NFJ Global Sustainability Wrap Strategy

Strategy Overview

The NFJ Global Sustainability Wrap Strategy seeks attractive long-term competitive returns and to have a positive societal benefit by considering environmental, social, and corporate governance (ESG) criteria. A disciplined investment process is used to identify high-quality companies considered best-in-class in ESG practices and financial fundamentals.

Market Overview

Global equities realized gains in the quarter amid generally falling inflation, the artificial intelligence (AI) boom, and interest rate cuts worldwide. The Emerging Markets (EM) boasted some of the best returns, buoyed by outsized gains from China, followed by strength from North America. After realizing strong gains in 2023, Japan equities cooled in the second quarter. In the MSCI ACWI Index, the technology, communication services, and utilities sectors led, while materials, real estate, and industrials led declines with negative returns.

Portfolio Overview

The NFJ Global Sustainability Value Wrap Strategy underperformed the MSCI All Country World benchmark Index over the quarter. Negative stock selection drove performance results, while sector allocations somewhat detracted, albeit to a lesser extent and regional allocations were effectively net neutral.

More specifically, the extreme momentum trade that challenged first quarter results bled into the second quarter. Importantly, the reversals coming out of past momentum blowoffs have been swift and we believe NFJ is uniquely prepared for this shift.

Portfolio Contributors

Stock selection was positive across the utilities and financials sectors, as well as across EM. From a positioning standpoint, underweight exposures in the financials sector and Japan benefitted results. NextEra Energy and Halma were the strongest absolute contributors.

NextEra Energy, an electric utility and worldwide leader in renewable energy, reported ahead-of-consensus quarterly adjusted earnings, and

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.

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Performance Data as of June 30, 2024

Returns (%) [1]	QTD	Since Inception
NFJ Global Sustainability Wrap Composite (gross)	-2.29	-2.29
NFJ Global Sustainability Wrap Composite (net)	-3.02	-3.02
MSCI ACWI Index	2.87	2.87

1. Annualized for periods greater than one year.

Composite incepted April 1, 2024. Composite results. Individual accounts will vary. **Past performance is no guarantee of future results.** 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. Please see the GIPS Report on page 4. Our predecessor firm (known as NFJ Investment Group at the time) was initially created in 1989, acquired by Allianz in 2000, and rolled into the Allianz Global Investors RIA as that firm's Dallas-based Value Equity US team in 2016. Effective February 1, 2021, Virtus lifted out Allianz Global Investors' Dallas-based Value Equity US team and established a new investment adviser for that team, which is registered with the SEC and known as NFJ Investment Group, LLC.

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Portfolio Contributors, cont.

management maintained its 2024 guidance. The company is well positioned for the transition to clean energy.

Environment, health, and safety technology company Halma reported record annual revenue and profit, and management raised the dividend for its 45th consecutive year with a 7% increase. The company has already exceeded its 2030 Scope 1 & 2 emissions reduction target by the end of 2023.

Absolute Contributors	Avg Weight (%)
NextEra Energy	5.0
Halma	2.5
ENN Energy	4.1
BYD	2.2
Taiwan Semiconductor Manufacturing	1.4

Portfolio Detractors

Stock selection was negative across the technology and healthcare sectors, as well as among North America-based names. From a positioning standpoint, overweight positions in the real estate sector and across Europe ex-UK detracted. Veeva Systems and NICE were the strongest absolute detractors from quarterly results.

Veeva Systems, a leader in cloud-based software for the global life sciences industry, reported ahead-of-consensus first quarter revenue and adjusted earnings before interest and taxes (EBIT). However, management lowered fiscal year 2025 revenue guidance on continued macroeconomic challenges, and markets reacted negatively to the news.

While quarterly earnings and revenue for NICE beat analyst expectations, shares slumped following the company's CEO transition plans and concerns over Microsoft's entry into the contact center product space. Later in the quarter, management for the enterprise software company approved the acceleration of its existing share repurchase program and an additional $500 million share buyback plan.

Absolute Detractors	Avg Weight (%)
Veeva Systems	3.2
NICE	1.9
Dassault Systèmes	2.7
Neste	1.0
Autodesk	3.8

Outlook

While the U.S. has largely outperformed international equities over the past several years, the second quarter of 2024 could be the beginnings of a change in leadership. This move was a function of both shifting investor perceptions as well as positive economic fundamentals around the globe. Though economic expansion in Europe has trailed that of the U.S. since the Covid shutdowns, the EU's outlook for growth is brightening while the U.S. economy is showing signs of cracking. Economies in the EU have held up despite the oil shock and a ground war. Unemployment in Europe remains historically low, while inflation has pulled back sufficiently to allow the ECB to take the lead in cutting policy rates. Further, valuations give the EU equity market room to run. Equity risk premiums for stocks there are over twice those for U.S. equities, a historically wide gap, and P/E multiples trade over a standard deviation below their relative averages.

