High Yield Bond Wrap

TAXABLE FIXED INCOME STRATEGY

SEIX INVESTMENT ADVISORS
A VIRTUS INVESTMENT PARTNER

Market Review

The high yield market experienced its second worst calendar year performance ever (2008 was the worst calendar year) declining 11.22% as measured by the ICE BofA US High Yield Index ("H0A0"). Interestingly, high yield outperformed the investment grade market which declined by 15.44% as measured by the ICE BofA US Corporate Index ("C0A0"). The move in Treasury rates drove most of the performance for the two markets as higher rated credits were more affected by the rate move while the lower rated credits experienced a greater impact due to spread widening. The full high yield market began the year with a yield to worst ("YTW") of 4.32% and an option adjusted spread ("OAS") of 310 basis points (bps) and ended the year with a YTW of 8.99% and OAS of 481 bps suggesting that the rate move was more impactful to performance than spread widening.

BB's as measured by the ICE BofA BB US High Yield Index ("H0A1") declined 10.57% for the year, single-B's as measured by the ICE BofA US High Yield Index ("H0A2") declined 10.58% and CCC's as measured by the ICE BofA CCC & Lower US High Yield Index declined 16.32%. Notable underperforming segments of the market for the year include the ICE BofA US Distressed High Yield Index ("H0DI") that declined 27.36% (this index has a CCC1 composite rating) and the ICE BofA 10+ Year US Cash Pay High Yield Index ("J9A0") that declined 22.46% (this index has a BB2 composite rating).

Top performing sectors in high yield for the year included Transportation (-4.15%), Aerospace (-4.24%), Gaming (-5.48%) and Energy (-5.52%). Bottom performing sectors included Non-Food Retail (-21.75%), Entertainment (-19.25%), Broadcasting (-16.65%) and Healthcare (-16.33%).

Performance

The Seix High Yield Wrap that we manage on your behalf declined 9.53% in 2022 — 157 bps better than the Portfolio's benchmark, the ICE BofA US Cash Pay High Yield Index, which declined 11.10%.

The largest contributor to relative performance for the year was an underweight and positive security selection in communications, an underweight and positive security selection in consumer non-cyclicals and positive security selection in other financial.

Top detractors to relative performance for the fiscal year was negative security selection in energy (partially offset by an overweight), negative security selection in consumer cyclicals and negative security selection in technology.

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

TOP 10 HOLDINGS

	% of Portfolio
CENTENE CORP	2.05
CROWDSTRIKE HOLDINGS INC	1.96
CDW LLC/CDW FINANCE	1.38
TRANSDIGM INC	1.19
OCCIDENTAL PETROLEUM COR	1.17
DCP MIDSTREAM OPERATING	1.16
TRANSDIGM INC	1.16
RADIAN GROUP INC	1.15
TRI POINTE GROUP / HOMES	1.14
SM ENERGY CO	1.14

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.

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Current Strategy

We are finding value in the higher quality part of the high yield market. In addition, we have been adding to our triple-B exposure as we believe the cross-over segment offers compelling risk-adjusted value. The technicals in the high yield market have been more favorable than the investment grade market contributing to where we are finding relative value.

Outlook

The weakness across the fixed-income markets and high yield specifically has created potential opportunities for long-term diversified investors. Yields for the high yield market are at levels that are among the highest since the Great Financial Crisis (GFC): spreads more than compensate for what we believe will be the future default experience; fundamentals, while likely to weaken in 2023, are at or near the best levels ever for the asset class; and technicals are supportive and are likely to remain so for the foreseeable future. Having said all that, we do believe that the best risk-adjusted return opportunities broadly are in the higher-rated part of the high-yield market and the lowest tier of investment grade corporate bonds. While we are a bottom-up money manager and build the portfolios from the bottom up, we are top-down aware and realize that we are entering unchartered territory as global central banks reverse the significant QE that has been a key part of the capital markets since the GFC. Accordingly, balance sheet flexibility is an important consideration for a corporate investment given an uncertain earnings outlook for many sectors.

From a valuation perspective, yields and spreads have increased considerably through 2022. The following graph shows the difference between BB yields and the S&P 500 earnings yield going back to the GFC. We believe this graph demonstrates the relative attractiveness of the higher quality portion of the high yield market versus equities as BB's outyield the S&P 500 earnings yield at the greatest amount since the GFC.

