Core Bond Wrap

TAXABLE FIXED INCOME STRATEGY

SEIX INVESTMENT ADVISORS LLC®

First Quarter 2018 Report

The consensus view of "more of the same" low volatility and easy monetary conditions that rewarded markets in 2017 was challenged in the first quarter. The dominant themes in the early months of 2018 included the return of market volatility, the reappearance of the reflation trade and rising interest rates, and the start of the post-peak era of global central bank liquidity.

Volatility

While absent throughout 2017, volatility spiked in the first quarter. CBOE Volatility Index (VIX®), a measure of equity market volatility, increased 80% from the beginning of the year through the end of the first quarter. To provide some perspective, VIX averaged 11 in 2017 versus a longer-term average of roughly 19. In the first quarter of 2018, VIX averaged slightly over 17 with a range of 9 to 37. Notably, the volatility spike did not carry over to the bond market, where there was minimal movement in the MOVE Index, the bond market equivalent of VIX.

In our view, the popping of the complacency bubble has just begun, led by the volatility-selling strategies that were a highly profitable strategy/trade in 2017 but stumbled dramatically as the VIX spiked. The Bitcoin and tech selloffs, major contributors to the spike, are perhaps the precursors of the end to complacency. We regard the low-volatility environment of 2017 as an aberration and believe that a regime change is underway. Markets will return to normal as global central banks become less accommodative and other factors play out such as disappointing or uneven global economic growth. The current trade disputes and fears of a trade war are also likely to keep volatility elevated over the coming months.

The shift in volatility clearly had an impact on risk markets. In this environment, as expected, credit spreads widened. Investment grade corporates widened 16 basis points (bps) from the start of the year, but 25 bps from the cycle tights in early February. Excess returns across the investment grade and "plus" sectors (emerging markets debt and high yield corporates) were uniformly negative over the quarter. The investment grade corporate sector was the largest underperformer with -79 bps of excess return followed by residential mortgage-backed securities (RMBS) and asset-backed securities (ABS) with excess returns of -39 bps and -19 bps, respectively. Commercial mortgage-backed securities (CMBS) (-6 bps) and government-related sectors (+2 bps), generated little either way in excess return terms. In sharp contrast to 2017, emerging markets and high yield corporates also had negative excess returns. Given that interest rates also rose over the quarter, total returns across both the core spread sectors and plus sectors were uniformly negative. The only outperformer over the quarter was the bank loan sector, which delivered a positive total return. The floating-rate feature of the asset class insulates investors from rising interest rates (but not widening credit spreads).

Holdings are subject to change. The top holdings are as of the period indicated. There is no assurance that any of the securities noted will remain in a portfolio at the time you receive this commentary. Actual holdings and percentage allocation in individual client portfolios may vary and are subject to change. It should not be assumed that any of the holdings were, or will prove to be, profitable, or that the investment recommendations or decisions we make in the future will be profitable. A list of all securities held in this strategy in the prior year is available upon request.

TOP 10 HOLDINGS

	% of Portfolio
Sabine Pass Liquefaction	1.33
JP Morgan Chase & Co.	1.22
Fmc Technologies Inc.	1.22
National Oilwell Varco I	1.19
Citigroup Inc.	1.11
Thermo Fisher Scientific Inc.	1.09
General Electric Co.	1.09
Nvidia Corp.	1.07
Bank of America Corp.	1.06
Barrick NA Finance Llc	0.97

PORTFOLIO MANAGERS

Jim Keegan
CIO & Chairman
Industry experience since 1982
Joined Seix in 2008

Perry Troisi
Senior Portfolio Manager
Industry experience since 1986
Joined Seix in 1999

Michael Rieger
Senior Portfolio Manager
Industry experience since 1986
Joined Seix in 2007

Carlos Catoya
Portfolio Manager
Head of IG Credit Research
Industry experience since 1987
Joined Seix in 2001

Jon Yozzo
Portfolio Manager
Head of IG Corp Bond Trading
Industry experience since 1991
Joined Seix in 2000

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In other areas, the U.S. dollar continued to weaken, tallying now five consecutive quarters of negative returns. The dollar index was down 2.3% on the quarter, weakening particularly against the yen, which rose due to its safe haven status. Oil prices (WTI) were up 7.5% while copper was down 8.3% over the quarter, the former a function of supply/demand, while the latter a result of a possible peak in global growth.

