High Yield Bond Wrap

TAXABLE FIXED INCOME STRATEGY

SEIX INVESTMENT ADVISORS
A VIRTUS INVESTMENT PARTNER

Market Review

The year 2023 began with the strong consensus view that we were imminently entering a recession. The Federal Reserve (Fed) was tightening into a slowing economy and a recession was required to get inflation to the Fed's target. The prophets seemed to have gotten it correct in March as a few regional banks experienced runs that rendered them insolvent. The 10-year Treasury bond began the year at 3.88% and traded to a low of 3.31% in April as the market determined the fallout from the regional banks issue. The Fed continued to increase rates at 25 basis point (bps) increments into July.

We saw a significant reversal from the beginning of 4Q23, with the market initially projecting continued inflationary worries and the possibility of the Fed either holding rates steady or even raising rates further to suddenly later seeing an economic slowdown and rate cuts. The 10-year Treasury generally continued to rise from its April low and hit 4.99% on October 19. Around that time, the market began to price in the Fed cutting rates in 2024 with a soft landing for the economy. As a result, the Goldman Sachs Financial Conditions Index had its largest month of easing in November for any single month in at least 40 years. Financial conditions continued to ease in December and were further helped by Jerome Powell's surprising pivot in December. The result for the 10-year Treasury was a complete round trip, ending the year at 3.88%. In the month of December alone, J.P. Morgan reported that high yield returned +3.63%, with CCCs leading the way with a +5.50% performance, single-Bs gaining +3.57% and BBs coming in at +3.14%. In terms of spreads, the ICE BofA US High Yield Index ("H0A0") tightened by 64 basis points (bps) to +339, with BBs tightening 70 bps to +205, single-Bs tightening 78 bps to +341, and CCCs coming in 21 bps to +902. The Index returned 13.46% for the year, surpassing expectations of most market participants. Triple-Cs, as measured by the ICE BofA CCC & Lower U.S. High Yield Index (H0A3), led the way with a return for the year of 20.36%; followed by single-Bs, as measured by the ICE BofA Single-B U.S. High Yield Index (H0A2), which returned 13.96%; and double-Bs, as measured by the ICE BofA BB U.S. High Yield Index (H0A1), which returned 11.44%. Segments of the market that outperformed included distressed high yield, as measured by the ICE BofA US Distressed High Yield Index ("H0DI"), which returned 24.41%; and longer-duration high yield, as measured by the ICE BofA 10+ Year U.S. Cash Pay High Yield Index ("J9A0"), which returned 17.20%. Interestingly, the J9A0 index returned 12.97% in the fourth quarter alone.

The H0A0 index began the year with a yield-to-worst (YTW) of 8.99% and an option-adjusted spread (OAS) of 481 bps and ended the year with a YTW of 7.69% and an OAS of 339 bps. The H0A1 index began the year with a YTW of 7.26% and OAS of 308 bps and ended the year with a YTW of 6.37% and OAS of 205 bps. The H0A2 index began the year with a YTW of 9.34% and OAS of 515 bps and ended the year with a YTW of 7.76% and OAS of 341 bps. The H0A3 index began the year with a YTW of 15.87% and OAS of 1,170 bps and ended the year with a YTW of 13.03% and OAS of 902 bps.

Performance

The Seix High Yield Wrap strategy, which we manage, increased 10.16% (gross) for the year 2023 (+7.46% net) — 324 bps less than the strategy's benchmark, the ICE BofA High Yield Cash Pay Index, which increased 13.40%.

Top contributors to performance from a sector perspective include cable satellites, restaurants/food/beverage/supermarkets, and retailers. Top detractors to relative performance included financials, building construction, and gaming and leisure.

For 4Q23, the Seix High Yield Wrap strategy increased 6.38% (gross)(+5.73% net)—70 bps less than the strategy's benchmark, which increased 7.08%.

TOP 10 HOLDINGS

	% of Portfolio
HILTON WORLDWIDE FIN LLC	1.97
CDW LLC/CDW FINANCE	1.32
TRANSDIGM INC	1.19
EQM MIDSTREAM PARTNERS L	1.16
BATH & BODY WORKS INC	1.14
TRANSDIGM INC	1.13
ROYAL CARIBBEAN CRUISES	1.13
CARPENTER TECHNOLOGY	1.12
DCP MIDSTREAM OPERATING	1.12
SM ENERGY CO	1.12

PORTFOLIO MANAGERS

Mike Kirkpatrick
Senior Portfolio Manager
Industry experience since 1991
Joined Seix in 2002

James FitzPatrick, CFA
Head of Leveraged Finance Trading,
Portfolio Manager
Industry experience since 1996
Joined Seix in 1997

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.

To obtain the top/bottom holdings calculation methodology, call 800-243-4361.

Seix Investment Advisors is a division of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser.

