International ADR Managed Account Fact Sheet & Commentary

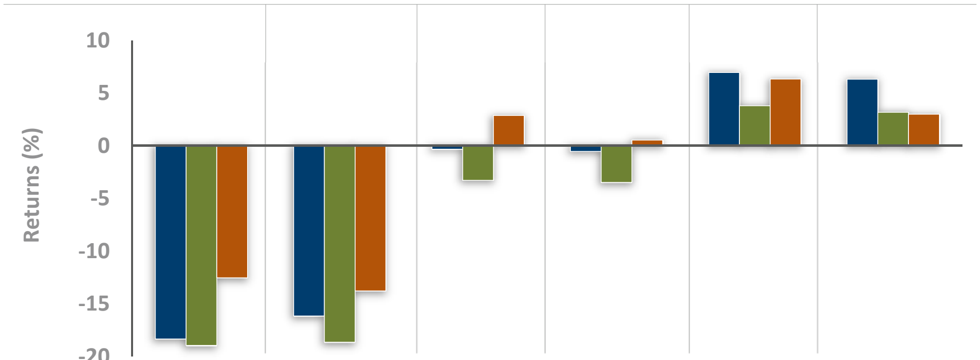
DUFF & PHELPS INVESTMENT MANAGEMENT CO.
A VIRTUS INVESTMENT PARTNER

Quarter Ending December 31, 2018

STRATEGY

- High conviction portfolio of 30-40 international stocks
- Bottom-up research informed by top-down macro views
- Investment style is Core with a Quality and Value bias
- Cash flow based approach to valuation
- Flexibility to adapt to market conditions

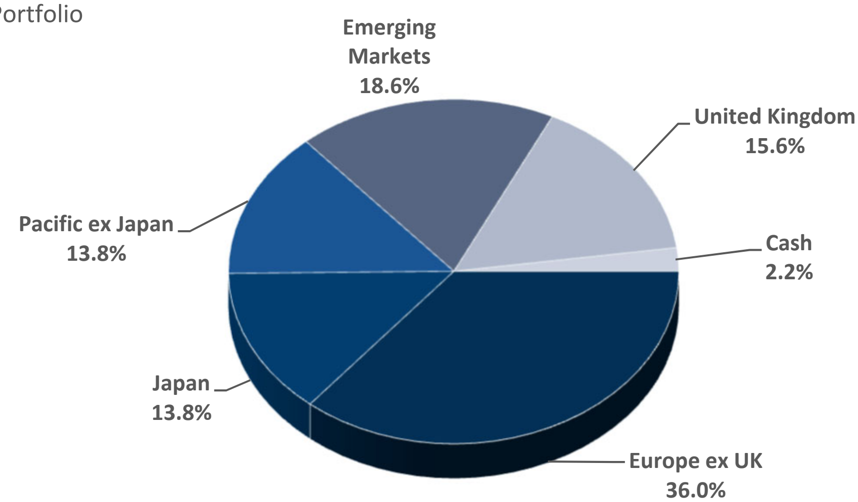
PERFORMANCE[1]



	QTR	1YR	3YRS	5YRS	10YRS	SINCE INCEPTION
Intl. Equity Gross[2]	-18.35%	-16.17%	-0.34%	-0.55%	6.94%	6.31%
Intl. Equity Net	-18.96%	-18.65%	-3.29%	-3.49%	3.79%	3.17%
MSCI EAFE Index (net)	-12.54%	-13.79%	2.87%	0.53%	6.32%	2.99%

REGIONAL EXPOSURE[3]

% of Portfolio



STRATEGY OVERVIEW

Inception Date	January 1, 2006
Benchmark	MSCI EAFE® Index (net)
Number of Holdings	30 – 40
Expected Turnover	~50%

PORTFOLIO CHARACTERISTICS[3]