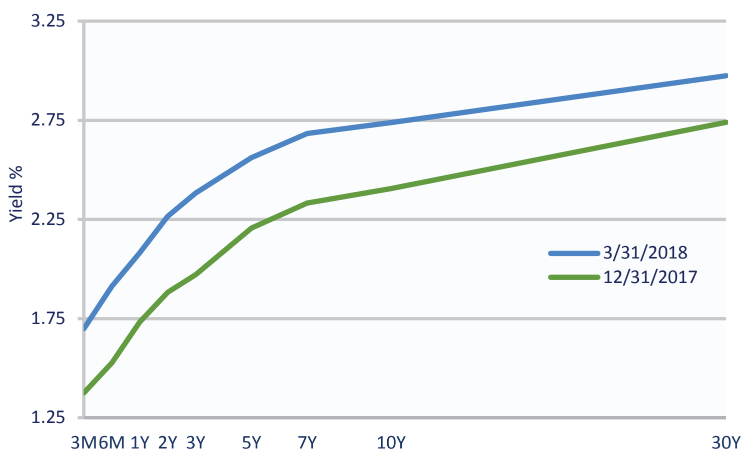
Interest Rates

As intimated above, U.S. Treasury yields rose over the quarter, led by the short end of the yield curve. The 2-year Treasury, fueled by U.S. Federal Reserve (Fed) policy, was up 38 bps for the quarter, while the 30-year was up just 23 bps. The curve thus flattened over the quarter, ending at its tightest level since 2008 as measured by the 47 bps spread between the 2- and 10-year Treasury notes. The benchmark 10-year Treasury peaked at 2.95% on February 21 before ending the quarter at 2.74%.

	Q1 2018		1-Year	
	% Total Return	% Excess Return	% Total Return	% Excess Return
U.S. Aggregate	-1.46%	-0.31%	1.20%	0.76%
Treasury	-1.18%	0.00%	0.43%	0.00%
Agency	-0.72%	0.06%	1.09%	0.92%
RMBS	-1.19%	-0.39%	0.77%	0.28%
ABS	-0.39%	-0.19%	0.62%	0.50%
CMBS	-1.32%	-0.06%	1.12%	1.40%
U.S. Corporate Investment Grade	-2.32%	-0.79%	2.70%	2.17%
U.S. Corporate High Yield	-0.86%	-0.17%	3.78%	3.64%
Leveraged Loans	1.58%	n/a	4.64%	n/a

Data Source: Bloomberg Barclays, Credit Suisse, Bloomberg.
Past performance is not indicative of future results.

U.S. Treasury Yield Curve



Data Source: Bloomberg

Period	12/31/17	3/31/18	Change
3 Month	1.38%	1.70%	0.32%
6 Month	1.53%	1.91%	0.39%
1 Year	1.73%	2.08%	0.35%
2 Year	1.88%	2.27%	0.38%
3 Year	1.97%	2.38%	0.41%
5 Year	2.21%	2.56%	0.36%
7 Year	2.33%	2.68%	0.35%
10 Year	2.41%	2.74%	0.33%
30 Year	2.74%	2.97%	0.23%

The reflation trade, not seen since the three-month period following the election of President Trump, resurfaced after the passage of tax legislation in December 2017. Additional pressures on the markets that move rates included expectations of increased Treasury supply given fiscal spending and higher budget deficits as well as the gradual unwind of the Fed's balance sheet.

Despite the upward cyclical pressure on rates over Q1, our secular view of "lower for longer" remains intact for long-term rates. We think that long-term rates will remain range bound and that the 10-year Treasury will not break out of the 2.5%-3.0% trading range. As we reiterated in our year-end review, higher long-term rates are not sustainable given the amount of debt in the U.S.—and globally for that matter. When we consider the potential for sustainably higher long-term rates, we focus on the structural forces that have served as a governor on both growth and higher long-term rates. The structural dynamics of excessive debt/unfunded liabilities, aging demographics, excess global capacity, and low productivity growth—all of which cannot be reversed through monetary policy or by any tax legislation or fiscal stimulus in the short term—will remain dominant forces that will keep long-term rates low.

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Central Banks

Global central bank liquidity peaked in 2017 as the G3 (U.S., Euro Area, and Japan) central banks moved to tighten monetary conditions or, to put it more appropriately, become "less loose." The European Central Bank (ECB) is slated to end its quantitative easing (QE) in September and the Bank of Japan's yield curve control allows for QE in variable and potentially smaller amounts. The Fed is well into its "unloosening cycle" after executing another 25-bps hike in March (sixth hike of this cycle) with two more hikes anticipated in 2018. Ultra-accommodative monetary policy has been a driving force in markets. It remains to be seen how the riskier asset classes in particular react to less central bank liquidity.

