NFJ Investment Group, LLC
2100 Ross Avenue, Suite 700
Dallas, Texas 75201
214-754-1780
nfjinv.com

FIRM BROCHURE (FORM ADV Part 2A)

March 20, 2026

This Brochure provides information about the qualifications and business practices of NFJ Investment Group, LLC ("NFJ" or "Firm"). If you have any questions about the contents of this Brochure, please contact us at 214-754-1780. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

NFJ is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about NFJ is also available on the SEC's website at adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

This Brochure, dated March 20, 2026, was prepared according to the SEC's requirements and rules. This Item is used to provide a summary of new or updated material information since the last annual update of our Brochure.

No material changes.

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ITEM 4 ADVISORY BUSINESS

Our Firm

NFJ Investment Group, LLC is a wholly-owned subsidiary of Virtus Partners, Inc. ("VPI"), which is wholly-owned by Virtus Investment Partners, Inc. ("Virtus"). Virtus, a publicly traded firm, is singularly committed to the long-term success of individual and institutional investors, offering asset management through its affiliated managers and select sub-advisers (see virtus.com).

Our Services

NFJ provides investment management services across a broad range of primarily equity assets including domestic and non-U.S. securities. NFJ provides discretionary and non-discretionary investment management or sub-advisory services to institutional clients and non-institutional clients principally through separate accounts, wrap fee programs and a variety of commingled funds (including SEC registered open-end investment companies ("Mutual Funds") and SEC registered closed-end investment companies ("Closed-End Funds."), other commingled funds which are not registered with the SEC ("Non-Registered Commingled Funds"), which may be sponsored or established by affiliates of NFJ or by unaffiliated third parties.

The following are the primary elements of the investment management services typically provided by NFJ. Such services may vary depending on the nature of the investment advisory relationship as described herein.

(i) Formulation with the client of appropriate investment objectives and restrictions;

(ii) Application of stock screening process to determine the relative attractiveness of individual stocks within certain quality constraints;

(iii) Construction of client portfolios utilizing stocks which are determined to be most attractive by the screening process which concentrates on favorable valuations and/or dividend yields. A specific sell discipline is in place;

(iv) If authorized, implementation of the investment strategy by execution of portfolio transactions as needed;

(v) The continual monitoring of the account for the purpose of reviewing its performance and controlling its adherence to strategy and objectives; and

(vi) Furnishing reports to the client concerning account activity, strategy, and performance.

In addition, NFJ may determine to tailor its advisory services to the individual needs of its clients. Clients may submit reasonable guidelines or restrictions on investments in certain securities or security types to be adhered to by NFJ. When selecting securities and determining amounts, NFJ observes the investment policies, limitations, and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to NFJ in writing.

Separate Accounts

For separate account clients, NFJ provides investment management services for the assets placed under its supervision. Investment advice is furnished on a discretionary basis, where the client authorizes NFJ to make all investment decisions for the account.

Managed Account/Wrap-Fee Programs

NFJ also provides discretionary and non-discretionary investment advisory services for managed account/wrap-fee programs, programs in which a client pays a program sponsor or broker a single “wrap-fee” for advisory services, certain brokerage services, monitoring of the investment adviser’s performance and custodial services or some combination of these or other services; (the “Wrap Programs”) sponsored by unaffiliated broker-dealers (the "Program Sponsors").

NFJ acts as adviser under certain wrap programs and sub-adviser under other wrap programs with respect to certain investment strategies, to selected Program Sponsors and a limited number of clients who do not participate in a Wrap Program (“Direct Clients”). Under the Wrap Programs, the Program Sponsor permits its clients to take part in a Wrap Program by choosing an investment adviser from a list of participating investment advisers that are screened by the Program Sponsor. The Program Sponsor is responsible for determining whether a specific NFJ strategy is suitable or advisable for an investor. The wrap client accounts are typically subject to a minimum investment and are administered and serviced primarily by the Program Sponsor, which, in most cases is also registered as an investment adviser. In dual contract programs, a participant enters into an advisory agreement with NFJ and a separate agreement with the program sponsor. Dual contract programs are generally managed in a manner similar to wrap programs as discussed throughout this brochure.

NFJ does not act as a sponsor of any Wrap Program.

Investment Model Delivery to Unaffiliated Third Parties

NFJ may also act as a non-discretionary adviser/sub-adviser by providing an investment model to unaffiliated third parties (each a “Model Receiver”) which may manage accounts participating in, or sponsor, Wrap Programs. In this case, NFJ would typically enter into an investment advisory/sub-advisory agreement with the Model Receiver.

Pursuant to the investment advisory/sub-advisory agreement entered into by NFJ and the Model Receiver, NFJ would provide investment recommendations to the Model Receiver for one or more of its investment strategies. The Model Receiver has the ultimate decision-making authority and discretionary responsibility for determining which securities are to be purchased and sold for the clients participating in the Wrap Programs.

Wrap-fee clients should consult the Program Sponsor’s brochure for the specific fees and features applicable to their program as well as the Form ADV of the primary, discretionary investment manager.

Registered Investment Companies

NFJ also serves as sub-adviser to certain Mutual Funds and Closed-End Funds sponsored or advised by its affiliates.

Non-Registered Commingled Funds

NFJ may also provide investment management or sub-advisory services to commingled funds, that are established by affiliates or unaffiliated third parties, which are not registered under the Securities Act of 1933 or the Investment Company Act of 1940, as amended. A minimum account size may be applicable for participation in a Non-Registered Commingled Fund. Additional information concerning these funds is included in the relevant fund’s offering documents.

NFJ cannot guarantee or assure you that your investment objectives will be achieved. The investment decisions NFJ makes for client accounts are subject to various market, currency, economic, political and

business risks, and the risk that investment decisions will not always be profitable. Many of these risks are discussed in Item 8 below, which you should review carefully before deciding to engage NFJ services.

Assets Under Management

As of 12/31/2025, NFJ had regulatory assets under management of $3 billion. NFJ also has $2 billion of model and/or other assets (assets under advisement.) NFJ has total assets under management and assets under advisement of $5 billion.

ITEM 5 FEES and COMPENSATION

Separate Accounts

NFJ's investment management fees for separate accounts are generally set forth in the client's investment management agreement (the "Agreement"). Agreements generally provide that either NFJ or the client may terminate the Agreement by giving advance written notice to the other party. In certain cases, the client may terminate the Agreement at any time, for any reason without penalty, upon written notice, and in particular, the client may terminate the Agreement within 5 business days after entering into the Agreement without penalty. However, generally, the client has the right to cancel NFJ's services upon 30 days' written notice during which period NFJ's investment management fees are earned and retained. Except as otherwise agreed, upon termination, clients are responsible for payment of the pro-rata portion of fees through the termination date. In the event a client has paid fees in advance for the quarter and terminates prior to the end of such quarter, NFJ will refund the client the portion of fees paid from the date of termination to the end of such quarter.

In general, NFJ's fees are based on its standard fee schedule that is in effect at the time the Agreement is entered into. Investment management fees may also be negotiated with clients and therefore may vary from the standard fee schedule. For comparable services, other investment advisers may charge higher or lower fees than those charged by NFJ. The standard fee schedule may be modified from time to time and existing client relationships may have a different fee schedule; however, some of the Agreements entered into by NFJ with institutional clients allow NFJ to apply a revised fee schedule to such clients' accounts after giving written notice of such fee schedule revisions.

Investment management fees under NFJ's current standard fee schedule are calculated as a percentage of assets under management and may be subject to a specified minimum annual fee and/or a specified minimum account size.

Fees are generally charged quarterly in arrears based on the ending market value of the account (including, without limitation, cash and cash equivalents and accrued dividends and interest) as of the last business day of the quarter. As a result, clients may pay investment management fees with respect to cash and cash equivalents both to NFJ as well as to the adviser of any cash management vehicle utilized by the client in connection with the client's account. Fees may also be charged quarterly in advance based on the market value of the account at the beginning of the quarter. In the event that an account is opened on a date other than the first day of a calendar quarter, the client will be charged fees for the first quarter on a pro-rata basis from the date of inception of the account to the last day of the quarter. Unless otherwise specifically agreed to with a client, the ending market value of an account for purposes of calculating fees will be determined by NFJ applying the same valuation procedures and methods which it uniformly uses in its quarterly appraisals of investment management accounts.

NFJ has preferred minimum account sizes, based on the characteristics of the account and/or investment strategy. Preferred minimum account sizes vary, and are listed, by strategy, herein. In its sole discretion, NFJ may accept accounts with amounts of assets lower than the indicated preferred minimum. In such cases, the fees charged for investment advisory services may be higher than those fees indicated herein. NFJ may terminate client accounts with assets that fall below the minimum indicated.

NFJ's current standard fee schedules for new separate accounts are as follows: Unless otherwise indicated, fees and minimums are shown in U.S. Dollars.

Dividend Value and Large-Cap Value

0.60% - first $25,000,000

0.50% - next $50,000,000

0.40% - next $100,000,000

0.35% - on the balance of assets

Minimum account size: $25 Million

Mid-Cap Value 100 and All-Cap Value

0.75% - first $25,000,000

0.55% - next $25,000,000

0.40% - next $50,000,000

0.35% - on the balance of assets

Minimum account size: $25 Million

Small-Cap Value

0.90% - first $25,000,000

0.85% - next $25,000,000

0.75% - on the balance of assets

Minimum account size: $25 Million

International Value

0.75% - first $25,000,000

0.70% - next $25,000,000

0.60% - next $50,000,000

0.45% - on the balance of assets

Minimum account size: $25 Million

Emerging Markets Value

0.90% - first $50,000,000

0.85% - next $50,000,000

0.80% - next $100,000,000

0.70% - on the balance of assets

Minimum account size: $25 Million

Global Infrastructure Income

0.90% - first $50,000,000

0.85% - next $50,000,000

0.80% - next $100,000,000

0.70% - on the balance of assets

Minimum account size: $25 Million

Global Sustainability

0.80% on assets

Minimum account size: $25 Million

Managed Account/Wrap-Fee Programs Sub-Advisory Fees

Generally, the Program Sponsor will pay a portion of the wrap-fee received from the Wrap Program client to NFJ's affiliate, Virtus Capital Advisers ("VCA") or to NFJ for investment management services provided to the Wrap Program Sponsor/wrap client. When NFJ acts as a sub-adviser to VCA with respect to managed/wrap accounts or Direct Client accounts, NFJ will be compensated for the investment management services it provides to VCA out of the fees VCA receives.

NFJ's and VCA's compensation from the Wrap Program Sponsors and Direct Clients vary, but it is generally between 0.33% and 0.50% of assets under management in the respective Wrap Program or Direct Client account. Generally, fees are payable quarterly in advance.

Wrap-fee clients typically receive a brochure detailing the wrap-fee program from the Program Sponsor prior to their selection of NFJ as adviser or sub-adviser. Fees and features of each program offered by the various Program Sponsors vary and therefore, wrap-fee clients should consult the Program Sponsor's brochure for the specific fees and features applicable to their program.

Investment Model Delivery to Unaffiliated Third Parties Fees

Generally, the Model Receiver will pay a portion of the fee it receives from the Program Sponsor to NFJ. NFJ would normally expect such fees to be generally within the same range as fees described under "Managed Account/Wrap-Fee Programs-Investment Sub-advisory Fees" although such fees may be higher or lower. Fees may be payable quarterly in arrears or in advance.

Registered Investment Companies Sub-Advisory Fees

The fees NFJ receives for sub-advisory services provided to SEC registered investment company funds ("Funds") are separately negotiated between NFJ and the unaffiliated or affiliated investment adviser and/or Fund. Fees may be performance-based, but typically are based on a percentage of assets under management. Clients invested in a Fund sub-advised by NFJ should refer to the Fund's Prospectus for a listing of the applicable advisory and sub-advisory fees.

