CEREDEX VALUE ADVISORS®

3Q 2023

Portfolio Commentary
Concentrated Large Cap Value Equity

MARKET REVIEW

Rapid surges in 10-year U.S. Treasury yield, the U.S. dollar, and oil prices dramatically changed the market landscape during the third quarter as investors began pricing in expectations for a "higher for longer" interest rate environment. U.S. value stocks generally moved lower, with interest rate sensitive and cyclical sectors suffering the largest declines. The Russell 1000® Value Index fell 3.16% in the quarter. The largest sector losses were in consumer discretionary (-9.30%), utilities (-9.18%), and real estate (-8.33%). Energy (+12.27%) was the only sector to gain in the period.

The quarter ended much differently than it began, when markets were largely optimistic that the Federal Reserve (Fed) might soon shift into an easing cycle after orchestrating a soft economic landing. However, that optimism began to shift in August and then sharply fade in September as the Fed made it clear that it planned to maintain its hawkish bias given that inflation had moderated but continued to remain at uncomfortable levels. The U.S. economy appeared largely to shrug off the prospects of prolonged higher rates and continued to grow at a modest pace, supported by a cooling but still-healthy job market and resilient consumer spending.

PERFORMANCE

The Ceredex Concentrated Large Cap Value Equity Composite returned -3.45% gross/-3.60% net for the quarter versus the Russell 1000 Value Index's return of -3.16%. The largest performance detractors included: financials stock selection, due primarily to Capital One, which underperformed on weakness across the broader credit card segment, paring some of the stock's strong gains from last quarter; industrials stock selection, where we leaned into positions experiencing valuation resets a bit early but we expect them to outperform looking ahead; and consumer staples stock selection, largely from the poor performance of Kenvue, discussed below.

Top performance contributors included: healthcare stock selection, due primarily to a large position in health insurance company Humana, which performed very strongly in the quarter (see below); materials stock selection, given the strong performance of Avery Dennison, which we opportunistically had purchased after the stock appeared to be oversold on destocking concerns; and an underweight and stock selection in real estate, where we sold our only two holdings as we found more compelling risk/reward opportunities in other areas of the market given the portfolio's focus on our best investment ideas.

EOG Resources and Humana were among the strongest stock contributors to relative performance.

- Energy exploration company EOG Resources was lifted by overall sector strength on the significant rise in oil prices. We continued to like the high-quality stock but exited the position on the gains to take advantage of more favorably priced opportunities.
- Health insurance company Humana, one of the largest Medicare Advantage (MA) insurers, outperformed on higher-than-expected earnings and revenue driven by MA membership growth and higher per-member medical premiums that helped offset increased utilization. The company also increased its MA membership growth expectations for the rest of the year. We held steady with the stock based on its continued strong performance and upbeat outlook.

1 See Holdings Disclosure on page 3.
2 The contributors/detractors listed do not represent all securities purchased or sold for our clients. To obtain a list showing the contribution of each holding that contributed to overall performance during the quarter and the calculation methodology, please call 407-674-1270. See GIPS Composite Report on Page 4.
3 Contributors and detractors are based on gross returns, see net returns presented on performance comparison page.

Portfolio Characteristics

	Strategy	Benchmark
Market Cap ($b)	77.3	138.0
Dividend Yield (%)	1.7	2.4
Price-to-Earnings (FY1)	18.2x	14.5x
Price-to-Book	2.1x	2.2x
Price-to-Sales	1.7x	1.6x
Std. Dev. (3 yr) (%)	17.83	17.35
Beta (3 yr)	1.00	1.00
Std. Dev. (5 yr) (%)	20.33	19.11
Beta (5 yr)	1.03	1.00

Portfolio characteristics are based on gross returns where applicable. See net returns presented on performance comparison page with regulatory required time periods.