Difference Between S&P 500® Earnings Yield and BB Yield

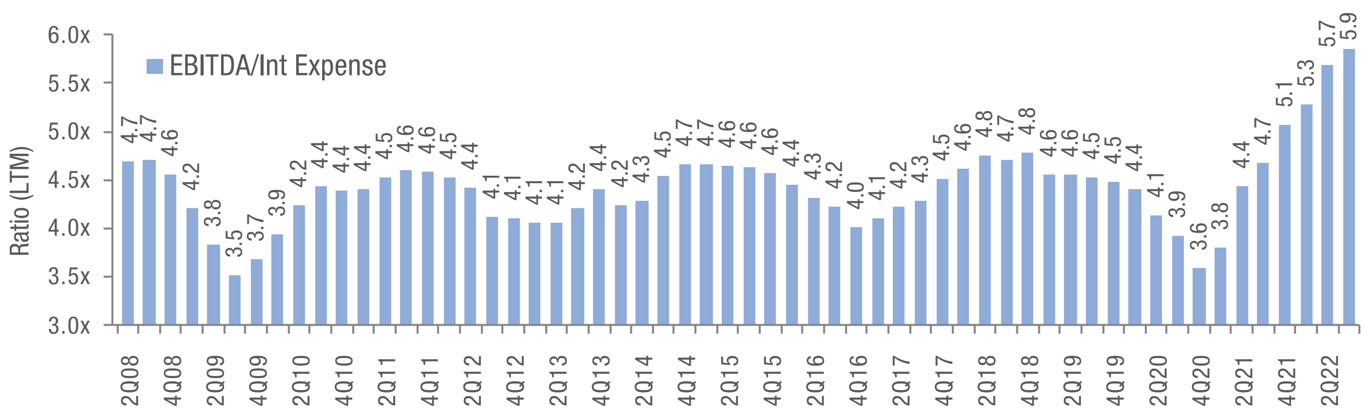
Past performance is not indicative of future results.

Source: Standard & Poor's; ICE BofA US High Yield BB Rated Index YTW (H0A1) as of 12/31/22

High Yield Bond Wrap

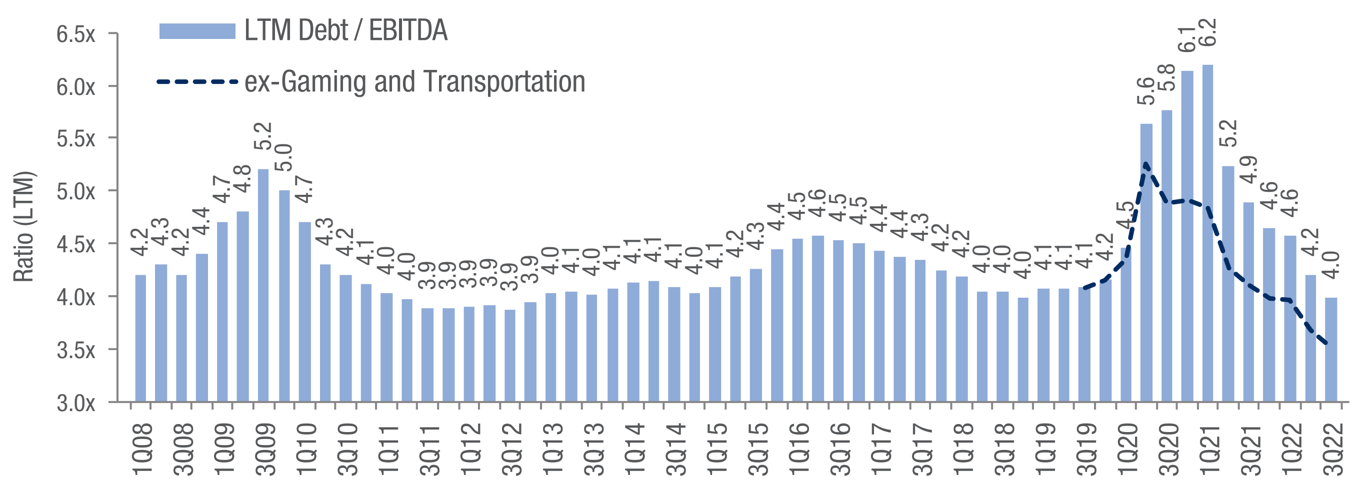
TAXABLE FIXED INCOME STRATEGY

The fundamentals of the market are also supportive. As the following graph shows, interest coverage ratios are at the highest levels ever reported for the asset class.



