

INTRODUCING THE COMMUNICATION SERVICES SECTOR

OVERVIEW

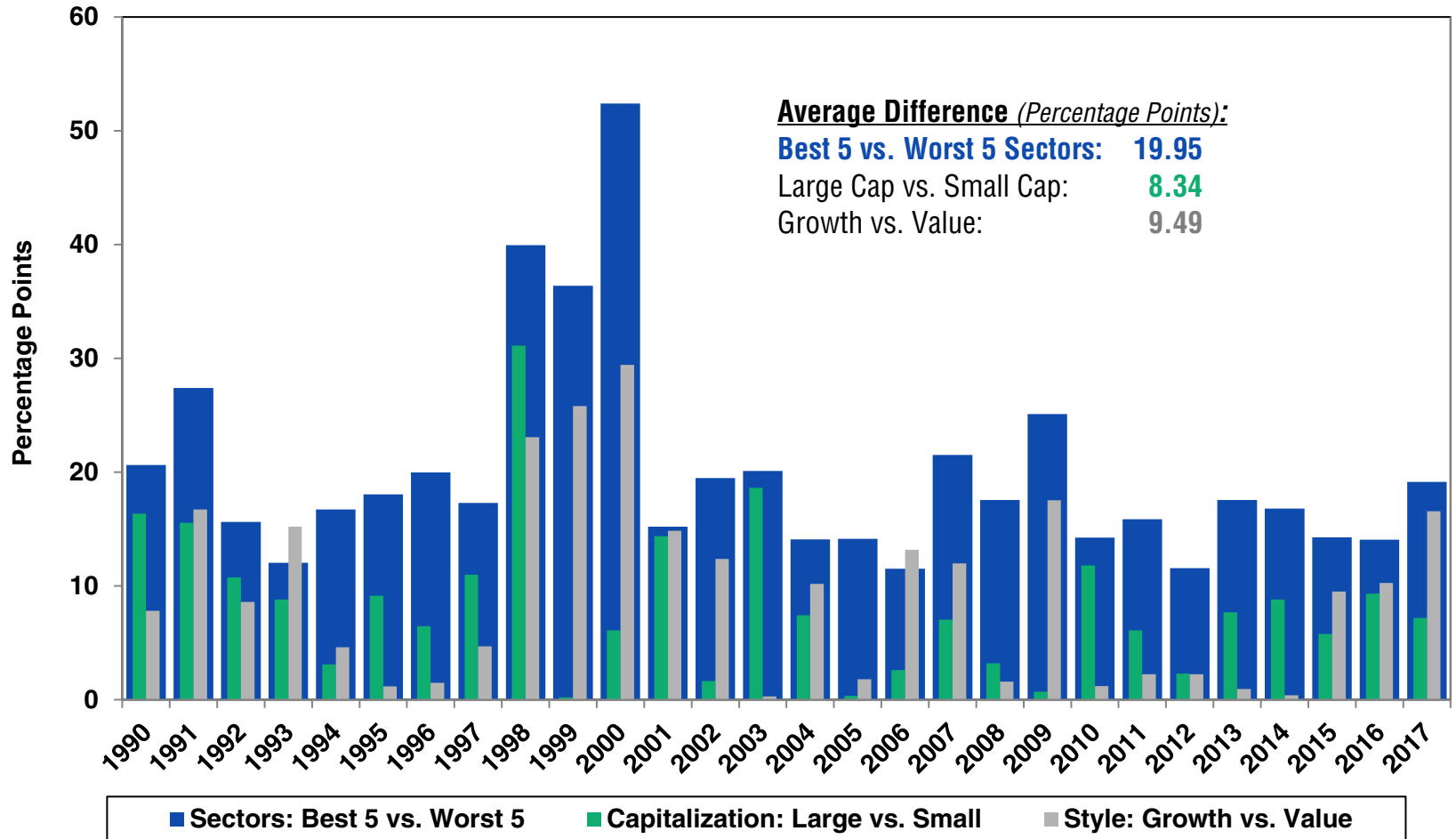
- The Power of Sector Investing
- GICS Sector Changes – Communication Services
- Impact of Sector Changes

The cornerstone of our investment process is that the macroeconomic environment is a key driver of financial market returns.

THE IMPORTANCE OF SECTOR SELECTION

VARIED SECTOR PERFORMANCE CAN CREATE OPPORTUNITY:
Performance spreads create the potential to add alpha through active sector allocation.