Top Contributors[1,2,3] (%)

	Average Weight	Relative Attribution
EOG Resources, Inc.	3.0	0.6
Humana Inc.	5.0	0.5
Avery Dennison Corporation	5.6	0.5
Hess Corporation	3.4	0.4
Intel Corporation	3.6	0.4
Allstate Corporation	4.8	0.3
Chesapeake Energy Corporation	2.9	0.3
Danaher Corporation	3.5	0.1
Home Depot, Inc.	5.2	0.1
Extra Space Storage Inc.	0.8	0.1

Top Detractors[1,2,3] (%)

	Average Weight	Relative Attribution
Kenvue, Inc.	4.0	-0.5
Willis Towers Watson Public Limited Company	3.8	-0.4
Knight-Swift Transportation Holdings Inc. Class A	5.4	-0.3
Best Buy Co., Inc.	2.8	-0.3
Capital One Financial Corp	4.7	-0.3
Honeywell International Inc.	5.7	-0.3
L3Harris Technologies Inc	2.1	-0.3
Revvity, Inc.	6.1	-0.2
Ameren Corporation	3.3	-0.2
QUALCOMM Incorporated	6.3	-0.2

Relative attribution: excess return relative to the benchmark, limited to stocks held in the portfolio.

Top 10 Holdings[1] (% of Portfolio)

Humana Inc.	6.7
Honeywell International Inc.	6.4
Revvity, Inc.	6.2
Avery Dennison Corporation	6.0
Knight-Swift Transportation Holdings Inc. Class A	5.6
Danaher Corporation	5.5
Parker-Hannifin Corporation	5.2
Allstate Corporation	5.1
Home Depot, Inc.	5.1
Intel Corporation	5.1

All data as of 09/30/23. Source: FactSet.

Kenvue and Willis Tower Watson were among the largest stock detractors from relative performance.

- Shares of consumer health company Kenvue, a recent spinoff from Johnson & Johnson, were weighed down by potential legal concerns around its pain reliever Tylenol, which faced litigation claims that it caused neurological disorders in children whose mothers had taken the medicine during pregnancy. We continued to monitor the stock closely as we like its long-term growth prospects based on the company's large portfolio of well-known, popular brands but are concerned about the possible short-term headwinds it may face.
- Advisory and brokerage firm Willis Tower Watson fell on lower-than-expected earnings due largely to higher costs, much of which seemed to be more transitory in nature. We continued to hold the stock as it appeared to be oversold given the company's historically steady performance and sticky book of business.

PORTFOLIO CHANGES

We added Hess and Intel to the portfolio. As mentioned above, we sold EOG Resources.

- We purchased oil and gas producer Hess based on its favorable earnings growth, strong production volume gains, continued new oil discoveries, and attractive investment in oil-rich Guyana.
- We bought technology company Intel which appeared to be near a valuation trough due to its improving manufacturing outlook, an expected rebound in personal computer demand, and booming interest in artificial intelligence (AI) solutions.

ATTRIBUTION (%) AS OF 09/30/23

	Quarter-end Sector Weights		Impact		
	Portfolio	Benchmark	Sector Weight	Stock Selection	Total
Communication Services	0.0	5.0	0.0	0.0	0.0
Consumer Discretionary	5.1	5.0	-0.2	0.2	0.0
Consumer Staples	5.0	8.3	0.0	-0.5	-0.5
Energy	8.6	9.1	0.2	0.0	0.2
Financials	18.6	20.6	0.1	-1.1	-1.0
Healthcare	18.4	15.3	0.0	0.8	0.8
Industrials	20.2	13.2	-0.1	-0.8	-0.9
Information Technology	14.2	9.1	0.0	0.0	0.0
Materials	6.0	4.8	0.0	0.6	0.6
Real Estate	0.0	4.7	0.2	0.1	0.3
Utilities	4.0	4.9	0.1	0.0	0.1
Total			0.4	-0.8	-0.4

Source: FactSet.

Attribution does not incorporate the effects of cash, unclassified securities, or expenses and may change at any time without notice. The total impact may not equal the difference between Portfolio and Benchmark returns.

Attribution is based on gross returns, see net returns presented on performance comparison page.

OUTLOOK

While U.S. economic growth, employment, and consumer spending are all showing clear signs of slowing, they remain generally resilient. We expect further cooling, but the question at this point is by how much? In our view, the risk of major recession remains small, and the most likely scenario appears to be that growth will continue to drift generally lower.

