-7.5	10.7	13.5	0.3	68	30	*
2014	1.0	-1.9	4.2	10.7	12.8	0.3	75	31	*
2013	31.4	27.6	34.5	14.1	15.8	0.4	157	67	*
2012	3.9	0.8	18.1	-	-	0.5	211	72	*

*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.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The Composite: The NFJ Small Cap Value Wrap Composite (the “Composite”) consists of portfolios that invest in a diversified group of small capitalization stocks considered to have attractive valuations and return value to shareholders. Each company typically has a minimum market capitalization of at least \$100 million at purchase. 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 2000 Value Index measures the performance of the 2,000 smallest 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 “NA”. **Past performance is not indicative of future results.**