Non-Registered Commingled Funds Fees

The fees NFJ receives for investment management or sub-advisory services provided to commingled funds are separately negotiated between NFJ and the unaffiliated third party manager and/or the commingled fund. Clients invested in a commingled fund should refer to the fund's offering documents for additional information about the fees and expenses of the fund.

Compensation from the Sale of Securities

NFJ's supervised or affiliated persons typically market VCA, VIA, and NFJ investment capabilities to various prospects and intermediaries, either directly through separate accounts and managed/wrap accounts and indirectly through Funds advised, or sub- advised by VCA, VIA, and NFJ.

Certain of NFJ's affiliated persons also may be associated with an affiliated broker-dealer, and in that capacity may engage in marketing or selling activities with respect to shares or interests in Funds and Non-Registered Commingled Funds advised or sub-advised by NFJ. (See Item 10 for more information about other financial industry activities and affiliations.) The funds and Non-Registered Commingled Funds may pay an investment management or administrative fee to NFJ in addition to broker-dealer receiving sales commissions or distribution fees from NFJ or an affiliate, including 12b-1 fees, loads or contingent deferred sales charges.

Clients may purchase certain investment products recommended by NFJ directly or through banks, broker-dealers and other investment advisers that are not affiliated with NFJ. Doing so may result in fee and execution charges that are lower (or higher) than those charged by NFJ or its affiliates.

Transaction Charges

Clients, except those who participate in a Wrap-Fee Program where the Program Sponsor executes securities transactions, will pay brokerage commissions, mark-ups, mark-downs, other commission equivalents and/or transaction costs related to transactions effected for their accounts to executing broker-dealers. As described in Item 12 Brokerage Practices, NFJ will effect these transactions subject to its obligation to seek best overall execution.

Custody and Other Fees

NFJ does not select account custodians on behalf of clients or serve as the custodian of client account assets. The custodian appointed by the client will charge custody and other fees that are in addition to the advisory fees payable to NFJ.

Other Fees and Expenses

In addition to the advisory fees described above, clients will be subject to other fees and expenses in connection with NFJ's advisory services.

On behalf of its separate account clients and fund clients, NFJ may invest in funds, exchange-traded funds ("ETFs"), and other pooled investment vehicles. When NFJ invests client assets in these investment vehicles, unless otherwise agreed and where permitted by applicable law, the client will bear its

proportionate share of fees and expenses as an investor in the investment vehicle in addition to NFJ's investment advisory or sub-advisory fees. The investment vehicle's prospectus, offering documents or other disclosure document contains a description of its fees and expenses.

In addition, NFJ may invest client assets or recommend that clients invest in shares or other interests in certain funds to which NFJ or its related persons provide investment advice or other services, and from which NFJ and its affiliates receive advisory, administrative and/or distribution fees. To the extent that NFJ invests client assets in an affiliated fund, NFJ may, depending on the arrangement with the Program Sponsor or separate account client and any legal requirements, waive investment advisory fees on the assets invested in such investment company, credit the account for the fees paid by the fund to NFJ's related persons, avoid or limit the payment of duplicative fees to NFJ and its related persons through other means, or charge fees both at the investment company level and separate account level.

To the extent that fees and expenses incurred by any fund purchased for the client's account are in addition to certain of the expenses covered by the managed account/wrap account fee, NFJ and its affiliates may receive additional economic benefit when a client account is invested in such fund, and a conflict of interest may exist.

Investors in funds advised or sub-advised by NFJ will not be advisory clients of NFJ (with respect to their investment in the fund), and NFJ will not provide investment advice or recommendations with respect to the merits and suitability of the particular investment and investment decision for the particular investor. Investors in such funds are encouraged to consult their own financial, tax and legal advisors regarding such decisions.

NFJ's clients generally will incur brokerage and other transaction costs. Wrap Program clients should review all materials available from a third party sponsor concerning the program, sponsor and the program's terms, conditions and fees. Additional information about NFJ's brokerage practices and brokerage costs can be found under Item 12.

ITEM 6 PERFORMANCE-BASED FEES and SIDE BY SIDE MANAGEMENT

Performance-Based Fees

In certain instances, NFJ may be compensated for investment advisory services based on a share of the overall account performance of all or a portion of client assets (an "incentive fee"). The terms of any incentive fee are based upon a negotiated arrangement with the client. NFJ anticipates that such client relationships and arrangements will also pay "base fees" calculated on the market value of the assets under management. Performance-based fee arrangements may create an incentive for an Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. NFJ will enter into an incentive fee arrangement only at a client's request, and only if the client account qualifies for exclusion under Section 205 of the Investment Advisers Act of 1940, as amended ("Advisers Act") and Advisers Act Rule 205(a)(1) or 205-3 relating to exemption from certain compensation prohibitions.

NFJ does not currently have any clients with a performance-based fee.

Side-By-Side Management

NFJ performs investment advisory and investment management services for various clients and may give advice and take action with respect to one client that differs from advice given or the timing or nature of action taken with respect to another client. NFJ manages assets for four portfolios, that serves as seed

money to develop four of its strategies (the "Proprietary Accounts"). We may have an incentive to favor accounts in which there may be a substantial interest. NFJ has compliance policies in place that it believes are reasonably designed to mitigate these conflicts of interest. These potential conflicts include, among other things, treating Proprietary Accounts more favorably than non-affiliated clients in connection with the allocation of limited investment opportunities or the allocation of aggregated trade orders and favoring performance fee accounts over accounts that do not pay performance fees. With respect to the allocation of investment opportunities, it is NFJ's policy to allocate investment opportunities among its clients in a fair and equitable manner that, over time, does not unfairly favor some clients at the expense of others or favor Proprietary Accounts over those of other clients.

Please also see Item 12 relating to trade aggregation and allocation practices.

ITEM 7 TYPES OF CLIENTS

NFJ may provide portfolio management services to a variety of clients including:

- individuals
- high net worth individuals
- corporations
- corporate pension and profit-sharing plans
- public pension and profit-sharing plans
- retirement plans
- Taft-Hartley plans
- charitable institutions, religious organizations, foundations, endowments
- investment companies and other commingled vehicles
- trusts
- governmental entities
- wrap-fee programs

Certain Wrap-Fee Program investors and shareholders in investment companies will not be deemed advisory clients of NFJ.

ITEM 8 METHODS of ANALYSIS, INVESTMENT STRATEGIES and RISK of LOSS

The following are broad descriptions of NFJ's investment strategies including general methods of analysis for each strategy. NFJ reserves the right to limit the availability of any particular strategy at any given time based on factors including asset class capacity, pre-existing relationships, minimum account sizes, fees and distribution channels. In addition, NFJ may develop other investment strategies from time to time and manage portfolios according to a client's specific investment guidelines, thus, strategies may vary by client account. Certain strategies may be available only in certain channels or through a purchase of shares of funds. The descriptions of the investment strategies and risks below are qualified in their entirety by the information provided by NFJ or the investment advisers for a given fund or Wrap Program to their advisory clients, included in a fund's prospectus and Statement of Additional Information or other official offering documentation, or included in or provided with any Wrap Program disclosure statement. Prior to investing in any fund, please review the relevant prospectus or offering memorandum for important information. It should be noted that investing in securities involves risk of loss that clients should be prepared to bear.

NFJ follows a consistent approach to managing our clients' assets. NFJ follows a disciplined approach to bottom-up stock selection, investing at the intersection of valuation, shareholder yield, and quality. As part of this approach, NFJ seeks to invest in companies diversified across industries with highly competitive positions and consistent financials, employing a time-tested process that capitalizes on low market expectations and strong prospects. NFJ applies a combination of quantitative and fundamental elements to their research process. Our fundamental research contrasts a company's financial stability and business prospects with its valuation. In this way, we believe our valuation analysis naturally leads to a better understanding of a company's business, earnings power, discrepancies between cash flow and earnings, marketplace concerns, competitive advantages, etc. The team also places a strong emphasis on quality, and seeks to avoid stocks that exhibit extremely poor price momentum. Except as stated specifically for Global Sustainability strategy below, to the extent it is consistent with a portfolio's investment objective and guidelines, NFJ may consider environmental, social and/or governance ("ESG") factors that we believe may influence a prospective investment's risks and rewards.

NFJ also uses Artificial Intelligence ("AI") related websites and technologies including Large Language Models ("LLMs") in support of general productivity improvements including streamlining aspects of the investment process.

The following describes the investment process for each of NFJ's investment strategies:

All-Cap Value

This strategy seeks long-term growth of capital and income. This strategy will normally have exposure to small, medium, and large capitalization companies, although the portfolio manager reserves the flexibility to vary this strategy's relative weightings to each capitalization range based on a number of factors. The portfolio managers use a value investing style focusing on companies with attractive valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends).

Dividend Value

This strategy seeks long-term growth of capital and income. This strategy will invest a significant portion of its assets in common stocks and other equity securities of companies with market capitalizations greater than $3.5 billion. The portfolio managers use a value investing style focusing on companies with attractive valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). Investable universe includes ADRs.

Emerging Markets Value

This strategy seeks long-term capital appreciation. This strategy primarily invests in equity securities of companies that are domiciled in or tied economically to countries with emerging securities markets – that is, countries with securities markets which are, in the opinion of the portfolio managers, less sophisticated than more developed markets in terms of participation by investors, analyst coverage, liquidity and regulation. This may be achieved by investing in ADRs and other depositary receipts, in addition to direct investments in the securities of non-US issuers. This strategy may also invest in derivative instruments such as participatory notes.

International Value

This strategy seeks long-term growth of capital and income. This strategy will invest a significant portion of its assets in common stocks and other equity securities of companies with market capitalization of greater than $1 billion. The portfolio managers use a value investing style focusing on companies with attractive valuations across a broad range of industry groups. This strategy seeks to achieve its investment objective by investing in non-US companies (up to 50% of which may constitute emerging markets securities), a significant portion of which the portfolio managers expect will generate income (for example, by paying dividends). Investable universe includes ADRs and foreign ordinaries.

Large-Cap Value

This strategy seeks long-term growth of capital and income. This strategy will invest a significant portion of its assets in commons stocks of companies with market capitalizations greater than or equal to $5 billion. The portfolio managers use a value investing style focusing on companies with attractive valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). Investable universe includes ADRs.

Mid Cap Value 100

This strategy seeks long-term growth of capital and income. This strategy primarily invests in common stocks and other equity securities of companies with small to medium market capitalizations (between at least $3 billion and up to the higher of $50 billion or the largest company held in the Russell Midcap Index). The portfolio managers use a value investing style focusing on companies with attractive valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). This strategy may invest up to 25% of its assets in non-US securities, without limit in ADRs.

Small-Cap Value

This strategy seeks long-term growth of capital and income. This strategy invests primarily in common stocks and other equity securities of companies with market capitalizations between $100 million and the greater of $4.0 billion or the capitalization of the largest company in the Russell 2000 Index. The portfolio managers use a value investing style focusing on companies with attractive valuations across a broad range of industries. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). Investable universe includes ADRs.

Global Infrastructure Income

This strategy seeks long-term growth of capital and income. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers deem are engaged in infrastructure and infrastructure-related operations and/or are beneficiaries of infrastructure evolution. As a global equity portfolio, the strategy's investable universe includes ADRs and foreign ordinaries.

Global Sustainability

This strategy seeks long-term capital appreciation. This strategy invests in global equities with a focus on companies that the portfolio managers believe exhibit strong records with respect to environmental, social, and corporate governance ("ESG") factors. The strategy normally invests primarily in equity securities of both U.S. and non-U.S. companies, including emerging market securities. Under normal market conditions, the strategy will invest at least 40% of its assets in non-U.S. securities. The strategy may invest in issuers of any size market capitalization, including smaller capitalization companies. The strategy may achieve its exposure to non-U.S. securities either directly or through depository receipts such as Global Depositary Receipts (GDRs).

INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.

The following important information pertaining to material risks should be considered when investing in these strategies:

Equity Securities Risk

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities may take the form of shares of common stock of a corporation, membership interests in a limited liability company, limited partnership interests, or other forms of ownership interests. Equity securities also include, among other things, preferred stocks, convertible securities and warrants. The value of a company's equity securities may fall as a result of factors directly relating to that company, such as decisions made by its management or lower demand for the company's products or services. The value of an equity security may also fall because of factors affecting not just the company, but also companies in the same industry or in a number of different industries, such as increases in production costs. The value of a company's equity securities may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates or adverse circumstances involving the credit markets. In addition, because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually be more vulnerable than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects. To the extent a strategy invests in equity-related instruments it will also be subject to these risks.

Value Investing Risk

Certain of the strategies may invest in equity securities of companies that NFJ's portfolio managers believe are selling at a price lower than their true value (value securities). Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If a portfolio manager's assessment of a company's prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the portfolio manager anticipates.

Smaller Company Risk

The general risks associated with investing in equity securities and liquidity risk are particularly pronounced for securities of companies with smaller market capitalizations. These companies may have limited product lines, markets or financial resources or they may depend on a few key employees. Securities of smaller

companies may trade less frequently and in lesser volume than more widely held securities, and their values may fluctuate more sharply than other securities. They may also trade in the over-the-counter market, or on a regional exchange, or may otherwise have limited liquidity. Companies with medium-sized market capitalizations also have substantial exposure to these risks.

Market Risk

The market price of securities owned in a strategy may go up or down, sometimes rapidly or unpredictably. To the extent a strategy invests substantially in equity securities, a principal risk of investing in the strategy is that the investments in its portfolio will decline in value due to factors affecting securities markets generally, particular industries, or sectors represented in those markets. The values of securities may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets or adverse investor sentiment generally. They may also decline due to factors that disproportionately affect a particular industry, group of related industries or sector, such as labor shortages or increased production costs and competitive conditions within an industry or sector. The market price of fixed income securities, as well as equity securities and other types of investments, may decline due to changes in interest rates or other factors affecting the applicable markets generally. Equity securities generally have greater price volatility than fixed income securities. During a general downturn in securities markets, multiple asset classes may decline in value simultaneously.

Non-U.S. Investment Risk

A strategy that invests in non-U.S. securities may experience more rapid and extreme changes in value than strategies that invest exclusively in securities of U.S. issuers or securities that trade exclusively in U.S. markets. The securities markets of many non-U.S. countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of non-U.S. securities are often not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of non-U.S. countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, market disruption, political changes, security suspensions or diplomatic developments could adversely affect a strategy's investments in a non-U.S. country. In the event of nationalization, expropriation or other confiscation, a strategy could lose its entire investment in non-U.S. securities. To the extent that a strategy invests a significant portion of its assets in a particular currency or geographic area, the strategy will generally have more exposure to regional economic risks, including weather emergencies and natural disasters, associated with non-U.S. investments. For example, because certain of the strategies may invest more than 25% of their assets in particular countries, these strategies may be subject to increased risks due to political, economic, social or regulatory events in those countries. Adverse developments in certain regions can also adversely affect securities of other countries whose economies appear to be unrelated. In addition, a strategy's investments in non-U.S. securities may be subject to withholding and other taxes imposed by countries outside the U.S., which could reduce the return on an investment.

Management Risk

Each strategy is subject to management risk because it is an actively managed investment portfolio. NFJ will apply investment techniques and risk analyses in making investment decisions for the strategies, but there can be no guarantee that these will produce the desired results. The strategies are also subject to the risk that deficiencies in the internal systems or controls of a service provider will cause losses for the strategies or hinder operations. For example, trading delays or errors (both human and systemic) could prevent a strategy from purchasing a security expected to appreciate in value. Additionally, legislative,

regulatory, or tax developments may affect the investment techniques available to NFJ in connection with managing the strategies and may also adversely affect the ability of the strategies to achieve their investment objectives.

Focused Investment Risk

Focusing investments in a small number of issuers, industries, foreign currencies or regions increases risk. This may be due to changes in the value of a single security or the impact of a single economic, political or regulatory occurrence. Some of those issuers also may present substantial credit or other risks. Certain strategies may be subject to increased risk to the extent they focus their investments in securities denominated in a particular foreign currency or in a narrowly defined geographic area outside the United States. Similarly, a strategy that focuses its investments in a certain type of issuer is particularly vulnerable to events affecting such type of issuer. Also, a strategy may have greater risk to the extent it invests a substantial portion of their assets in a group of related industries (or "sectors"). The industries comprising any particular sector and investments in a particular foreign currency or in a narrowly defined geographic area outside the United States may share common characteristics, are often subject to similar business risks and regulatory burdens, and react similarly to economic, market, political or other developments. Furthermore, certain issuers, industries and regions may be adversely affected by the impacts of climate change on the demand for and the development of goods and services and related production costs, and the impacts of legislation, regulation and international accords related to climate change, as well as any indirect consequences of regulation or business trends driven by climate change.

Emerging Markets Risk

Strategies that invest in non-U.S. securities may experience more rapid and extreme changes in value than strategies that invest exclusively in securities of U.S. issuers or securities that trade exclusively in U.S. markets. See "Non-U.S. Investment Risk." Non-U.S. investment risk may be particularly high to the extent that a strategy invests in emerging market securities, that is, securities of issuers tied economically to countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political, technical and other risks different from, or greater than, the risks of investing in developed countries. In addition, the risks associated with investing in a narrowly defined geographic area (discussed under "Non-U.S. Investment Risk") are generally more pronounced with respect to investments in emerging market countries. A strategy may also be subject to this risk if it invests in derivatives or other securities or instruments whose value or returns are related to the value or returns of emerging market securities. Certain emerging market countries may impose restrictions on foreign investment and repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, nationalization or the creation of government monopolies. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and devaluation may occur subsequent to investments in these currencies by an account. See "Currency Risk." Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries. Emerging market securities may trade in more limited volume than comparable securities in developed foreign markets. Emerging market securities may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions. Settlement problems may cause an account to miss attractive investment opportunities, hold a portion of its assets in cash pending investment, or be delayed in disposing of a portfolio security, all of which would negatively affect an account's performance. In addition, the risks associated with investing in a narrowly-defined geographic area (discussed under "Non-U.S. Investment Risk" and "Focused Investment Risk") are generally more pronounced with respect to investments in emerging market countries. Accounts may also be subject to Emerging Markets Risk if they invest in derivatives or other securities or instruments whose value or returns are related to the value or

returns of emerging market securities. Investing in some emerging markets through trading structures or protocols that subject them to risks such as those associated with illiquidity, custody of assets, different settlement and clearance procedures and asserting legal title under a developing legal and regulatory regime to a greater degree than in developed markets or even in other emerging markets.

Sustainable Investing Risk

Strategies that focus their investments in companies believed to exhibit strong records with respect to environmental, social, and corporate governance ("ESG") factors, a strategy may choose to sell, or not to purchase, investments that are otherwise consistent with its investment objective. Environmental performance criteria rate a company's management of its environmental challenges, including its effort to reduce or offset the impacts of its products and operations. Social criteria measure how well a company manages its impact on the communities where it operates, including its treatment of local populations, its handling of human rights issues, its commitment to philanthropic activities, its record regarding labor-management relations, anti-discrimination policies and practices, employee safety and the quality and safety record of a company's products, its marketing practices and any involvement in regulatory or anti-competitive controversies. Governance criteria address a company's investor relations and management practices, including company sustainability reporting, board accountability and business ethics policies and practices. To the extent other funds consider ESG factors and criteria as part of their overall investment strategy, similar risks will apply. In general, the application of the Manager's ESG criteria to investments will affect a fund's exposure to certain issuers, industries, sectors, regions, and countries; may lead to a smaller universe of investments than other funds that do not incorporate ESG analysis; and may negatively impact the relative performance of a fund depending on whether such investments are in or out of favor. In addition, a strategy may sell a security based on ESG-related factors when it might otherwise be disadvantageous to do so. Due to its focus on investing in companies that an adviser/subadviser believes exhibit strong ESG records, a strategy invests in companies that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose securities may react similarly to various events and other factors. To the extent it focuses a significant portion of its assets in a limited number of issuers, sectors, industries or geographic regions, a strategy is further subject to focused investment risk and is more susceptible to events or factors affecting companies in that particular sector, industry or geographic region. See "Focused Investment Risk." A strategy may also have focused investment risk to the extent that it invests a substantial portion of its assets in a particular country or geographic region. Prolonged drought, floods, weather, disease and other natural disasters, as well as war and political instability, may significantly reduce the ability of companies in such regions to maintain or expand their operations or their marketing efforts in affected countries or geographic regions.

Currency Risk

Strategies that invest directly in foreign (non-U.S.) currencies, or in securities that trade in, or receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or non-U.S. governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, an account's exposure to foreign currencies, including investments in foreign currency-denominated securities, may reduce the returns of the account.

Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing a sale of such illiquid securities at an advantageous time or price, or possibly requiring the disposition of other investments at unfavorable times or prices in order to satisfy a strategy's obligations. Investment strategies that involve securities of companies with smaller market capitalizations, non-U.S. securities, Rule 144A securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, a strategy, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain issuer or sector.

Turnover Risk

A change in the securities held by in an account is known as "portfolio turnover." Higher portfolio turnover involves correspondingly greater expenses to an account, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed as ordinary income when distributed to individual clients), and may adversely impact an account's after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect an account's performance.

Depositary Receipt Risk

Certain strategies may invest in securities of non-U.S. companies in the form of ADRs. ADRs are negotiable certificates issued by a U.S. financial institution that represent a specified number of shares in a foreign stock and trade on a U.S. national securities exchange, such as the New York Stock Exchange. The securities underlying an ADR are usually denominated or quoted in currencies other than the U.S. Dollar. As a result, changes in foreign currency exchange rates may affect the value of a portfolio's investment. Generally, when the U.S. Dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. Dollars. In addition, because the underlying securities of ADRs trade on foreign exchanges at times when the U.S. markets are not open for trading, the value of the securities underlying the ADRs may change materially at times when the U.S. markets are not open for trading.

Derivatives Risk

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. We discuss below some of the types of derivatives that client accounts may use. Client accounts may (but are not required to) use derivatives as part of a strategy designed to reduce exposure to other risks, such as risks associated with changes in interest rates or currency risk. Client accounts may also use derivatives for leverage, which increases opportunities for gain but also involves greater risk of loss due to leveraging risk, and to gain exposure to issuers, indices, sectors, currencies and/or geographic regions. A client account's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments, and the use of certain derivatives may subject an account to the potential for unlimited loss. Derivatives also involve the risk of mispricing or improper valuation, the risk of ambiguous documentation, and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. In addition, an account's use of derivatives may increase or accelerate the amount of taxes payable by the account holder. By investing in a derivative instrument, an account could lose more than the principal amount invested.

Leveraging Risk

Leverage, through either borrowing or the use of derivatives, will cause the value of an account to be more volatile than if the account did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of an account's portfolio securities. Certain strategies may engage in transactions or purchase instruments that give rise to forms of leverage. Such transactions and instruments may include, among others, the use of reverse repurchase agreements and other borrowings, the investment of collateral from loans of portfolio securities, or the use of when issued, delayed-delivery or forward commitment transactions. The use of derivatives and short sales may also involve leverage. The use of leverage may cause an account to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet segregation requirements.