Source: JPMorgan 9/30/22

Further, leverage ratios are right at the lowest levels ever for the asset class and are at the lowest levels ever if adjusted for gaming and transportation that are still benefiting from the economy reopening.



Source: JPMorgan 9/30/22

While fundamentals will likely weaken through 2023, the asset class is entering the expected slowdown in its best fundamental shape ever. We believe this will be an important consideration keeping defaults (below) past cycle highs. In addition, we believe the asset class has evolved over the past 15+ years to consist of larger companies. As a result, we believe investors waiting for past recessionary spread levels to reenter the asset class could end up being disappointed as the asset class ends up proving more resilient than many anticipate.

The other key consideration is that technicals have been supportive despite the outflows out of the asset class, largely due to low levels of new issuance and the significant percentage of the asset class that has been upgraded back to investment grade as shown in the following table.

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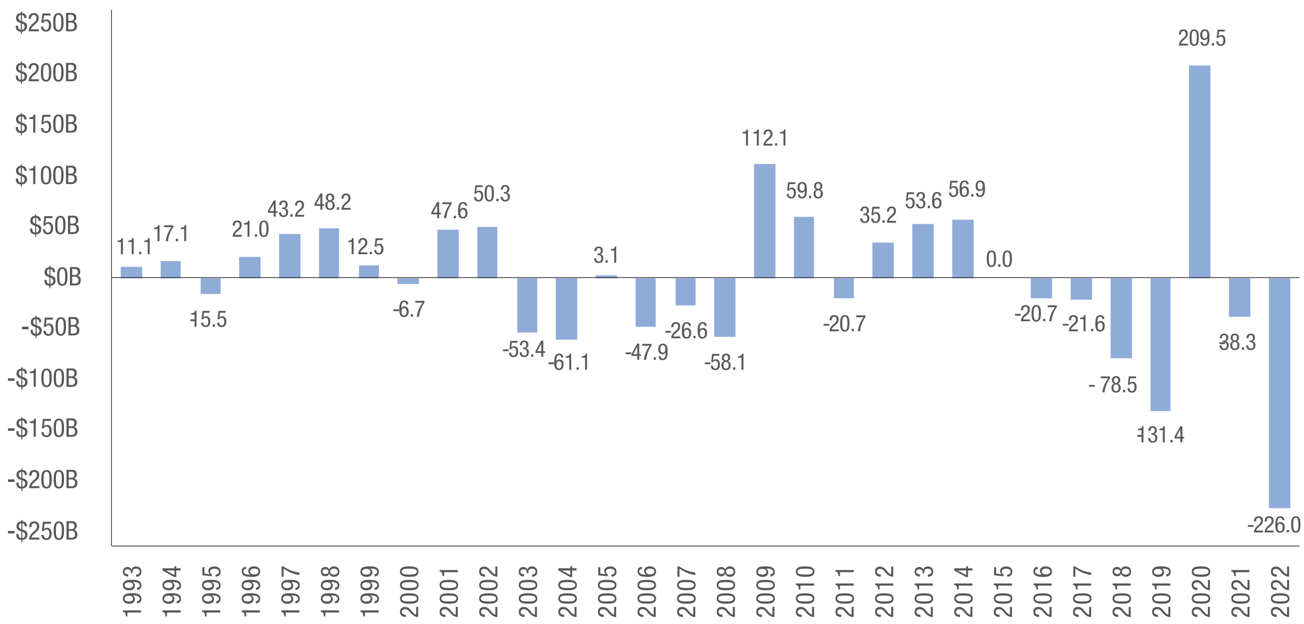
High Yield Bond Supply Surplus / Shortfall

In summary, we believe fixed income investors have a much better opportunity to benefit from the income generation capabilities and diversification benefits of an allocation to high yield.



Source: JPMorgan 12/31/22

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ANNUALIZED PERFORMANCE (%) AS OF 12/31/2022

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.

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 US gh Yield MasterHi II Index and includes all securities with a given investment grade rating BB.

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
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%
2012	26,141	1,535	100	6	9.91%	12.67%	5.44%	15.44%	6.93%	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, 2021. 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. 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 issue, 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.

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.

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