High Yield Bond Wrap

TAXABLE FIXED INCOME STRATEGY

Top contributors to 4Q23 performance from a sector perspective include retailers, utilities, and cable satellite. Top detractors to relative performance included financials, energy, and healthcare/pharmaceuticals.

Our longer-term objective is to provide a smoother ride with outperformance through the full credit cycle and the strongest relative performance during periods of dislocation when the market is offering a plethora of attractively priced securities.

Current Strategy

We continue to find value in the higher-quality part of the high yield market. Further, we continue to look for and find value in the following segments: fallen angels, orphan credits, small cap issuers, sectors that do not fit a traditional high yield analysis such as financials, and out-of-favor sectors and/or segments of the market.

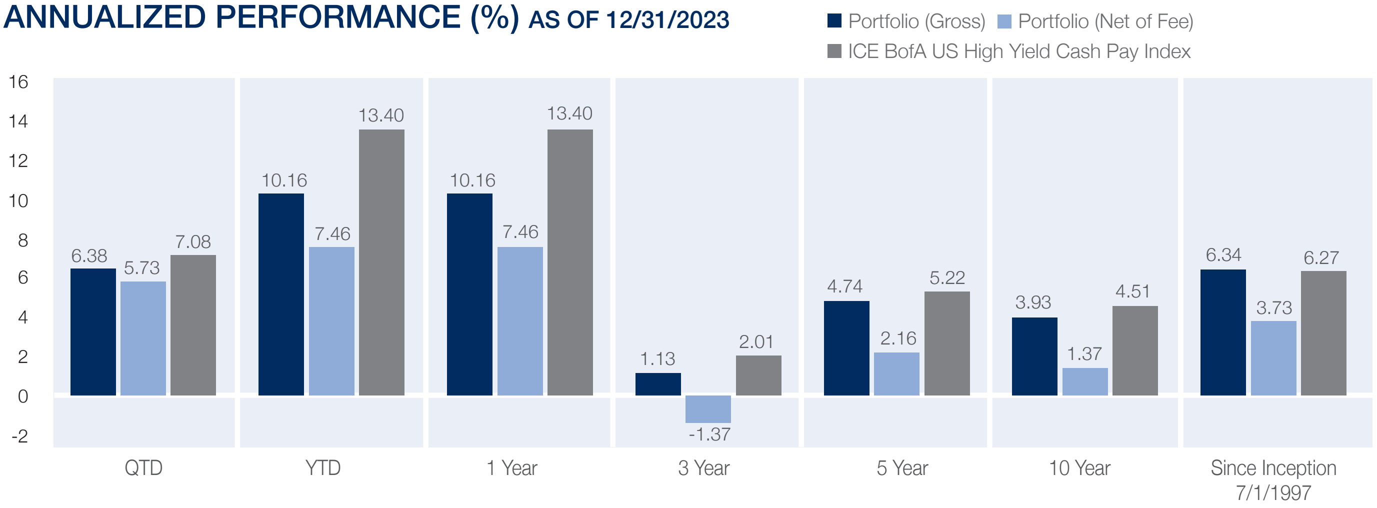
We continue to believe that the higher-quality segments of high yield offer the best risk-adjusted relative value. The new issue market provided some new opportunities in double-B and strong single-B credits with what we believe are attractive coupons. Our core strategy is determined by where we find the best risk-adjusted return opportunities. We continue to focus on current income generation with downside protection while searching the market for mis-priced and/or oversold opportunities.

Outlook

The high yield market began 2023 pricing in a decent probability of a recession. The economy has proven to be more resilient than most had anticipated, and we are now pricing in a decent probability of a Fed easing into a soft landing or mild recession. While this ultimately remains our base case, we do realize that the probabilities of an alternative scenario remain reasonably high. We recognize that declining rates, lower inflation, easing financial conditions, a directionally dovish Fed, and a stronger economy are not regular bedfellows. We are factoring this into our credit analysis given where valuations ended the year.

Nevertheless, fundamentals for high yield issuers, while having weakened somewhat, remain at comfortable levels, and we would anticipate defaults to run at about 3% for the year. The technical outlook should remain more balanced as fallen angels and rising stars fall into a more balanced position. With all of this considered, we do believe high yield can generate a return consistent with long-term returns.

ANNUALIZED PERFORMANCE (%) AS OF 12/31/2023



Net returns are calculated by subtracting the highest applicable wrap fee (2.50% on an annual basis, or 0.21% 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.