	Portfolio	MSCI EAFE Index (net)
Number of Holdings	34	920
Weighted Avg. Market Cap	$53.0b	$37.5b
Forward Price to Earnings	11.0	12.8
Price to Cash Flow	5.9	8.3
Price to Book	1.3	1.3
Est. 3- 5 Year EPS Growth	8.9%	7.6%
Dividend Yield (net)	3.4%	3.7%

TOP TEN HOLDINGS[3]

	Country	% of Port
Broadcom Inc. ADR	Singapore	4.3
Conch Cement H ADR	China	4.3
Sony Corp Sponsored ADR	Japan	4.1
DBS Group Holdings ADR	Singapore	3.9
ASML Holding NV NY	Netherlands	3.6
Orix Sponsored ADR	Japan	3.4
Ashtead Group Plc ADR	U.K.	3.4
Banco Bradesco ADR	Brazil	3.3
China Construct ADR	China	3.3
Nidec Corporation ADR	Japan	3.2

CONTACT INFORMATION

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[1]Inception date is January 1, 2006. Periods over one year are annualized. Please see the GIPS Compliant Presentation for more information. [2]Effective April 2011, gross performance is shown as "pure" gross performance, as returns have not been reduced by transaction costs. [3]Holdings, weights, and characteristics are from a representative account and are subject to change. Weights include cash. **Past performance is not indicative of future results.**

The Quarter in Review

In the fourth quarter of 2018 international equity markets declined for the third time in the last four quarters. Non-U.S. developed markets represented by the MSCI EAFE Index fell -12.5% while the Duff & Phelps International Equity Strategy underperformed the benchmark, down -18.4% (gross return). Investors were spooked by the prospect of a potential slow-down in economic growth and corporate profits, though the consensus view is not that a recession lies ahead. But uncertainty surrounding U.S. Federal Reserve policy (and Fed remarks which many interpreted as not-sufficiently-dovish), unresolved U.S.-Chinese trade issues, a lower commodity market led downward by oil, and poor year-end liquidity all swung investor sentiment decidedly bearish and caused dramatic draw-downs as the year came to a close.

Our strategy's underperformance in the fourth quarter was primarily driven by the negative impact of stock selection, especially in the industrials, healthcare, and energy sectors. Security selection in information technology, communication services, and utilities was accretive to results, but was more than offset by the negative contributions elsewhere.

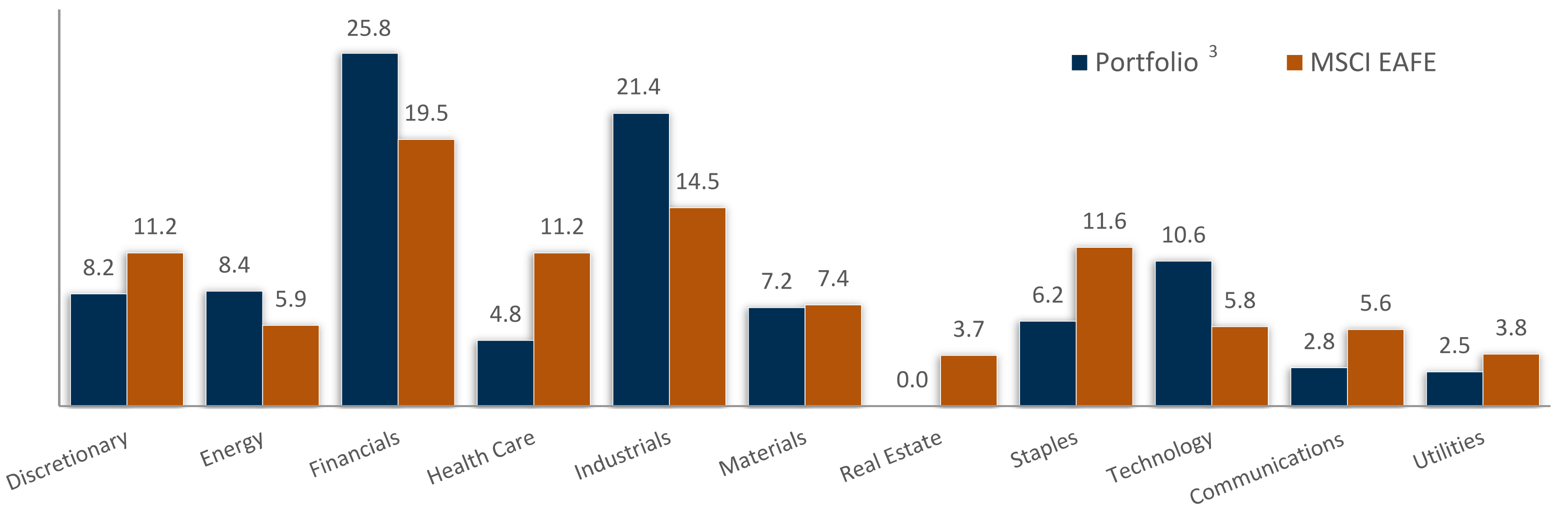
Sector allocation also had a negative impact on relative returns, but less so than stock selection. An overweight to information technology, combined with underweights to real estate and consumer staples were the largest detractors, offset slightly by the effect of underweights to consumer discretionary and materials which helped. At the benchmark level ten out of eleven sectors posted negative returns, with the energy sector leading the pack downward with a greater than -17% decline. The utilities sector was the sole benchmark sector in the black, posting a fraction of a percent gain. Across the board it was a fairly brutal quarter for non-US stocks.