Extraordinary Events

Risks introduced by events such as local, regional or global pandemics, terrorist activity, war, armed conflict or other extraordinary events may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

Cybersecurity Risk

In addition to the risks associated to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. A breach in cybersecurity refers to both intentional and unintentional events that may cause an account to lose proprietary information such as misappropriating sensitive information, access to digital systems to obtain client and financial information, corrupting data, or causing operational disruption. Similar adverse consequences could result from cybersecurity incidents affecting counterparties with which we engage in transactions, third-party service providers (e.g., a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. The Firm has in place risk management systems and business continuity plans which are designed to reduce the risks associated with these attacks, although there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

AI Risk

The Firm may use technology-based tools, including data analytics, quantitative models, machine learning, or artificial intelligence ("AI") systems, to support certain aspects of its investment, research, portfolio construction, risk management, operational, or compliance processes. The use of such tools is intended to augment, and not replace, human judgment. AI-based systems are inherently subject to limitations and risks. These tools may rely on assumptions, algorithms, and data inputs that could be incomplete, inaccurate, biased, or outdated, which may result in errors, unintended outcomes, or investment results that differ from expectations. AI models may also change or evolve over time, making their outputs less predictable. The Firm's use of AI may increase certain operational, model, cybersecurity, and data-related risks, including risks associated with third-party vendors, system failures, data integrity, confidentiality, and intellectual property. In addition, regulatory standards governing the use of AI are evolving, and future legal or regulatory developments may limit or restrict the Firm's ability to use such technologies or increase compliance costs. There can be no assurance that the Firm's use of AI or similar technologies will result in improved investment performance, risk management, or operational efficiency, or that such tools will not contribute to losses or other adverse outcomes.

ITEM 9 DISCIPLINARY INFORMATION

NFJ is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of NFJ or the integrity of NFJ's management.

To the best of NFJ's knowledge, there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of, or the integrity of, NFJ.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES and AFFILIATIONS

NFJ has material relationships with Virtus affiliates, as described below.

NFJ is a wholly-owned subsidiary of VPI, which is a wholly-owned subsidiary of Virtus, which is a publicly traded company operating a multi-manager asset management business (NASD: VRTS). Certain officers and directors of Virtus serve as officers of Virtus's indirect, wholly-owned affiliates, including NFJ.

NFJ has a number of Virtus affiliates that are investment advisers, which are:

AlphaSimplex Group, LLC

Ceredex Value Advisors LLC

Duff & Phelps Investment Management Co.

Kayne Anderson Rudnick Investment Management, LLC

Keystone National Group, LLC

Seix CLO Management LLC

Silvant Capital Management LLC

Sustainable Growth Advisers, LP

Virtus International Fund Management Limited

Virtus International Management LLP

Virtus Global Partners PTE. LTD

Virtus Alternative Investment Advisers, LLC

Virtus Advisers LLC

Virtus Fixed Income Advisers, LLC*.

Virtus Capital Advisers, LLC

Virtus Investment Advisers, LLC.

Westchester Capital Management LLC

Westchester Capital Partners, LLC

Other affiliates include general partner entities: AlphaSimplex GP, LLC and Seix CLO Management GP LLC.

NFJ has been engaged by VCA and VIA to provide sub-advisory services with respect to certain VCA and VIA client assets, including certain open-end funds managed by VIA (such funds, "Virtus Funds"), and additional relationships of that nature may be entered into by NFJ in the future. NFJ's compensation for such arrangements is typically structured as a percentage of the overall management fee paid to VCA or VIA.

In providing services to its clients, NFJ utilizes the personnel and/or services of one or more of its affiliates in the performance of its business, including, without limitation, finance, accounting, human resources, talent management, compliance, legal, technology, platform channel sales and service, marketing, wholesaling, portfolio operations, and trading. These services may be provided through arrangements that take a variety of forms, including dual employee or delegation arrangements, formal sub-advisory or servicing agreements, or other formal and informal arrangements among NFJ and its affiliates. When NFJ uses the personnel or services of an affiliate to provide services to NFJ's clients, NFJ remains responsible for the account from a legal and contractual perspective. No additional fees are charged to the client for such services except as set forth in the client's applicable investment management or other agreement.

NFJ is not registered, and does not have an application pending to register, as a broker-dealer. However, an affiliate of NFJ, VP Distributors, LLC ("VPD"), is a registered broker-dealer. VPD is a limited-purpose broker-dealer that serves as principal underwriter and distributor of certain open-end mutual funds and ETFs managed by NFJ and/or its affiliated investment advisers. Certain NFJ personnel whose job responsibilities either require or are appropriate for registering as broker-dealer representatives are registered representatives of VPD.

Certain employees of VPD promote the services of NFJ as well as the products managed by NFJ. When NFJ pays a fee to VPD for the efforts of VPD's employees to promote NFJ's services, VPD is considered a promoter for NFJ as discussed in Item 14 below.

NFJ has related persons that include Virtus International Management LLP ("Virtus LLP") (FRN 451446) which is authorized and regulated by the Financial Conduct Authority, and Virtus Global Partners PTE. Ltd. ("Virtus Singapore") (UEN 201018015Z), which is authorized and regulated by the Monetary Authority of Singapore ("MAS") (collectively, "international entities"). Representatives of the international entities are permitted to introduce the investment advisory services of NFJ and certain of its affiliates to certain institutional entities, sovereign wealth funds, and other foreign official institutions globally (ex-US), to the extent permitted by the laws of each applicable jurisdiction. When NFJ pays a fee to these international entities for their efforts to promote NFJ's services, the entity is considered a promoter for Ceredex as discussed further in Item 14 below.

NFJ is not registered, and does not have an application pending to register, as a futures commission merchant, a commodity pool operator, or a commodity trading advisor. Certain of NFJ's affiliated investment advisers are registered as commodity pool operators or commodity trading advisors in connection with their management activities.

NFJ has SEC-registered investment adviser affiliates that manage Private Funds (e.g., limited partnerships and limited liability companies). Complete and accurate information about such Private Funds is available in the Form ADV of each affiliate. NFJ's clients do not invest in these Private Funds.

Virtus and its affiliates, including NFJ, are subject to information barriers that restrict prohibited communications and other information sharing between affiliates. NFJ is aware of, and has procedures to manage, its fiduciary duties and any potential conflicts that may arise related to providing services through affiliates.

ITEM 11 CODE OF ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS

PERSONAL TRADING

NFJ endeavors to ensure that the investment management and overall business of the firm complies with both our firm and Virtus (parent) policies and applicable U.S. federal and state securities laws and regulations. We have adopted the Virtus Code of Conduct and the Code of Ethics (the "Codes") in accordance with Rule 204A-1 of the Investment Advisers Act of 1940, as amended. The Codes have been reasonably designed to prevent and detect possible conflicts of interest with client trades. Compliance with the Codes is a condition of employment. All of our supervised persons must acknowledge terms of the Codes, annually, or as amended. Any employee found to have engaged in improper or unlawful activity faces appropriate disciplinary action. Each employee is responsible for ensuring that they and those they manage conduct business professionally and comply with our firm's policies and procedures. Employees must immediately report (to their supervisor, a compliance officer or corporate legal counsel) their knowledge of any wrongdoing or improper conduct. Failure to do so may result in disciplinary action being taken against that individual. Our reporting procedures are supported by a telephone number and similar on-line reporting technology available 24-hours/day to any employee to confidentially report, or request assistance concerning possible violations of the Codes and other firm policies. This technology and reporting platform is administered by an independent third-party.

Our officers and employees are encouraged to invest in shares of investment products that we and/or our affiliates advise. Subject to limitations described herein and set forth by our Codes, our officers and/or associated personnel may buy, hold, or sell the same investments for their own accounts as are held or to be held or sold for a client account and they may engage in the following:

- Recommend that clients buy or sell securities or investment products in which we or a related person have some financial interest; and/or
- Buy or sell securities or investment products that our firm and/or our officers and associated personnel or a related person recommends to our clients.

Our Codes are designed to prevent and detect conflicts of interest in regard to the above.

None of our officers and Access or Advisory persons may buy or sell any security or any option to buy or sell such security, such that they hold or acquire any direct or indirect beneficial ownership as a result of the transaction, if they know at the time of such transaction that such a security or option is being bought, sold, or considered for purchase or sale for a client account, unless one or more of the following conditions exist:

- They have no influence or control over the transaction from which they will acquire a beneficial interest;
- The transaction is non-volitional on their part or the client's;

- The transaction is a purchase under an automatic dividend reinvestment plan or pursuant to the exercise of rights issues, pro-rata to them and other holders of the same class of the issuer's securities; or
- They have obtained, in advance, approval from someone authorized to grant such approval when circumstances indicate no reasonable likelihood of harm to the client or violation of applicable laws and regulations.

Code of Conduct

The following highlights some of the provisions of the Virtus Code of Conduct:

- Compliance with Applicable Laws, Rules and Regulations
- Insider Trading
- Conflicts of Interest and Related Party Transactions
- Corporate Opportunities
- Fair Dealing
- Protection and Proper Use of Company Assets
- Confidentiality
- Recordkeeping
- Interaction with Government Officials and Lobbying
- Contract Review and Execution
- Company Disclosures and Public Communications
- Information Protection Policies
- Human Resource Policies
- Use of Social Media
- Intellectual Property
- Designation of Compliance Officers
- Seeking Guidance About Requirements of the Code
- Reporting Violations
- Waivers, Discipline and Penalties

Code of Ethics

Employees are categorized as Supervised, Access or Advisory Persons under our Code of Ethics.

All Supervised Persons are required to comply with the following:

- Instruct their brokers to directly provide our Compliance Department with duplicate copies of brokerage statements and trade confirmations or the electronic equivalent.
- Provide Initial Holdings Reports, Quarterly Transaction Reports, and Annual Certification and Holdings Reports, which our Compliance Department reviews for trading activity.
- Conduct their personal transactions consistent with the Code of Ethics and in a manner that avoids any actual or potential conflict of interest.

In addition to the above, those employees classified as Access Persons are further required to comply with the following:

- Pre-clear all non-exempt transactions with respect to which an employee is beneficial owner in order to prevent the employee from buying or selling at the same time as the firm.
- Hold all covered securities no less than 30-days.

Employees classified as Advisory Persons are further prohibited from directly or indirectly acquiring or disposing of a security on the date of, and within seven calendar days before and after the portfolio(s) associated with that person's portfolio management activities.

Any covered employee not in observance of the above may be subject to a variety of disciplinary actions.

Participation or Interest in Client Transactions

- NFJ and its affiliates act as investment adviser and/or sub-adviser to numerous client accounts, including Virtus Funds. NFJ may give advice and take action with respect to any funds or accounts it manages that may differ from action taken by NFJ on behalf of other funds or accounts. As these situations may represent a potential conflict of interest, NFJ has adopted restrictive policies and procedures, wherever deemed appropriate, to seek to detect and mitigate or prevent potential conflicts of interest. NFJ is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling, any security that NFJ, its affiliates or their respective Access Persons, as defined by the 1940 Act and by the Advisers Act, may buy or sell for its or their own account or for the accounts of any other client. NFJ is not obligated to refrain from investing in securities held by funds or accounts that it manages except to the extent that such investments violate the Code adopted by NFJ. From time to time, NFJ, its officers and employees may have interests in securities owned by or recommended to NFJ's clients. This includes interests in funds that may invest directly or indirectly, in securities of issuers which NFJ or its affiliates may purchase. As these situations may represent a potential conflict of interest, NFJ has adopted procedures relating to personal securities transactions and insider trading, that are reasonably designed to prevent actual conflicts of interest.
- In addition, the existence of business relationships and investment practices creates the potential for conflicts of interest. NFJ has adopted restrictive policies and procedures wherever deemed appropriate, to seek to detect and mitigate or prevent potential conflicts of interest. Certain known conflicts and NFJ's handling of such conflicts are disclosed below.
    - NFJ may manage simultaneously parallel accounts in some cases with the same portfolio managers, with similar objectives, but with differing fees to NFJ. NFJ's policy is to manage each account independently and fairly, and recognizes and seeks to control the conflicts of interests inherent in such practices.
    - Virtus Shared Services, LLC ("VSS") and other affiliate personnel who provide trading and other administrative services to NFJ also will have information about NFJ investments. Some NFJ officers also have officer titles at other NFJ affiliates.
    - NFJ serves as sub-adviser to certain Virtus Funds, which offer investors a selection of fixed income and equity funds. When appropriate, NFJ may recommend investment in these

affiliated funds. To the extent NFJ chooses to invest all or a portion of its separate account (excluding an asset allocation account) in an affiliated fund, NFJ does not charge an advisory fee, other than the fund's embedded advisory fee, on assets invested in such funds.