With the prospect of slowing growth, we are somewhat cautious toward the value equity market. Sentiment has clearly reset, and investment opportunities seem likely to become more company specific moving ahead. Additionally, history has shown that it can take up to 18 months for the impact of interest rate increases to fully work through the economy. Still, we continue to identify companies with interesting value potential but are being more selective in the opportunities we pursue, paying very close attention to fundamentals and how companies are likely to fare in the current and emerging environment. Overall, we remain very comfortable in our portfolio's ability to navigate the slowdown, whether it ends up being a soft or hard economic landing.

PERFORMANCE COMPARISON (%) AS OF 09/30/23

	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Concentrated Large Cap Value Equity Composite (Gross)	-3.45	4.08	15.76	10.47	8.38	NA
Concentrated Large Cap Value Equity Composite (Net)	-3.60	3.61	15.08	9.79	7.68	NA
Russell 1000® Value Index	-3.16	1.79	14.44	11.05	6.23	8.45

Past performance is not indicative of future results. This presentation is solely for SUPPLEMENTAL INFORMATION purposes, intended for institutional investors and may not be provided unless accompanied or preceded by the fully compliant GIPS Composite Presentation. The comparative performance contained herein reflects annualized returns for specific time period, are not indicative of actual annual returns, and may not be relied upon for investment decisions. Complete information regarding Ceredex's returns are included on the GIPS presentation on page 4. The performance inception date for the composite is 7/1/98.

Russell 1000® Value Index is composed of the securities in the Russell 1000 Index with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values. Investors cannot invest directly in an index.

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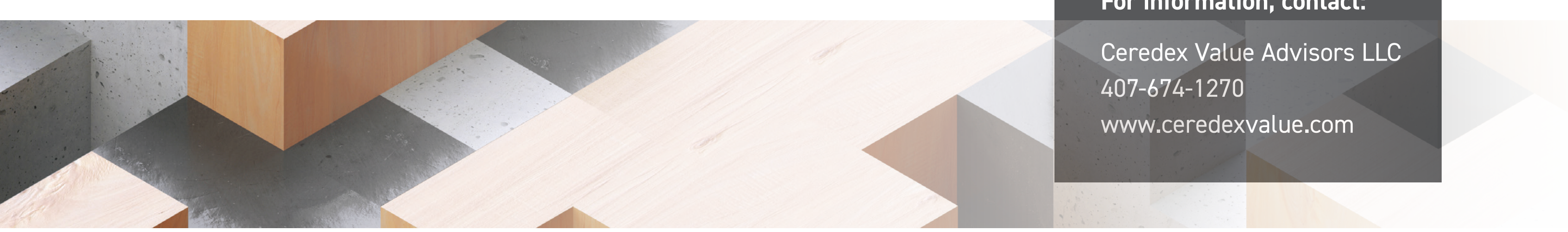
HOLDINGS DISCLOSURE

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Dividends reflect past performance and there is no guarantee they will continue to be paid.

IMPORTANT RISK CONSIDERATIONS

Equity Securities: The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small, medium, or large-sized companies may enhance that risk. **Value Stocks:** Value stocks are subject to the risk that the broad market may not recognize their intrinsic value. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended.



For information, contact:

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CONCENTRATED LARGE CAP VALUE EQUITY COMPOSITE 4/1/18 – 12/30/22

Year	Gross of Fee Return (%)	Net of Fee Return (%)	Benchmark Return (%)	Number of Portfolios	Composite Dispersion (%)	3-Year Standard Deviation		Total Composite Assets at End of Period (USD Millions)	Total Firm Assets (USD Millions)
						Composite	Benchmark		
2022	-12.80	-13.33	-7.54	Five or fewer	N/A	22.29	21.25	2	6,767
2021	28.63	27.84	25.16	Five or fewer	N/A	19.63	19.06	2	9,548
2020	11.88	11.10	2.80	Five or fewer	N/A	N/A	N/A	1	8,175
2019	32.28	31.38	26.54	Five or fewer	N/A	N/A	N/A	1	9,062
2018*	-5.52	-6.02	-5.59	Five or fewer	N/A	N/A	N/A	1	7,722