Portfolio Positioning

We have found opportunities across all major sectors of the global economy but continue to lean into cyclical sectors such as industrials, financials, information technology, and energy. We also continue to be underweight most of the defensive sectors such as healthcare, consumer staples, and communication services. While we are not necessarily bullish on Emerging Markets overall, we do see value in our out-of-benchmark exposure to Emerging Markets via China and Brazil, where the growth stories and market liberalization remains most prominent. While a softening of the U.S. dollar relative to other currencies would benefit our positioning in the emerging market commodity-oriented economies, our rationale for holding our current EM positions is not predicated on this happening.

Portfolio changes during the fourth quarter included expanding our overweight to the financials and industrial sectors while removing our real estate exposure in favor of better bottom up ideas. In financials we added Standard Life Aberdeen, a British asset manager/insurer, and Banco Bradesco in Brazil, which more than offset our sale of Spain's Caixabank. In industrials we added CK Hutchison, a Hong Kong-based conglomerate that we know well, and increased our exposure to Norwegian shipper Golden Ocean. Other new holdings included Brazilian retailer CBD and European pharmaceutical provider Novartis. We also exited positions in Australian real estate developer Lendlease Group, Ireland-based clinical research provider ICON, long time pharma holding Allergan, and Mexican consumer staples provider FEMSA. Other changes were an increase to our existing position in Bayer, and a reduction of our positions in Anhui Conch and Carnival.

Sector Weights (in %) as of 12/31/18



Portfolio Positioning cont.

Regionally, we finished the quarter with a large out of index weighting in emerging markets, a market weight allocation to Asia ex-Japan and the UK, and underweights to Japan and Europe ex-UK. The underweight to Europe was expanded during the quarter, and there are still many benchmark-heavy consumer-related names in Europe which we have chosen not to own at this time. In emerging markets, two Brazilian holdings (CBD and Banco Bradesco) were added alongside our existing holdings in China. New Brazilian president Bolsonaro has taken office riding an anti-corruption wave, which should lift confidence among the nation's middle class and benefit the retail and financial sectors.

The Market Ahead

Despite a real slowdown in China, global growth scares tend to not be as bad as the market initially discounts. Thus a soft landing in the economy may not always equate to a soft landing in the markets, as we have witnessed recently. We expect a pause in the tightening of U.S. monetary policy in the first half of 2019 and continue to be positioned accordingly. We also see a resolution to the U.S./China trade issues by the end of Q1, as the sides have renewed their negotiations in the New Year. This should provide a significant boost to market sentiment, the green shoots of which have already been seen in the first days of 2019.