- NFJ has a policy of not purchasing or recommending the purchase of securities issued by its parent company, Virtus.
- To the best of its abilities, NFJ reviews and monitors each individual situation to ensure that all clients are adequately protected against conflicts of interest. With respect to voting proxies for any such companies, NFJ follows the conflicts provisions described in its Proxy Voting policy designed to eliminate or minimize any such conflict. For more information, see Item 17 Voting Client Securities.

Other Related Policies and Procedures

We have adopted the Insider Trading Policy and Procedures designed to mitigate the risks of our firm and its employees misusing and misappropriating any material non-public information that they may become aware of, either on behalf of our clients or for their own benefit. Personnel are not to divulge or act upon any material, non-public information, as defined under relevant securities laws and in our Insider Trading Policy and Procedures. The policy applies to each of our Supervised, Access and Advisory Persons and extends to activities both within and outside their duties to our firm, including for an employee's personal account.

In addition to the above, our policies set limitations on and require reporting of gifts, entertainment, business meals, sponsorships, business building and charitable donations, whether given or received.

The Gifts and Entertainment Policy permits Virtus investment adviser affiliates to provide approved gifts not exceeding $250 per person per year, so long as that gift does not involve VP Distributors' mutual fund, ETF or UCITS business. The gift limit remains $100 per person per year for approved gifts that involve VP Distributors' registered representatives.

Our personnel may, under certain conditions, be granted permission to serve as directors, trustees, or officers of outside organizations. Prior to doing so, approval must be provided by Compliance.

A complete copy of our Code of Conduct and/or our Code of Ethics is available by sending a written request to NFJ Investment Group, LLC, Attn: Chief Compliance Officer, 2100 Ross Avenue, Suite 700, or by emailing a request to us at: InvestmentAdviser@Virtus.com.

ITEM 12 BROKERAGE PRACTICES

Brokerage Discretion

NFJ generally receives full discretion authority to determine the broker to be used and the commission paid to the broker through whom transactions may be executed, with the objective of attaining the best available price and most favorable execution ("best execution") for each transaction. However, in some instances, a client may wish to retain discretion over broker selection and commission rate or may wish to direct NFJ to use a designated broker-dealer.

NFJ has delegated to its affiliate, VSS certain trading and operational functions. VSS is authorized under this arrangement to place orders on behalf of NFJ for trades as instructed by NFJ for accounts it advises

or sub advises. NFJ remains ultimately accountable for all services provided to it by VSS and is responsible for providing adequate oversight of the delegated functions.

In selecting a broker or dealer for each specific transaction, NFJ uses its best judgment to choose the broker or dealer most capable of providing the services necessary to obtain the best execution of that transaction. In seeking the best execution of each transaction, NFJ evaluates a wide range of criteria, including any or all of the following: the broker's commission rate, the price and size of the order (including the broker-dealer's ability to effect the transaction where a large block is involved), promptness, reliability and quality of executions, trading expertise, positioning and distribution capabilities, back office efficiency, ability to handle difficult trades, knowledge of other buyers and sellers, ability to provide NFJ with market-related information, confidentiality, capital strength and financial stability, reputation, prior performance and responsiveness in serving NFJ and its clients, depth of service (including research and coverage) and other factors affecting the overall benefit received by the client(s) in the transaction. When circumstances relating to a proposed transaction indicate that a particular broker or dealer is in a position to obtain the best execution, the order is placed with that broker or dealer. This may or may not be a broker or dealer that has provided investment information and research services to NFJ.

In the selection of broker or dealers, NFJ does not adhere to any rigid formulas but weighs a combination of the factors described above based on the information available at the time of the trade under the current circumstances. The overriding objective in the selection of broker-dealers is their ability to secure the best possible execution of orders taking into account all of the foregoing factors. "Best execution" is not synonymous with the lowest brokerage commission. Consequently, in a particular transaction a client may pay a brokerage commission in excess of that which another broker-dealer might have charged for executing the same transaction.

NFJ's Best Execution and Broker Selection Committee ("Committee") covers equity trading, and is comprised of members from VSS and NFJ. The Committee meets quarterly and while the review of all broker-dealer and agent relationships is an ongoing practice, at least annually these relationships are reviewed in depth. The Committee evaluates the reasonableness of the brokerage rates charged using the criteria specified above and other input as deemed appropriate.

Soft Dollars

Subject to the requirement of seeking best execution, NFJ may, in circumstances in which two or more brokers or dealers are in a position to offer comparable price and execution, give preference to a broker or dealer that has provided brokerage or research services to NFJ. In so doing, NFJ may effect securities transactions which cause a client to pay an amount of commission in excess of the amount of commission another broker would have charged. In effecting trades through such brokers or dealers, NFJ may generate credits ("Commission Credits") which may be used by NFJ to pay for brokerage and research services provided or paid for by such brokers or dealers ("Research Products and Services"). In selecting such broker or dealer, NFJ will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services and research and investment information received, viewed in terms of either the specific transaction or NFJ's overall responsibility to the accounts for which it exercises investment discretion. NFJ regularly evaluates all commissions paid in order to ensure that the commission represents reasonable compensation for the brokerage and research services provided by such brokers.

Receiving research and brokerage services in exchange for soft dollars creates conflicts of interest for NFJ, because NFJ can reduce its costs by not having to produce or pay for the services using its own resources. NFJ may have an incentive to direct client trades to broker-dealers who provide these services to us.

Sometimes, broker-dealers require a specific level of client commissions to provide research or brokerage services that NFJ may want, and NFJ may have an incentive to execute more trades through them, rather than through other broker-dealers that do not provide the services but who would otherwise provide comparable execution for a given trade. The services benefit us by allowing us, at no additional cost to us,

(1) to supplement our own research, analysis and execution activities, (2) to receive the views and information of individuals and research staffs of other securities firms; (3) to gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors; and (4) to gain access to execution services of third parties.

Under a safe harbor from the Securities Exchange Act of 1934, an investment adviser may cause clients to pay more than the lowest available commission rate in order to acquire certain research and brokerage services with the Commission Credits generated by its client account transactions. Any product and service we receive with Commission Credits must fall within the safe harbor.

Alternatively, NFJ may use a “step-out” trade mechanism. A “step-out” trade occurs when the executing broker-dealer agrees to “step out” a portion of a bunched execution, and that “stepped-out” portion is cleared through the broker-dealer providing the research and brokerage services. The client is assessed a commission only by the broker-dealer who clears the transaction. The executing broker-dealer receives compensation in the form of commission from the portion of the bunched execution that was not “stepped-out” to other brokers. “Step-out” trades will be executed so as to conform to the rules of the applicable exchange on which the trade occurs.

NFJ uses research and brokerage services that it receives from broker-dealers to evaluate securities and to formulate investment recommendations for both discretionary and non- discretionary clients. Such services are used by NFJ as part of its investment process to enhance portfolio return and to reduce trading costs, and are helpful to NFJ in serving its clients. Among other things, NFJ may receive research reports, oral advice, or data from the brokers or dealers regarding particular companies, industries, or general market or economic conditions. Such services also may include, among other things, information concerning pertinent federal and state legislative and regulatory developments and other developments that could affect the value of companies in which NFJ has invested or may consider investing; attendance at meetings with corporate management personnel, industry experts, economists, government personnel, academicians, and other financial analysts and journalists; consultation with scientific and technical experts concerning the viability and market potential of an issuer’s products and services; comparative issuer performance and evaluation and technical measurement services; subscription to publications that provide investment-related information; accounting and tax law interpretations; economic advice; quotation equipment and services; execution or research measurement services; and software to assist NFJ initiate and execute orders; information from medical, technological and economic developments in medicine, health care, and related areas; and other services provided by recognized experts on investment matters of particular interest to NFJ. In addition, services may include the use of or be delivered by computer systems whose software components may be provided to NFJ as part of the services.

In any case in which information and other services can be used for both brokerage or research and non-research or non-brokerage purposes, NFJ makes an appropriate good faith allocation of those uses and pays directly for that portion of the services to be used for non-research or non-brokerage purposes. This allocation can create a conflict of interest.

The brokerage and research services that NFJ receives from brokers or dealers are used by NFJ’s research analysts and portfolio managers to formulate recommendations for the purchase or sale of securities. These recommendations, as well as NFJ’s analysis and the research is used by NFJ in servicing all of its clients, and it is recognized that a particular account may be charged a commission paid to a broker or dealer who supplied research or brokerage services not utilized by such account. In addition,

non-discretionary clients for whom NFJ does not place brokerage orders ordinarily will benefit from such investment information, even though such information was generated through commissions paid by other clients. This may also be true for clients who require NFJ to direct all or a significant portion of their trades to one of a small number of broker-dealers.

NFJ has not made and will not make commitments to place orders with any particular broker or dealer or group of brokers or dealers, other than pursuant to client direction. Annually, NFJ projects the amount of commission dollars it expects to generate in the course of a year, and pursuant to an internal allocation procedure that entails the vote of all portfolio managers and analysts as to the quality of research and investment information received from various brokers or dealers, establishes a budget of commission dollars to be directed to brokers providing the most useful investment information. No absolute dollar amounts are required to be met, and in no case will an order be placed if the broker or dealer is not able to provide best execution of a particular transaction. However, NFJ does endeavor to direct sufficient orders to such brokers or dealers to ensure the continued receipt of research services that NFJ believes are useful. A substantial portion of brokerage commissions are paid to brokers and dealers who supply research and brokerage services to NFJ.

NFJ provides “Commission Credit” reports to clients upon request which typically only include commissions which were designated as a Commission Credit for payment of third party brokerage and research services. Such reports generally do not include commissions paid to a broker-dealer in connection with proprietary or bundled research.

Commission Sharing Arrangements

NFJ may also request brokers effecting transactions on behalf of its clients to allocate a portion of the commission to a pool of Commission Credits maintained by the executing broker or commission management provider from which the executing broker or commission management provider, at NFJ’s direction, pays independent research providers (which may or may not be other brokers) for Research Products and Services (“Commission Sharing Arrangements”). Commission Sharing Arrangements may be used to pay for both proprietary and third party Research Products and Services. Commission Sharing Arrangements help enable an investment manager to select the most appropriate broker for trade execution regardless of whether or not the broker prepares or develops the Research Products and Services used by the investment manager. Accordingly, instead of paying a broker for its research by trading with it directly, the investment manager directs the executing broker or commission management provider to pay the research provider from the pool of Commission Credits accumulated.

Soft Dollars - Conflicts of Interest

To the extent that NFJ uses Commission Credits (including Commission Sharing Arrangements) to obtain Research Products and Services, NFJ will be receiving a benefit by reason of the direction of commissions. Any such benefit may offset or reduce certain expenses for which NFJ would otherwise be responsible for payment. NFJ believes, however, that the acquisition of Research Products and Services provides its clients with benefits by supplementing the research and brokerage services otherwise available to NFJ and its clients. The investment research that is provided to NFJ by broker-dealers in connection with securities transactions is in addition to and not in lieu of the services required to be performed by NFJ itself, and the investment management fee payable by its clients is not reduced as a result of the receipt of such supplemental information. NFJ believes that such information is only supplemental to NFJ’s own research efforts, because the information must still be analyzed, weighed and reviewed by NFJ.