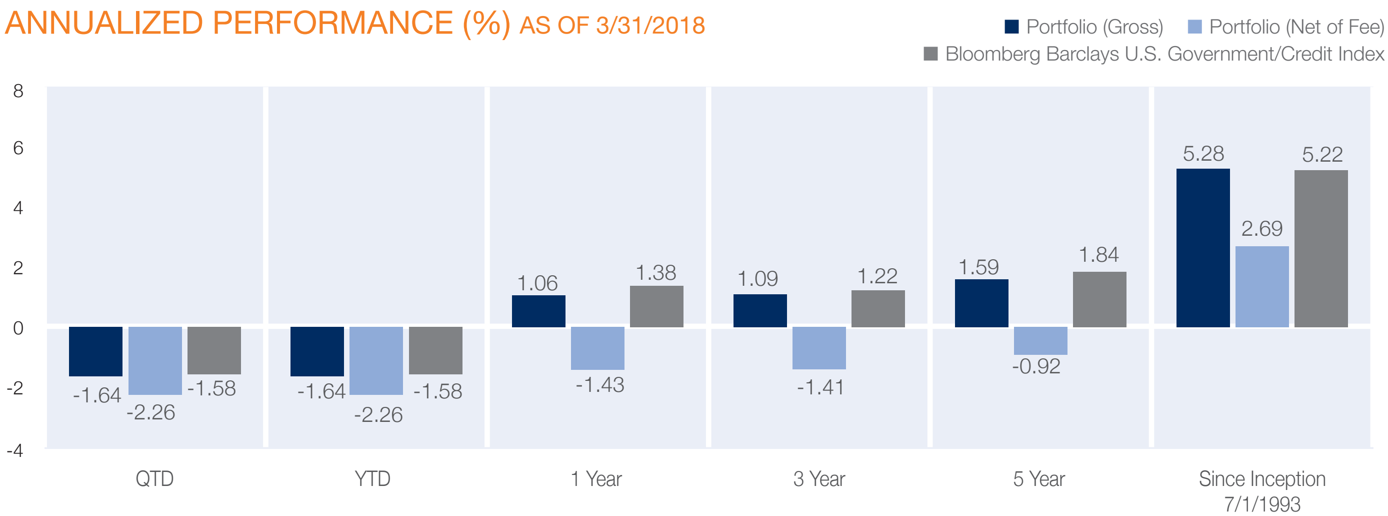
Leadership changes at the Fed are also under close watch. The first quarter saw a new Fed chair with Jerome (Jay) Powell taking over the role from Janet Yellen. As a former Wall Street lawyer, we believe that Powell will be more market savvy than his predecessors and that he will conduct Fed policy somewhat differently than the more academic Yellen or Ben Bernanke. Other changes included the approval of John Williams by the Board of Governors to succeed Bill Dudley as president of the New York Fed, which is noteworthy given that the position holder has a permanent seat on the FOMC and serves as its vice chair. Replacement of the number two official at the Fed, following the retirement of Stanley Fisher, is still pending and three additional Board of Governor chairs also remain vacant.

Performance

The portfolio posted a return of -1.64% during the quarter, slightly lagging the Bloomberg Barclays Gov/Credit Index return of -1.58% for the same time period.

As always, please let us know if you have any questions about the market or your portfolio. We thank you for your support of Seix Investment Advisors LLC.

ANNUALIZED PERFORMANCE (%) AS OF 3/31/2018



Net returns are calculated by subtracting the highest applicable wrap fee (2.50% on an annual basis, or 0.21% monthly) on a monthly basis from the gross composite monthly return.

Past performance is not indicative of future results. The information shown above is supplemental information only and complements the fully compliant presentations. Periods greater than one year are annualized.

Benchmark: Bloomberg Barclays U.S. Government/Credit Index includes treasuries and agencies that represent the government portion of the index, and includes publically issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

For information, contact:
Seix Investment Advisors LLC | 201.391.0300 | www.seixadvisors.com

Core Bond Wrap Composite Data

	Total Firm	Composite Assets		Annual Performance and Standard Deviation					
Year End	Assets ($ mil)	US$ ($ mil)	# of Wrap Sponsors	Net Composite Return	Pure Gross Composite Return	Composite 3-Year Std. Dev.	Bloomberg Barclays Govt/ Credit Index	Index 3-Year Std. Dev.	Composite Dispersion
2017	24,843	224	5 or fewer	1.11%	3.67%	3.26%	4.00%	3.28%	N/A
2016	27,631	208	5 or fewer	1.05%	3.61%	3.44%	3.05%	3.46%	N/A
2015	25,698	205	5 or fewer	-2.91%	-0.45%	3.16%	0.15%	3.25%	N/A
2014	30,989	186	5 or fewer	3.09%	5.69%	2.92%	6.01%	2.95%	N/A
2013	26,600	200	5 or fewer	-5.50%	-3.10%	3.38%	-2.35%	3.17%	N/A
2012	26,141	247	5 or fewer	0.78%	3.33%	3.30%	4.82%	2.96%	N/A
2011	26,147	218	6	6.79%	9.48%	3.52%	8.74%	3.42%	0.2%
2010	25,855	229	7	3.84%	6.46%	-	6.59%	-	N/A
2009	24,338	227	5 or fewer	2.69%	5.28%	-	4.52%	-	N/A
2008	17,375	179	5 or fewer	5.39%	8.04%	-	5.70%	-	N/A