Oil prices were another key casualty of the global growth scare. Energy company share prices, even those with less direct commodity exposure, experienced sharp share declines. Our expectation is that oil prices have bottomed and are now recovering. Recent OPEC production data indicates a curbing of supply, and we expect this trend to continue. With a view toward constrained supply and our belief that fears of a cooling global growth picture were overblown, we continue to be overweight the energy sector.

With less than 100 days left until the stipulated BREXIT deadline, no final resolution of terms has been agreed. The "hard BREXIT" and "soft BREXIT" factions within the U.K. remain dug in, leaving a very real possibility of a no-deal BREXIT outcome, where cumbersome trade and border controls will have to be hastily put in place. While we maintain essentially a benchmark-weighting in the U.K., it is a nuanced view largely focused on bottom up opportunity. During the quarter we sold Allergan, as our rationale for owning the name deteriorated. Instead, we added blue chip financial name Standard Life Aberdeen. It joined existing holdings Ashtead, Easyjet, and Carnival, each of which has a global business footprint that is largely BREXIT agnostic.

We are fully cognizant of the fact that our strategy underperformed in the fourth quarter's falling tape, contrary to our history of providing a cushion to the downside. The simplest explanation we can provide for this outcome is that going into the fourth quarter the best relative values were to be found in high quality cyclically oriented companies. These stocks were poised to benefit the most from a sustained global growth trend, and we positioned the strategy to exploit this trend accordingly. Unfortunately, market sentiment turned on a dime in the fourth quarter, in a way that few market pundits had predicted. A litany of fears around U.S./China relations, Fed policy, and the sustainability of global economic fundamentals dramatically reversed market sentiment and spiked volatility during the quarter, with the more cyclical names bearing the brunt.

Moving into 2019, we see the fourth quarter's cyclical-led selloff as being an opportunity rather than the beginning of a prolonged downward slide. While we remain aware of heightened volatility and the diminishing second derivative of still-positive global growth, we still view this as a time to remain cyclically exposed and believe our holdings have become even more attractively priced.

Markets seem to be regaining some of their lost confidence as the new year begins, and we are well positioned with the portfolio names we hold. As always, we thank you for your continued support. Please call us directly if we can provide additional portfolio commentary to you or your clients.

FREDERICK A. BRIMBERG
Senior Portfolio Manager

JOHN L. CRESWELL
Executive Managing Director

IMPORTANT RISK CONSIDERATIONS:
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. **Foreign & Emerging Markets**: Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Derivatives**: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

GIPS Compliant Presentation

Year-end (12/31)	Annual Composite Return (%)		Annual Benchmark Return (%)	3-Year Annualized Standard Deviation (%)		Number of Accounts	Asset-weighted Dispersion (%)	Composite Assets (US $M)	Firm Total Assets (US $B)	% of Bundled Fee Accounts In Composite
	Gross	Net		Composite	Benchmark					
2018	-16.17	-18.65	-13.79	11.54	11.24	<5	n.a.	37.9	9.0	100%
2017	18.55	15.05	25.03	10.35	11.83	<5	n.a.	58.8	10.2	100%
2016	-0.40	-3.35	1.00	11.33	12.46	<5	n.a.	11.4	10.3	100%
2015	2.43	-0.60	-0.81	12.26	12.46	<5	n.a.	57.8	n.a.[1]	100%
2014	-4.04	-6.89	-4.90	12.09	13.03	<5	n.a.	54.1	n.a.[1]	100%
2013	15.96	12.57	22.78	14.15	16.25	<5	n.a.	12.0	n.a.[1]	100%
2012	16.32	12.92	17.32	16.78	19.37	<5	n.a.	10.9	n.a.[1]	100%
2011	-2.88	-5.77	-12.14	19.34	22.43	<5	n.a.	5.1	n.a.[1]	100%
2010	11.95	8.67	7.75	21.97	26.23	<5	n.a.	1.4	n.a.[1]	0%
2009	37.05	33.09	31.78	20.32	23.58	<5	n.a.	0.8	n.a.[1]	0%

[1]Results were achieved while at a prior firm. [2]Effective April 2011 gross performance is shown as "Pure" gross performance for bundled fee accounts as returns have not been reduced by transaction costs and is presented as Supplemental Information.