Where NFJ receives a Research Product or Service that may also have a non-research use, a potential conflict of interest may arise, since such Research Product or Service may directly benefit NFJ even though it arises in connection with the Commission Credits of NFJ's clients. In such situations, NFJ will, on an annual basis, make a reasonable allocation of the cost of any such mixed-use Research Product or Service according to its use. The portion of the Research Product or Service that provides assistance to NFJ in the investment decision-making process will be paid for with Commission Credits while the portion that provides administrative or other non-research assistance will be paid for by NFJ.

The research received for a particular client's brokerage commissions may be used for the benefit of all clients whether or not such clients' commissions are used to obtain research services. For example, clients which (i) do not permit their brokerage commissions to be used to generate Commission Credits, (ii) are non-discretionary clients of NFJ for which NFJ does not have authority to effect transactions or (iii) have instructed NFJ to direct all or a portion of their brokerage transactions to a designated broker- dealer may benefit from Research Products and Services even though such clients' commissions were not used to obtain Research Products and Services. Research Products and Services may also be used by NFJ for the benefit of all or a segment of its advisory clients and not specifically, for the benefit of the client account or accounts whose transactions generated the allocated commissions that were used for payment of such products or services.

Soft Dollars - Clients Who Prohibit Soft Dollars

It is important to note that the commission rates paid by client accounts which prohibit the generation of Commission Credits ("Execution Only Accounts") are not reduced below the rates paid by client accounts which generate Commission Credits. Typically, Execution Only Accounts are included in "bunched" trades effected on behalf of all client accounts buying the same security on the same day. Accordingly, notwithstanding the fact that Commission Credits are not generated from the trades effected for Execution Only Accounts, clients prohibiting Commission Credits will be paying the same commission rate paid by other clients included in the bunched trade which, as explained above, may be a higher commission rate than another broker-dealer would have charged.

In addition, any client directed prohibition against generating Commission Credits from transactions effected for such client's account will apply to third party Research Products and Services only. Research Products and Services that are proprietary to a broker-dealer and bundled with other brokerage services ("Bundled Services") are usually obtained by effecting transactions directly through the particular broker-dealer providing the Bundled Services and not as a result of paying a specified fee (or effecting a minimum volume of trades) as is typical in third party soft dollar arrangements. Therefore, in the case of Bundled Services, there is no practical way to prevent the Execution Only Accounts in a bunched trade from generating Commission Credits which help NFJ gain access to Bundled Services without removing such Execution Only Accounts from the applicable bunched trades. As noted under "Trade Allocations; Aggregation of Orders" below, NFJ will normally seek to bunch trades since it believes that bunched trades generally benefit its clients, as a whole and over time.

Client Directed Brokerage

NFJ will also place orders with brokerage firms pursuant to direction received from investment management or investment advisory clients ("directed brokerage"). Directed brokerage is typically arranged by a client as a method whereby the brokerage commissions serve as compensation to the

broker for goods and services provided directly to the client in an agreement negotiated between the client and the broker. Alternatively, the client may seek to negotiate a particular commission rate with that broker, or may use the direction of brokerage to accomplish unrelated objectives (e.g., the direction of brokerage to minority-owned brokerage firms, or to brokerage firms located in the same geographic area as the client). Clients that direct brokerage may ask NFJ to ensure that they continue to receive best execution of each transaction, or they may negotiate commission rates themselves. In addition, with respect to clients that are ERISA plans, by law, any direction by the plan sponsor must be in the best interests of, and for the exclusive benefit of, the plan participants, in order to procure goods and services on behalf of the plan for which the plan otherwise would be obligated to pay.

When a client asks NFJ to direct trades to a particular broker-dealer, NFJ ordinarily will seek to fulfill that request, subject to seeking best execution of each transaction. However, NFJ may not be in a position to negotiate commission rates or spreads, or to select brokers or dealers on the basis of best price and execution. Moreover, the client may lose the possible advantage which non-designating clients can derive from the aggregation of orders for several clients in a single transaction. In this regard, orders for clients, including wrap clients, who direct trades may be executed after the orders in the same security for other NFJ clients have been completed. As a result, directed brokerage transactions may result in higher commissions, greater spreads, or less favorable net prices than would be the case if NFJ were authorized to choose the brokers or dealers through which to execute transactions for the client's account.

NFJ ordinarily limits the amount of brokerage that any client may direct to a percentage of the total brokerage generated by that client, except as described above. NFJ uses two methods to satisfy client requests for directed brokerage. First, NFJ may execute the trade on behalf of that client with the broker-dealer selected by the client, which may or may not be the broker-dealer used by NFJ for other trades in the same security during that period. Alternatively, NFJ may step out trades to the client directed broker-dealer which may result in additional trading costs.

NFJ believes that the potential benefits derived from any directed brokerage, expense reimbursement or commission recapture program may be offset by 1) clients unable to participate in certain block purchases or sales of securities, 2) the investment management team receiving less research, 3) the broker's unwillingness to commit capital and 4) NFJ's potential inability to achieve best execution.

The use of "step-out" trades can, in some circumstances, help ensure that clients that seek to direct brokerage are not disadvantaged by the inability to participate in aggregated executions. However, "step-out" trades are an accommodation by the executing broker-dealer, and "step-out" trades will not be available in all circumstances to satisfy requests for directed brokerage.

NFJ does not enter into agreements with, or make commitments to, broker- dealers that would bind NFJ to compensate broker-dealers directly or indirectly for client referrals.

Trade Allocations; Aggregation of Orders

The overriding objective of NFJ's Trade Allocation policy is to achieve fair and equitable treatment of client accounts over time. NFJ's policy is designed to ensure that trade allocations are made in a timely manner, and that over time buy and sell opportunities are allocated fairly among clients, and is designed to mitigate the risk that trade allocations unfairly advantage one client over another as individual portfolio managers may manage various types of accounts, such as Funds, institutional separate accounts, wrap fee accounts, and model delivery arrangements.

As a fiduciary, NFJ has a duty to seek best execution for its clients. Where securities are purchased on behalf of more than one client at the same time, the NFJ must fulfill its duty to seek best execution for all clients, and will not favor one client at the expense of the other. VSS will attempt (to the extent appropriate, permissible, and/or feasible) to aggregate multiple orders for the purchase or sale of the same security

placed at or around the same time, to achieve best execution with respect to all transactions being effected on behalf of client accounts. This “block” trading process generally includes pro-rata allocations of trades across all accounts and clients to promote fairness. Employee trades are not blocked with client trades as employees must use an outside broker to conduct personal trades which are subject to black-out periods to prevent employees from trading in front of NFJ for its clients. NFJ may manage proprietary accounts that serve as seed money to develop particular strategies.VSS may include orders for these accounts in such aggregate trades if a purchase or sale of the same security is placed at or around the same time as other accounts, subject to best execution and its allocation policies as described below.

Generally, VSS will (in accordance with the arrangement between NFJ and VSS) aggregate or “block” transactions on behalf of various NFJ clients in order to facilitate best execution and possibly negotiate more favorable pricing and commission rates. VSS will aggregate transactions wherever possible except when directed brokerage or other restrictions makes aggregation impractical or not permissible. Orders to reduce or raise cash at the strategy level will be aggregated for all accounts within the strategy and traded as a block, subject to any restrictions at the account level. To the extent that transactions are blocked, the Firm will allocate such transactions to all participating client accounts in a fair and equitable manner consistent with its trade allocation policies, fiduciary obligations and each participating client’s investment advisory agreement.

Policy Standards

VSS follows the process below when executing like orders:

(1) Like orders sent at overlapping times from different portfolio managers within NFJ will be combined and traded together, subject to any limits managers place on the orders. When a trade is in progress at the time a subsequent trade is received in the same security, the existing block may be closed and a new block established combining the remaining unexecuted trades with the subsequent trade.

(2) Like orders sent at overlapping times from different Affiliated RIAs will not be combined but will share executions on a one-for-one basis starting when the second order arrives, regardless of the size of either order. This is subject to any limits managers place on the orders.

Due to market conditions or a change in portfolio management decisions, a specific aggregated order may not be completely filled at one price or in total. At such times, the order will be average-priced so that all accounts receive a fair price, and the transaction will be distributed among all accounts in a fair and equitable manner so that no account will be systematically disadvantaged by the allocation.

NFJ realizes such situations present inherent conflicts of interest and that certain NFJ accounts may appear to be disadvantaged in specific instances. NFJ will, however, at all times allocate trades on a basis believed to be fair and equitable. In addition, NFJ will not disproportionately allocate trades in a manner inconsistent with the manager's ability to effectively and efficiently maintain or sell the position (i.e., "odd lots” or less than standard incremental amounts). The trader will, however, ensure that all accounts are treated fairly based on all distribution criteria (i.e., no client or Fund will disproportionately receive rounded-up allocations).

Determining the quality of trade executions requires the evaluation of subjective, objective, and complex qualitative and quantitative factors. NFJ, along with VSS, must manage the trading process to fulfill their duty for all clients by selecting the appropriate trading techniques, venues and brokers; controlling the pace of the liquidity search to avoid excessive market impact; understanding clients’ and regulatory restrictions; and monitoring results. These are all factors taken into consideration as NFJ and VSS apply the standards of prudent fiduciary behavior in seeking best execution for all client accounts.

Additionally, NFJ can employ a trade rotation process to achieve best execution for clients, including Managed Account Programs, where one group of clients has a transaction effected before or after another group of clients and is generally designed to treat clients equitably and fairly over time. To meet this objective, NFJ would follow a written targeted trade rotation process and monitors such targeted levels to help the NFJ with its efforts to ensure each client (or group of clients) is treated fairly to the extent reasonably practicable. Trade orders will bear the market price impact, if any, of those trades executed earlier or later in the rotation, and, as a result, a client could receive a less favorable net price for the trade. NFJ's trade rotation process may be amended, modified or supplemented at any time at the Firm's discretion without prior notice to clients.

Rotation Policy. NFJ portfolio managers will deliver changes in investment models to Managed Account Programs and Institutional accounts on or around the same time. A random rotation process will be administered whereby the order of priority in which a Managed Account Program trade is rotated based on a random computer-generated sequence. This could result in different client types trying to fill orders on identical securities in the marketplace at the same time. Market impact, liquidity constraints or other factors could result in some clients receiving less favorable trading results than other clients.

Model portfolio changes are delivered during Managed Account Program rotation. The timing of client account transactions may differ from that of other Silvant clients because their transactions are typically executed by the Implementing Manager at a time that may differ from discretionary accounts. The difference in timing may affect prices received.

Determining the quality of trade executions requires the evaluation of subjective, objective, and complex qualitative and quantitative factors. Silvant, along with VSS, must manage the trading process to fulfill their duty for all clients by selecting the appropriate trading techniques, venues and brokers; controlling the pace of the liquidity search to avoid excessive market impact; understanding clients' and regulatory restrictions; and monitoring results. These are all factors taken into consideration as Silvant and VSS apply the standards of prudent fiduciary behavior in seeking best execution for all client accounts.

NFJ performs investment advisory and investment management services for various clients and may give advice and take action with respect to one client that differs from advice given or the timing or nature of action taken with respect to another client. It is, however, NFJ's policy not to favor or disfavor consistently or consciously any clients or class of clients in the allocation of investment opportunities, with the result that, to the extent practicable, all investment opportunities will be allocated among clients over a period of time on a fair and equitable basis.

ITEM 13 REVIEW OF ACCOUNTS

NFJ's review of client accounts is an integral component of NFJ's investment management process. Portfolio managers review each of their accounts on a regular basis and select investments for clients in accordance with each client's investment objectives and consistent with the investment philosophy of NFJ. NFJ maintains systems for guideline surveillance (collectively, the "Portfolio Compliance Systems") that check both pre-trade security transactions and post-trade account holdings against client account guidelines.