N/A - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Seix Investment Advisors LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Seix Investment Advisors LLC has been independently verified for the periods 1/1/1993 through 12/31/2016. 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.

Seix Investment Advisors LLC is an SEC-registered investment adviser and wholly owned subsidiary of Virtus Investment Partners. The firm maintains a complete list and description of composites, which is available upon request.

The Seix Core Bond Wrap Composite consists of all Core Bond Wrap Fee accounts managed by Seix in all participating Wrap Fee Sponsors' Programs. The minimum account size for inclusion in the composite is $500,000. For comparison purposes, the composite is measured against the Bloomberg Barclays Government/Credit Index. The Bloomberg Barclays Government/Credit Index is an unmanaged index consisting of Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year), agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government), and publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. Securities must be rated investment-grade (Baa3/BBB- or higher). Index returns do not reflect the deduction of any fees.

The Seix Core Bond Wrap Composite was created 10/1/1998, and has a performance inception date of 7/1/1993. Prior to 9/30/2017, the Seix Core Bond Wrap Composite was named the Seix Core Bond SMA 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. Returns include the reinvestment of all income. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the wrap sponsors in the composite the entire year.

Pure Gross returns are presented as supplemental information, do not reflect the deduction of any trading costs, fees or expenses and are presented for comparison purposes only. Net returns are calculated by subtracting on a monthly basis the highest assumed wrap fee (2.50% annually or 0.21% per month) from the gross composite monthly return. The assumed wrap fee includes all charges for portfolio management, trading costs, custody and other administrative fees.

Actual wrap fees vary by Program Sponsor. Please refer to the Program Sponsor's ADV 2A for a full disclosure of the fee schedule for wrap fees. Returns realized by clients will be reduced by the actual wrap fee rates and rates incurred by clients will vary.

Performance presented for the period prior to 3/31/2008 occurred while the Portfolio Management Team was a part of Seix Advisors, the Fixed Income division of Trusco Capital Management, Inc. ("Trusco") and the predecessor of Seix Investment Advisors LLC. Effective as of 3/31/2008, Seix Advisors began operating as a separate legal entity, named Seix Investment Advisors LLC ("Seix"), and Trusco was renamed as RidgeWorth Capital Management, Inc. Effective as of 5/23/2014, RidgeWorth Capital Management, Inc. became RidgeWorth Capital Management LLC, and Seix merged with StableRiver Capital Management LLC, a wholly owned subsidiary of RidgeWorth Capital Management LLC. Effective 6/1/2017, RidgeWorth Capital Management LLC was acquired by Virtus Investment Partners, Inc. ("Virtus"). Seix is an SEC-registered investment adviser and is a wholly owned subsidiary of Virtus Partners, Inc., a wholly owned subsidiary of Virtus.

Seix has retained the identical investment style since the inception of the composite. Seix also maintains the records necessary to support the performance of all composites and will provide these records upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. **Past performance is not indicative of future results.**

IMPORTANT RISK CONSIDERATIONS

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **ABS/MBS:** Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

DEFINITIONS & DISCLOSURES

Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a Portfolio's fixed income securities will decrease in value if interest rates rise and vice versa. Although a Portfolio's yield may be higher than that of fixed income strategies that purchase higher rated securities, the potentially higher yield is a function of the greater risk of that stategy's underlying securities.

This information and general market-related projections are based on information available at the time, are subject to change without notice, are for informational purposes only, are not intended as individual or specific advice, may not represent the opinions of the entire firm, and may not be relied upon for individual investing purposes. Information provided is general and educational in nature, provided as general guidance on the subject covered, and is not intended to be authoritative. All information contained herein is believed to be correct, but accuracy cannot be guaranteed. This information may coincide or conflict with activities of the portfolio managers. It is not intended to be, and should not be construed as investment, legal, estate planning, or tax advice. Seix Investment Advisors does not provide legal, estate planning or tax advice. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions.

HOLDINGS DISCLOSURE The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.