*Results shown for the year 2018 represent partial period performance from April 1, 2018 through December 31, 2018

1. **Compliance Statement.** Ceredex Value Advisors LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Ceredex Value Advisors LLC has been independently verified for the periods of March 31, 2008 (the date of the Firm's founding) through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.
2. **Definition of the Firm.** Ceredex Value Advisors LLC ("Ceredex") is an SEC-registered investment adviser and is a wholly owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"). Registration of an investment adviser does not imply any level of skill or training. Ceredex manages assets for segregated accounts and pooled investment vehicles. Ceredex became an affiliate of Virtus effective June 1, 2017, when Virtus acquired RidgeWorth Capital Management LLC and RidgeWorth Investments ("RidgeWorth"). Ceredex was created March 31, 2008, when all of the investment decision-makers associated with the value equity investment strategies of RidgeWorth became employees of Ceredex. The staff and decision-making process remained intact and independent within Ceredex. For composite reporting purposes, the Firm is defined as all equity portfolios managed by Ceredex.
3. **Composite Description.** The Concentrated Large Cap Value Strategy composite includes fully discretionary accounts in accordance with the concentrated large cap value style with the objective of producing long-term capital appreciation and income. Under normal circumstances, Concentrated Large Cap Value Portfolios will have at least 80% of their net assets invested in U.S. traded equity securities of large cap companies. U.S. traded equity securities may include American Depositary Receipts ("ADRs"). Ceredex considers large cap companies to be companies with market capitalizations similar to those of companies in the Russell 1000 Value Index. Typically, a Concentrated Large Cap Value portfolio will generally hold 20 securities or less. In selecting investments for the portfolios, Ceredex chooses companies that it believes are undervalued in the market relative to the industry sector and the company's own valuation history. Key material risks: Stock prices will decline, and the composite will underperform its benchmark. The minimum portfolio size for the Concentrated Large Cap Value Strategy composite is $500,000.
4. **Benchmark.** The benchmark for the Concentrated Large Cap Value Strategy composite is the Russell 1000® Value Index, which is composed of the securities in the Russell 1000® Index with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values. The index is calculated on a total-return basis with dividends reinvested. Index returns do not reflect the deduction of any fees or expenses.
5. **Returns and Fees.** Returns are calculated based on total return which (a) includes cash returns, realized and unrealized gains plus income, and reinvestment of dividends and other earnings; (b) utilizes trade date and accrual accounting; and (c) is after the deduction of actual trading fees and expenses. Portfolio returns are calculated utilizing daily valuation. Composite returns, calculated monthly, are the weighted average return of the underlying portfolios using beginning-of-period market values. Composite gross of fee returns do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. Investment advisory fees are described in Part 2 of the firm's Form ADV. Effective 4/1/2021, composite net of fee performance is calculated assuming a fee of 0.60%, the highest fee for this type of investment account. Prior to 4/1/2021, composite net of fee performance was calculated assuming a fee of 0.70%, the highest fee for this type of investment account.
6. **Fee Schedule.** The standard management fee schedule applicable to large cap equity accounts is as follows: 0.60% on the first $10 million, 0.55% on the next $40 million, 0.45% on the next $50 million, and 0.40% on all over $100 million. The minimum annual fee is $10,000. Actual investment advisory fees incurred by clients may vary. For further information on investment management fees, please refer to Form ADV Part 2.
7. **Ex Post Standard Deviation.** The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. No three-year annualized standard deviations are reported for periods less than 3 years (shown as N/A).
8. **Composite Dispersion.** The dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio gross returns represented within the composite for the full year. No dispersion is reported for periods with five or fewer portfolios (shown as N/A).
9. **Currency.** Valuations and returns are computed and stated in U.S. Dollars.
10. **Creation and Inception Date.** This composite was created March 31, 2018. The Composite has performance history with an inception date of April 1, 2018.
11. **Availability of Information.** Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of all composite investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy.
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