A dedicated compliance team review pre-trade activity and post-trade portfolio compliance results in the Portfolio Compliance Systems for all client accounts on a daily basis. Compliance runs testing of post-trade holdings via an overnight scheduler and reviews the results daily. Any potential violation that is detected will then be brought to the attention of the Chief Compliance Officer.

NFJ provides advisory clients who have separately managed accounts with written reports on a quarterly basis or more frequently upon agreement between NFJ and the client. These reports generally include, among other things, all purchases and sales of securities made during the reporting period (market price, total cost/proceeds, original unit cost and realized gain/loss on sales) and include a summary of investments in the portfolio (unit cost, total cost, market price, total market value, yield and percentage of portfolio). In addition, through telephone calls and in-person meetings, client service representatives strive to keep clients regularly informed of the investment policy and strategy NFJ is pursuing to achieve clients' investment objectives. In addition, NFJ provides compliance and other reports requested by the Board of Directors of the funds it sub-advises.

Clients invested in mutual funds, closed-end funds and/or non-registered commingled funds receive reports from the funds' transfer agent, administrator or custodian bank. Clients in wrap fee/managed account programs receive reports from the program sponsor.

Virtus' Investment Oversight Committee also provides investment oversight and analysis of NFJ activities, including performance attribution evaluation and analysis.

ITEM 14 CLIENT REFERRALS and OTHER COMPENSATION

NFJ and its personnel may provide services to NFJ's affiliates, and NFJ may receive services from its affiliates. Such services may include investment advice for which the providing entity may be compensated directly or indirectly by the receiving entity.

As discussed in Item 10, above, NFJ has arrangements with affiliates whereby NFJ compensates those entities for referrals in certain circumstances. Such arrangements are commonly referred to as "promotor arrangements" and the persons or entities providing the promotion services are commonly known as "promotors." The Investment Advisers Act of 1940, as amended, requires that when an affiliate acts as a promotor for NFJ such affiliate discloses to the potential client that the promotor is affiliated with NFJ. The compensation paid by NFJ to affiliates for these promoter arrangements generally is structured as being all or a portion of any variable compensation paid by the affiliate to its employee(s) relating to assets under management by NFJ that were referred by such employee(s), and in some cases the compensation also includes a percentage of affiliates costs with respect to employment of the individual(s).

While NFJ currently does not compensate any unaffiliated third parties for client referrals, NFJ may have relationships with certain consulting firms and other intermediaries. For example, NFJ may, from time to time, purchase products or services, such as investment manager performance data, from consulting firms. In compliance with applicable law and regulation, NFJ or an affiliate from time to time may also pay event attendance or participation or other fees; underwrite educational, charitable or industry events; or provide gifts of value to, or at the request of, an organization or individual (including NFJ affiliates) that, among other things: (i) offers or includes products or services of NFJ or an affiliate in a particular program; (ii) permits NFJ or an affiliate access to their financial advisers, brokers, employees, or other affiliated persons to provide training, marketing support, and educational presentations on products or services affiliated with NFJ; and/or (iii) refers or has referred a client to NFJ. NFJ may obtain products and/or services from consulting firms separate and apart from any recommendations made to clients for NFJ's investment services, and also may provide cash or non-cash support for educational, training, marketing and other events sponsored by consulting firms and other intermediaries, subject to internal policies and regulatory restrictions. Additionally, certain affiliated or third party institutions provide financial support on a voluntary basis for marketing, educational, and sales meetings of NFJ or affiliates. NFJ also may, from time to time, pay a fee for inclusion of information about the firm in databases maintained by certain unaffiliated third-

party data providers that in turn make such information available to their investment consultant clients. The payments and benefits described in this paragraph could give the firms receiving them and their personnel an incentive to favor NFJ's investment advisory services over those of firms that do not provide the same payments and benefits.

An NFJ affiliate employs a team of internal and external wholesalers who market NFJ's wrap program products.

Additionally, NFJ or any of its affiliates may enter into arrangements with, and/or make payments from their own assets to, certain intermediaries to enable access to Virtus Funds on platforms made available by such intermediaries or to assist such intermediaries to upgrade existing technology systems or implement new technology systems or programs in order to improve the methods through which the intermediary provides services to NFJ and its affiliates and/or their clients. Such arrangements or payments may establish contractual obligations on the part of such intermediary to provide NFJ's or an affiliate's fund clients with certain exclusive or preferred access to the use of the subject technology or programs or preferable placement on platforms operated by such intermediary. The services, arrangements and payments described in this paragraph present conflicts of interest because they provide incentives for intermediaries, customers or clients of intermediaries, or such customers' or clients' service providers to recommend, or otherwise make available, NFJ's or its affiliates' strategies or Virtus Funds to their clients in order to receive or continue to benefit from these arrangements from NFJ or its affiliates. The provision of these services, arrangements and payments described above by NFJ or its affiliates is only to the extent permitted by applicable law and guidance and is not dependent on the amount of Virtus Funds or strategies sold or recommended by such intermediaries, customers or clients of intermediaries, or such customers' or clients' service providers.

ITEM 15 CUSTODY

NFJ does not maintain physical custody of client assets. However, under the SEC's Custody Rule, NFJ may be deemed to have custody if NFJ can inform the custodian to remit investment advisory fees directly to NFJ. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. NFJ urges you to carefully review such statements and compare such official custodial records to the account reports that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

ITEM 16 INVESTMENT DISCRETION

NFJ generally receives investment discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Such authority is typically documented in an advisory or sub-advisory agreement. In all cases, such discretion is exercised in a manner consistent with seeking best execution and the stated investment objectives for the client's account. NFJ also generally will receive discretionary authority to determine the brokers used and the commissions paid. In all such relationships, NFJ will make investment decisions and direct the execution of all transactions without prior consultation with the client. Investment guidelines and restrictions must be provided to NFJ in writing.

When selecting securities and determining amounts, NFJ observes the investment policies, limitations and restrictions of the clients for which it advises. For funds, NFJ's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Certain clients, however, may retain NFJ on a non-discretionary basis. When NFJ is retained on a non-discretionary basis, it makes recommendations for the client's account, but all investment decisions are made by the client and account transactions are executed only in accordance with the applicable investment management agreement.

ITEM 17 VOTING CLIENT SECURITIES

NFJ will accept proxy voting responsibility at the client's request. Once NFJ accepts proxy voting responsibility, generally the client will be allowed to request to vote its proxies on a particular solicitation and NFJ will (if operationally possible) attempt to comply with the request. Where NFJ is responsible to vote proxies for a client, NFJ has a Proxy Committee ("Proxy Committee") that is responsible for establishing policies and procedures designed to enable NFJ to ethically and effectively discharge its fiduciary obligation to vote all applicable proxies on behalf of all discretionary client accounts and funds. Annually (or more often as needed), the Proxy Committee will review, reaffirm and/or amend guidelines, strategies and proxy policies for all client accounts, funds and product lines. NFJ votes all shares per the NFJ Proxy Guidelines unless the client chooses custom guidelines.

With respect to the voting process, as described above, most votes are based on the independent recommendation of the unaffiliated, third party Proxy Voting Service, which recommendations are in turn based on the Proxy Voting Service's independent review and research of each proxy and its independent application of the Proxy Guidelines. In those cases in which a portfolio manager or research analyst proposes to override a policy recommendation made by the Proxy Voting Service or the Proxy Voting Service has not provided a recommendation, the relevant portfolio managers and/or research analysts will review the proxy to ensure any recommendation appears based on a sound investment rationale and assess whether any business or other relationship, or any other potential conflict of interest, may be influencing the proposed vote on that company's proxy. In the event a material conflict is identified, NFJ will convene the Proxy Committee to review the proxy and make a decision how to vote. Proposed votes that raise potential material conflicts of interest are promptly resolved by the Proxy Committee prior to the time NFJ casts its vote. As reflected in the NFJ proxy policy, the Proxy Committee will affirmatively vote proxies for proposals that it deems to be in the best economic interest of its clients, as a whole, as shareholders and beneficiaries of those actions.

The Firm utilizes the services of Institutional Shareholder Services, Inc. as the unaffiliated, third party Proxy Voting Service to provide support services related to the Firm's proxy voting processes/procedures, which include: but are not limited to:

- The collection of proxy material from our clients' custodians.
- The review of proxy proposals and appropriate voting recommendations on behalf of the Firm.
- The facilitation of proxy voting, reconciliation, and disclosure, in accordance with the Firm's proxy policies and the Committee's direction.
- Recordkeeping and voting record retention.

Clients may view the NFJ complete Proxy policy on the Firm's website at nfjinv.com.

The Firm also files its annual Form N-PX for executive compensation-related votes which is available on the SEC's website at sec.gov.

To obtain a copy of the complete proxy voting guidelines or information about how NFJ voted your proxies, please contact the Proxy Voting Committee Administrator by telephone at 860-263-4731 or via e-mail at proxyoperations@virtus.com.

Virtus Mutual Fund shareholders:

Information regarding how the Virtus Funds voted proxies relating to portfolio securities during the most recent 12-month period ending June 30 will be available free of charge by calling, toll-free, 888-784-3863, or on the SEC's Web site at sec.gov.

Class Actions, Bankruptcies and Similar Claims. Client will, should it choose to do so, and not NFJ unless otherwise stipulated by law or written agreement, initiate and pursue all appropriate litigation claims and related filings in connection with their account(s) for class actions, bankruptcies, and similar claims. NFJ will attempt to forward to client materials it receives in this regard and will employ reasonable efforts to assist clients in responding to claims, but disclaims responsibility for any reasonable delays in transmission that may occur.

ITEM 18 FINANCIAL INFORMATION

NFJ has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

NFJ Investment Group, LLC

2100 Ross Avenue, Suite 700
Dallas, Texas 75201
(214) 754-1780

John R. Mowrey
Paul A. Magnuson
R. Burns McKinney
Jeff N. Reed
J. Garth Reilly
Kristian P. Marca
Krysta M. Hill

Form ADV Part 2B Brochure Supplement
March 20, 2026

This brochure supplement provides information about Supervised Persons of NFJ Investment Group, LLC ("NFJ") that supplements the NFJ brochure. You should have received a copy of that brochure. Please contact your client service representative if you did not receive NFJ's brochure or if you have any questions about the contents of this supplement.

NFJ is a registered Investment Adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about NFJ is also available on the SEC's website at adviserinfo.sec.gov

John R. Mowrey, CFA (1983)

Executive Managing Director, Chief Investment Officer, Senior Portfolio Manager/Analyst

ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

John Mowrey is an executive managing director, senior portfolio manager/analyst, and chief investment officer of NFJ Investment Group, responsible for the overall investment policy for all value equity portfolios, hiring new talent, and building out the team's investment capabilities. He serves as co-lead portfolio manager for the NFJ Dividend Value, NFJ Large Cap Value, NFJ Mid-Cap Value, NFJ Small-Cap Value, NFJ Emerging Markets Value, and NFJ Global Infrastructure Income strategies. Mr. Mowrey joined NFJ in 2007 as a quantitative research analyst and product specialist. He began his career in the investment industry in 2006. He earned a B.A. in political science from Rhodes College and an M.B.A. from Southern Methodist University. He is a Chartered Financial Analyst® (CFA®) charterholder.

Please refer to the descriptions of professional designations listed at the end of this document.

ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this Item.

ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

ITEM 6. SUPERVISION

Mr. Mowrey is supervised by George Alyward, Chief Executive Officer of NFJ Investment Group LLC. NFJ is a wholly-owned subsidiary of Virtus Partners, Inc. Mr. Alyward can be reached at 800.248.7971.