ICE BofA US High Yield Cash Pay Index is an unmanaged index consisting of all domestic and Yankee high-yield bonds maturing over one year. The quality range is less than BBB-/Baa3 but not in default (DDD1 or less). The index does not reflect the deduction of expenses associated with a mutual fund, such as investment management and fund accounting fees. A fund's performance reflects the deduction of fees for these services. **ICE BofA US High Yield Index (H0A0)** tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have a below investment grade rating and an investment grade rated country of risk. **The ICE BofA BB US High Yield Index (H0A1)** is a subset of the ICE BofA U.S. High Yield Master II Index and includes all securities with a given investment grade rating BB. **The ICE BofA BBB US Corporate Index (C0A4)** is a subset of the ICE BofA U.S. Corporate Master Index tracking the performance of U.S. dollar denominated investment grade-rated corporate debt publicly issued in the U.S. domestic market. This subset includes all securities with a given investment grade rating BBB. **The ICE BofA CCC & Lower US High Yield Index (H0A3)** subset includes all securities with a given investment grade rating CCC or below. **The ICE BofA Single-B US High Yield Index (H0A2)** subset includes all securities with a given investment grade rating B. The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment.

High Yield Bond Wrap Composite Data

	Total Firm	Composite Assets			Annual Performance and Standard Deviation					
Year End	Assets ($ mil)	US$ ($ mil)	Percentage of Wrap-Fee Portfolios	# of Wrap Sponsors	Net Composite Return	Pure Gross Composite Return	Composite 3-Year Std. Dev.	ICE BofA US High Yield Cash Pay Index	Index 3-Year Std. Dev.	Composite Dispersion
2022	14,122	1,442	100	13	-11.90%	-9.65%	8.98%	-11.11%	11.08%	0.10%
2021	17,435	1,902	100	13	1.35%	3.91%	6.75%	5.29%	9.12%	0.00%
2020	17,721	1,742	100	13	5.57%	8.23%	6.94%	6.20%	9.36%	0.15%
2019	18,034	1,614	100	13	9.84%	12.60%	3.45%	14.40%	4.13%	0.05%
2018	21,160	1,414	100	13	-4.08%	-1.65%	3.08%	-2.26%	4.62%	0.00%
2017	24,843	2,020	100	9	2.91%	5.51%	4.11%	7.48%	5.58%	0.00%
2016	27,631	2,060	100	6	7.24%	9.94%	4.80%	17.34%	6.01%	0.20%
2015	25,698	1,527	100	6	-4.20%	-1.77%	4.93%	-4.55%	5.27%	0.10%
2014	30,989	1,482	100	6	1.52%	4.08%	4.23%	2.44%	4.42%	0.10%
2013	26,600	1,486	100	6	2.43%	5.02%	4.99%	7.38%	6.33%	0.10%

Seix Investment Advisors 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 has been independently verified for the periods January 1, 1993, through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure 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.

Seix Investment Advisors ("Seix") provides investment management and advisory services primarily to segregated accounts of institutional clients, wrap accounts, and pooled funds. Seix operates as a division of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser. For the purpose of complying with the GIPS standards, the firm is defined as Seix Investment Advisors, a division of VFIA and held out to the public as Seix Investment Advisors. Seix Investment Advisors was founded in 1992. In 2014 Seix merged with StableRiver Capital Management and became a subsidiary of RidgeWorth Capital Management LLC. In 2017, RidgeWorth Capital Management LLC was acquired by Virtus Investment Partners, Inc. ("Virtus"). Effective July 1st, 2022, Seix Investment Advisors became a division of VFIA, a subsidiary of Virtus.

The Seix High Yield Bond Wrap strategy seeks high income and capital appreciation. High Yield Bond Wrap accounts invest primarily in a diversified portfolio of higher yielding, BB-rated and B-rated income-producing debt instruments. The accounts may invest in U.S. dollar denominated debt obligations of U.S. and non-U.S. issuers.

For comparison purposes, the composite is measured against the ICE BofA US High Yield Cash Pay Index. The ICE BofA US High Yield Cash Pay Index is an unmanaged index consisting of all domestic and Yankee high yield bonds maturing over one year. The quality range is less than BBB-/Baa3 but not in default. Index returns do not reflect the deduction of any fees.

The minimum account size for inclusion in the composite is $250,000. Prior to June 1, 2015, the account minimum was $500,000.

Prior to September 30, 2017, the Seix High Yield Bond Wrap Composite was named the Seix High Yield SMA Composite. The Seix High Yield Bond Wrap Composite was created January 1, 2003 and has a performance inception date of July 1, 1997.

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. 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. Past performance is not indicative of future results.

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.

The three-year annualized standard deviation measures the variability of the composite gross returns, and the benchmark returns over the preceding 36-month period.

The dispersion of annual returns is measured by the asset-weighted standard deviation of portfolio gross returns represented within the composite for the full year. No dispersion is reported for periods with five or fewer portfolios (shown as N/A).

Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of all composite investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy.

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A basis point (bp) is equal to 0.01%.

IMPORTANT RISK CONSIDERATIONS

Credit & Interest: Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities. **Foreign Investing:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. **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. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended.

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 strategy'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.