Duff & Phelps Investment Management Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Duff & Phelps Investment Management Co. has been independently verified for the periods January 1, 1993 through December 31, 2017. 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.

1. Organization – Duff & Phelps Investment Management Co. ("Duff & Phelps" or the "firm") is a registered investment adviser and a wholly owned subsidiary of Virtus Investment Partners. Duff & Phelps manages assets on behalf of institutional and retail separate accounts and open-end and closed-end funds. Registration of an investment adviser does not imply any level of skill or training.

2. Composite Description – The International ADR Equity Managed Account Composite includes all fully discretionary wrap/SMA accounts from all managed account platforms (excluding UMA assets) that focus their investments in international ADR equity securities with the objective of achieving superior long-term returns through capital appreciation and dividend income as prices of such securities return to fair value. Risk is controlled by monitoring regional and sector exposures and by pursuing investments with a bias towards valuation and quality. Prior to April 2011, the Composite did not include wrap/SMA accounts and consisted of other bundled fee accounts. The inception date of the Composite is January 1, 2006 and the Composite was created on October 1, 2016.

Performance presented for the period August 1, 2012 through September 6, 2016 occurred while the Portfolio Manager was affiliated with Euclid Advisors LLC. Performance presented prior to August 1, 2012 occurred while the Portfolio Manager was affiliated with Avatar Associates. From 2006 through 2010, none of the portfolios in the Composite were fee-paying, from January 2011 through April 2011 the portfolios converted to fee-paying accounts, and effective April 30, 2011 and forward, all of the portfolios in the Composite are fee-paying. For all periods, the Portfolio Manager was the only individual responsible for selecting securities to buy and sell. This presentation conforms to the GIPS guidelines regarding the portability of investment results.

The strategy invests primarily in developed markets, including the U.S. and Canada. It may also invest up to 20% in emerging market securities.

3. Benchmark – The Composite Benchmark is the MSCI EAFE Index (Europe, Australasia, Far East) (net), a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. Benchmark returns are calculated net of non-reclaimable withholding taxes.

4. Calculations – Returns are expressed in U.S. dollars and include accrued income. The Composite and Benchmark results reflect the reinvestment of dividends and other earnings. The Composite return is an asset weighted average of the performance results of all the portfolios in the Composite based on beginning of month values. The withholding tax rates used in the calculation of account performance are dependent on account domicile and/or platform methodologies. The annual composite dispersion is an asset weighted standard deviation calculated for the accounts in the composite for the entire year and is not presented for periods with 5 or fewer portfolios. The 3-year annualized ex-post standard deviation measures the variability of the Composite and the Benchmark returns over the preceding 36-month time period and is not presented for periods of less than 36 months. Gross Composite performance results prior to 2012 have been restated from prior presentations, as have been the resulting net Composite results and the Composite 3-year standard deviation results for the period.

5. Performance and Fee Information – Investment performance returns are presented on both a gross of fee and net of fee basis. Gross returns do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. Effective April 2011, gross performance is shown as "pure" gross performance, as returns have not been reduced by transaction costs, and is presented as Supplemental Information. Net of fee performance was calculated monthly using an assumed highest bundled fee of 3.00%, the standard wrap fee schedule. Bundled fees include trading and administrative fees, investment management fees and advisory fees; and actual bundled fee rates are determined at the platform sponsor level. Returns realized by clients will be reduced by actual bundled fee rates and rates incurred by clients may vary. Index returns do not reflect the deduction of any fees.

6. Additional Information – Duff & Phelps's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request.