Paul A. Magnuson (1962)

Managing Director, Senior Portfolio Manager/Analyst

ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Paul Magnuson is a managing director and senior portfolio manager/analyst at NFJ Investment Group. Prior to joining NFJ in 1992, Mr. Magnuson was a quantitative analyst in the trust investment department at NationsBank. He began his career in the investment industry in 1985. Mr. Magnuson earned a B.B.A. in finance from the University of Nebraska.

ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this item.

ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

ITEM 6. SUPERVISION

Mr. Magnuson is supervised by John Mowrey, Chief Investment Officer of NFJ Investment Group. Mr. Mowrey can be reached at 214-754-1757.

R. Burns McKinney, CFA (1973)

Managing Director, Senior Portfolio Manager/Analyst

ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

R. Burns McKinney is a managing director and a senior portfolio manager/analyst at NFJ Investment Group. He serves as a co-lead portfolio manager of the NFJ Dividend Value, NFJ International Value, and NFJ Global Sustainability strategies. Prior to joining NFJ in 2006, Mr. McKinney was an equity analyst at Evergreen Investments, an investment banking analyst at Alex. Brown & Sons, a vice president in equity research at Merrill Lynch, and an equity analyst at Morgan Stanley. He began his career in the investment industry in 1996. Mr. McKinney earned a B.A. in economics from Dartmouth College and an M.B.A. from The Wharton School, The University of Pennsylvania. He is a Chartered Financial Analyst® (CFA®) charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

ITEM 4. OTHER BUSINESS ACTIVITIES

Registered representative of affiliated VP Distributors, LLC, a limited purpose broker/dealer

ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

ITEM 6. SUPERVISION

Mr. McKinney is supervised by John Mowrey, Chief Investment Officer of NFJ Investment Group. Mr. Mowrey can be reached at 214-754-1757.

Jeff N. Reed, CFA, CMT, FDP (1980)

Managing Director, Senior Portfolio Manager/Analyst

ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Jeff Reed is a managing director and senior portfolio manager/analyst at NFJ Investment Group. He serves as a co-lead portfolio manager of the NFJ Dividend Value, NFJ Large-Cap Value, and NFJ Global Sustainability strategies , and as lead portfolio manager of the NFJ All Cap Value strategy. Prior to joining NFJ in 2007, Mr. Reed was a credit analyst at Frost Bank. He began his career in the investment industry in 2004. Mr. Reed earned a B.B.A. in finance and e-business from Texas Christian University, an M.B.A. from the University of Texas, McCombs School of Business, and an M.S. in data science with a specialization in machine learning from Southern Methodist University. He is a Chartered Financial Analyst® (CFA®) charterholder. He is also a Financial Data Professional® (FDP®) charterholder and a Chartered Market Technician® (CMT®) charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this Item.

ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

ITEM 6. SUPERVISION

Mr. Reed is supervised by John Mowrey, Chief Investment Officer of NFJ Investment Group. Mr. Mowrey can be reached at 214-754-1757.

J. Garth Reilly (1981)

Managing Director, Senior Portfolio Manager/Analyst

ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

J. Garth Reilly is a managing director and senior portfolio manager/analyst at NFJ Investment Group. He serves as a co-lead portfolio manager/analyst of the NFJ Emerging Markets Value, NFJ International Value, NFJ Small Cap Value, NFJ Mid Cap Value, and NFJ Global Infrastructure Income strategies. Prior to joining NFJ in 2005, he was an intern at Luther King Capital Management and Citigroup Alternative Investments. He began his career in the investment industry in 2005. Mr. Reilly earned a B.A. in political economy from Princeton University and an M.B.A. from Southern Methodist University.

ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this Item.

ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

ITEM 6. SUPERVISION

Mr. Reilly is supervised by John Mowrey, Chief Investment Officer of NFJ Investment Group. Mr. Mowrey can be reached at 214-754-1757.

Kristian P. Marca, CFA (1977)

Director, Portfolio Manager/Analyst

ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Kris Marca is a director and portfolio manager/analyst at NFJ Investment Group. He serves as a portfolio manager for a closed-end fund that NFJ subadvises, the Virtus Dividend, Interest & Premium Strategy Fund (NYSE: NFJ), as well as on the NFJ Mid Cap Value and NFJ Small Cap Value strategies. Prior to joining NFJ in 2011, he was on the equity derivatives desk at HBK Capital Management. He began his career in the investment industry in 2003. Mr. Marca earned a B.A. in biology from the University of Texas and an M.B.A. from Texas Christian University. He is a Chartered Financial Analyst® (CFA®) charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

ITEM 4. OTHER BUSINESS ACTIVITIES

Registered representative of affiliated VP Distributors, LLC, a limited purpose broker/dealer

ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

ITEM 6. SUPERVISION

Mr. Marca is supervised by John Mowrey, Chief Investment Officer of NFJ Investment Group. Mr. Mowrey can be reached at 214-754-1757.

Krysta M. Hill (1983)

Director, Product Specialist

ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Krysta Hill is director and product specialist. She serves as a liaison between the investment, distribution, and client service teams, ensuring messaging alignment between NFJ and its clients, prospects, consultants, and internal partners. Before joining an NFJ affiliated manager in 2008, Ms. Hill worked at Lehman Brothers as a communications specialist in its high-net-worth marketing department, and at Sard Verbinnen & Co. as an associate in financial public relations and crisis communications. She began working in the investment industry in 2005. She earned a B.A., magna cum laude, in communications from the University of Pennsylvania.

ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

ITEM 4. OTHER BUSINESS ACTIVITIES

Registered representative of affiliated VP Distributors, LLC, a limited purpose broker/dealer

ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

ITEM 6. SUPERVISION

Ms. Hill is supervised by John Mowrey, Chief Investment Officer of NFJ Investment Group. Mr. Mowrey can be reached at 214-754-1757.

Description of Licenses or Professional Designations

CHARTERED FINANCIAL ANALYST (CFA)

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience. The CFA Institute determines the passing score of the exams each year.

CHARTERED MARKET TECHNICIAN (CMT)

The CMT designation is a global credential for technical analysis, specializing in market behavior, trends, and risk management. Candidates must pass three self-study exams covering technical analysis tools, behavioral finance and quantitative strategies.

FINANCIAL DATA PROFESSIONAL (FDP)

FDP is the globally recognized credential for professionals working in areas of the financial industry, where deployment of machine learning techniques adds value, and managing, applying, analyzing, and communicating results based on big data, alternative data and quantitative models are critical.

A Virtus Investment Partner

NFJ Investment Group, LLC Proxy Policy

Under SEC Rule 206(4)-6, investment advisers have fiduciary obligations to their clients if the advisers have authority to vote their clients' proxies. Under our standard contractual agreements, NFJ Investment Group, LLC ("NFJ" or "the Firm") is authorized to vote proxies on behalf of discretionary accounts.

The rule requires an investment adviser that exercises voting authority over client proxies to adopt policies and procedures reasonably designed to ensure that the adviser: 1) votes proxies in the best interests of clients, 2) discloses information about those policies and procedures, 3) discloses how clients may obtain information regarding individual security proxy votes cast on their behalf, and 4) maintains appropriate records relating to actual proxy voting.

The Firm has a Proxy Committee ("Committee") that is responsible for establishing policies and procedures reasonably designed to enable the Firm to ethically and effectively discharge its fiduciary obligation to vote all applicable proxies on behalf of all discretionary client accounts and funds, and ensure compliance with all of the requirements. Annually (or more often as needed), the Committee will review, reaffirm and/or amend guidelines, strategies, and proxy policies for all domestic and international client accounts, funds, and product lines.

The Firm utilizes a third-party proxy service provider for support services related to the Firm's proxy voting processes/procedures, which include, but are not limited to:

1. The collection of proxy material from our clients' custodians.
2. The review of proxy proposals and appropriate voting recommendations on behalf of the Firm.
3. The facilitation of proxy voting, reconciliation, and disclosure, in accordance with the Firm's proxy policies and the Committee's direction.
4. Recordkeeping and voting record retention.

As reflected in the Firm's proxy guidelines, the Committee will vote proxies in a manner deemed to be in the best economic interest of its clients, as a whole, as shareholders and beneficiaries of those actions.

The Committee recognizes that each proxy vote must be evaluated on its own merits. Factors such as a company's organizational structure, executive and operational management, Board of Directors structure, corporate culture and governance process, and the impact of economic, environmental, and social implications remain key elements in all voting decisions.

The Committee will consider client-specific preferences and/or develop and apply criteria unique to its client base and product lines, where appropriate. As needed, the Firm will communicate this information to its service provider so those clients' proxies will be voted accordingly. The Committee will review the service provider's capabilities as agent for the contracted services noted above.

An Independent, Objective Approach to Proxy Issues

In the absence of express contractual provisions to the contrary, proxies will be voted for all of the Firm's discretionary investment management clients.

The Firm maintains its own proxy guidelines for U.S. domestic proxy voting issues as well as international proxy voting issues. ERISA accounts will be voted in accordance with the Firm's U.S. Domestic Proxy Guidelines; as such guidelines include ERISA-specific guidelines and requirements. "Taft-Hartley" proxy voting guidelines as provided by the service provider are applied as required. Global proxy matters will generally be voted pursuant to recommendations of the service provider. In addition, accounts with a sustainable investing mandate will be voted in accordance with the Sustainable Proxy Guidelines. Guidelines are available as described below.

The Firm provides and maintains the following standard proxy voting guidelines:

- ISS Global Policy Guidelines
- US Sustainability Proxy Voting Guidelines
- International Sustainability Proxy Voting Guidelines

Exceptions to Policy

The Firm's proxy policies, as outlined herein, generally will not be applied where the Firm has further delegated discretionary investment management and the authority to vote shares to a properly appointed subadviser, such as may be the case in some managed separate accounts, wrap programs, and funds.

In those situations, proxy votes cast by the subadviser may be governed by the subadviser's proxy voting policies and procedures.

The Firm may choose not to vote proxies in certain situations, or for certain accounts, such as, but not limited to, when the cost of voting would exceed any anticipated benefit to the respective client(s); when a proxy is received for a client account that has been terminated; when a proxy is received for a security no longer managed; and/or when the exercise of voting rights could restrict the ability of an account's portfolio manager to freely trade the security in question (for example, in certain foreign jurisdictions known as "blocking markets").

Conflicts of Interest

Due to its diversified client base and numerous product lines, the Committee may determine a potential conflict exists in connection with a proxy vote. The Committee will determine how to address the conflict and that may include voting strictly in accordance with policy, and/or allowing the third-party service provider to vote in accordance with its guidelines.

Although the Firm does its best to alleviate or diffuse known conflicts, there is no guarantee that all situations have been or will be mitigated through proxy policy incorporation.

Securities Lending Program

The Firm manages assets for clients (including the Virtus Funds ("Virtus Funds")) that may engage in "securities lending" programs. In a typical securities lending program, clients or funds lend securities from their accounts/portfolios to approved broker-dealers against cash collateral. On behalf of clients and the Virtus Funds, the Firm seeks to balance the economic benefits of continuing to participate in an open securities lending transaction against the inability to vote proxies. On behalf of clients and the Virtus Funds, the Firm will call loaned securities back to vote proxies, or to otherwise obtain rights to vote or consent with respect to a material event affecting securities on loan when the adviser believes it is necessary to vote.

Additional Information

Records Related to Proxy Voting:
All proxy voting records, including policy and procedures, proxy statements, votes cast, and any correspondence relative thereto will be maintained in accordance with the applicable provisions of the Investment Advisers Act of 1940 (as amended) and pursuant to the Firm's Data Retention Policy. To obtain information about specific voting issues, please e-mail: proxyoperations@virtus.com

Virtus Funds shareholders:
Shareholders of the Virtus Funds may request fund-related proxy voting information by calling 800-243-1574.