If a sustained comeback for European equities would be somewhat surprising, leadership from Emerging Markets could be nearly shocking to investors that have seen the asset class lag for over a decade. Developing world equities were standouts during the second quarter, with returns from China of note. Is this turnaround real? The price/book ratio spread between Emerging Markets stocks and the S&P 500 recently hit levels last seen 28 years ago. Most macro data in China was solid this quarter and manufacturing has picked up. One positive sign of improvement is the recent surge in copper prices, which are considered a bellwether of the health of the global economy and a particularly strong indicator of China's prospects due to copper's use in many of its industries. This could bode well for emerging economies as a whole. Finally, the dollar has also reached historically stretched levels. The last time the U.S. Dollar Index was near its current peaks was 2002, which marked a launching point from which Emerging Markets posted 5x the returns of U.S. equities over the subsequent five years. Finally, we believe investing in companies with best-in-class ESG practices can help investors avoid certain tail risks in an increasingly unpredictable investment landscape.

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Portfolio Statistics as of June 30, 2024

Sector Allocation (%)

	Portfolio	MSCI ACWI
Communication Services	0.0	7.9
Consumer Discretionary	7.7	10.4
Consumer Staples	4.2	6.2
Energy	0.7	4.4
Financials	10.3	15.6
Health Care	18.3	10.9
Industrials	8.3	10.3
Information Technology	24.4	25.9
Materials	2.8	4.0
Real Estate	10.0	2.0
Utilities	12.3	2.5

Characteristic	Portfolio	MSCI ACWI
Dividend Yield (trailing 1YR, %)	1.8	1.9
Dividend Growth (5YR wtd. avg, %)	12.1	8.1
Price-to-Earnings (next 12Mos.)	17.7x	17.7x
Price-to-Earnings (trailing 1YR)	23.3x	20.5x
Return on Equity (%)	17.4	14.7
Return on Assets (%)	8.7	9.9
Earnings Growth (trailing 3YR avg.)	13.7	17.8
Earnings Growth (trailing 5YR avg.)	15.0	14.8
Market Cap (weighted avg., $ bn)	143.5	599.3
Number of Holdings	54	2,760

Top Ten Positions	Portfolio Weight (%)
NextEra Energy	4.9
Autodesk	4.1
MonotaRO	3.9
ENN Energy	3.9
Edwards Lifesciences	3.5
Halma	3.0
Alexandria Real Estate Equities	3.0
IDEXX Laboratories	2.9
Veeva Systems	2.8
Novonesis	2.8
TOTAL	34.9

Region Allocation (%)

	Portfolio	MSCI ACWI		Portfolio	MSCI ACWI
Asia/Pacific ex-Japan	0.0	2.6	Japan	4.0	5.1
Emerging Markets	13.7	10.0	North America	60.4	65.6
Europe ex-UK	15.4	13.1	UK	6.5	3.6

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. **P/E** is a ratio of security price to earnings per share. Typically, an undervalued security is characterized by a low P/E ratio, while an overvalued security is characterized by a high P/E ratio. The forward P/E ratio shown uses funds from operations, instead of earnings, for REITs. **Return on Equity (ROE)** is a measure of a corporation's profitability, calculated as net income divided by shareholder equity. It is an indication of how well the firm used reinvested earnings to generate additional earnings. The MSCI ACWI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. **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. Portfolio holdings are subject to change daily. 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. 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, MSCI, Factset.

NFJ Global Sustainability Wrap GIPS Composite Report

Schedule of composite performance results as of June 30, 2024

Year	Composite Return Gross (%)	Composite Return Net (%)	MSCI ACWI Ex-US 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)
ITD 2024*	-2.3	-3.0	2.9	-	-	N/A	1	0.1	3,533**

*April 1, 2024, through June 30, 2024.

**Preliminary Assets.

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 December 31, 2022. 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 Global Sustainability Wrap Composite (the "Composite") seeks long term attractive returns through investments in companies that focus on investments in companies that the Manager believes exhibit strong environmental, social, and corporate governance records. The composite's universe of investments may be smaller than that of other portfolios and broad equity benchmark indices. ESG factors may not be considered for every investment decision and there is no guarantee that the integration of ESG factors will result in better performance. The Composite was created April 1, 2024 and has a performance inception date of April 1, 2024. 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 all wrap fee accounts managed in this strategy.

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 and 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 monthly basis.

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 MSCI All Country World Index (ACWI) (Net) is the primary benchmark index for the composite. The MSCI AC World Index (ACWI) (Net) is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and emerging markets. Although NFJ is a value investor, the broader ACWI index provides a more accurate benchmark because it is more diversified. The index is calculated on a total return basis with net dividends reinvested. 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 only invest in ADR's and 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 ITD 2024 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.

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INVESTMENT PROCESS, STRATEGIES AND PROCEDURES: Investment process, strategies, and procedures detailed in this presentation are intended to be general guidelines, subject to market conditions and client-specific investment guidelines and restrictions, and are measured at time of purchase. NFJ Investment Group, LLC may deviate from these guidelines if market conditions warrant, or if the investment professionals deem doing so would be in the clients' best interests. Guidelines do not guarantee any reduction of risk or loss. There is no guarantee the strategy will be successful or work as described.