RANGE OF RETURNS BY SECTOR, CAPITALIZATION, AND STYLE

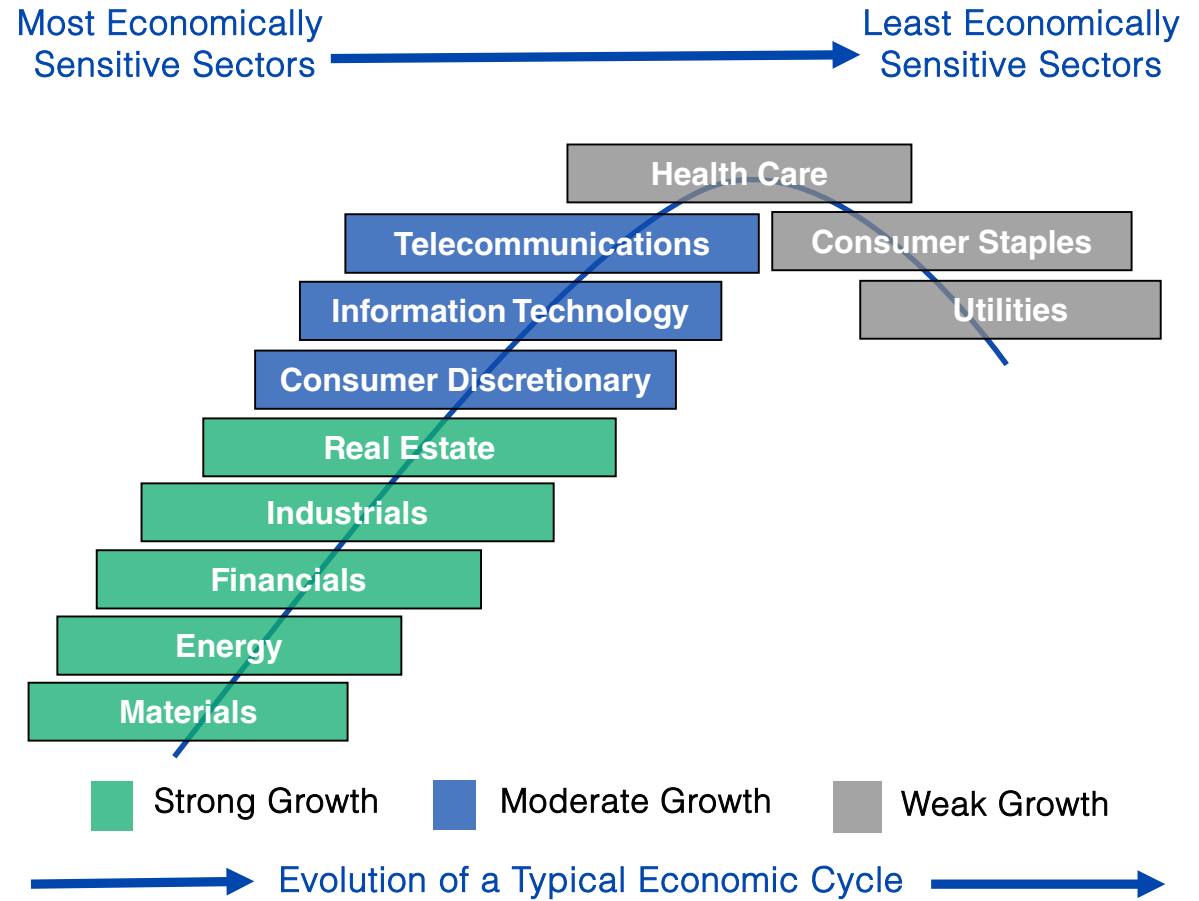


Sector performance is represented by sectors of the S&P 500 Index. “Large Cap” is represented by the S&P 500 Index. “Small Cap” is represented by the Russell 2000 Index. “Growth” is represented by the Russell 1000 Growth Index. “Value” is represented by the Russell 1000 Value Index. Data for 2016 excludes Real Estate as a stand-alone sector, which was included in Financials until September 16, 2016. See Disclosures on page 9.

Source: Thomson Reuters, Bloomberg, WestEnd Advisors

WESTEND SECTOR ALLOCATION

- The path of economic growth is a key driver of S&P 500 sector performance.
- The investment team analyzes recurring cyclical trends and identifies the characteristics particular to the current economic cycle.
- WestEnd actively positions client portfolios in the most economically-sensitive sectors when it expects strong growth, and transitions to less economically-sensitive sectors as growth expectations wane.
- Portfolios are typically invested in four to five sectors at any one time based on our macroeconomic outlook, but may be invested in more or fewer sectors as conditions warrant.



For illustrative purposes only.

WIDELY-USED “GICS” SECTOR CLASSIFICATIONS ARE EVOLVING

At the end of September 2018*, Standard & Poor’s and MSCI will reorganize their Global Industry Classification Standard (GICS) to create a new “Communication Services Sector.”

- This new sector will combine:
 - The current **Telecommunication Services** Sector
 - Media, advertising, and entertainment companies taken from the **Consumer Discretionary** Sector
 - Certain Internet and entertainment software companies taken from the **Information Technology** Sector

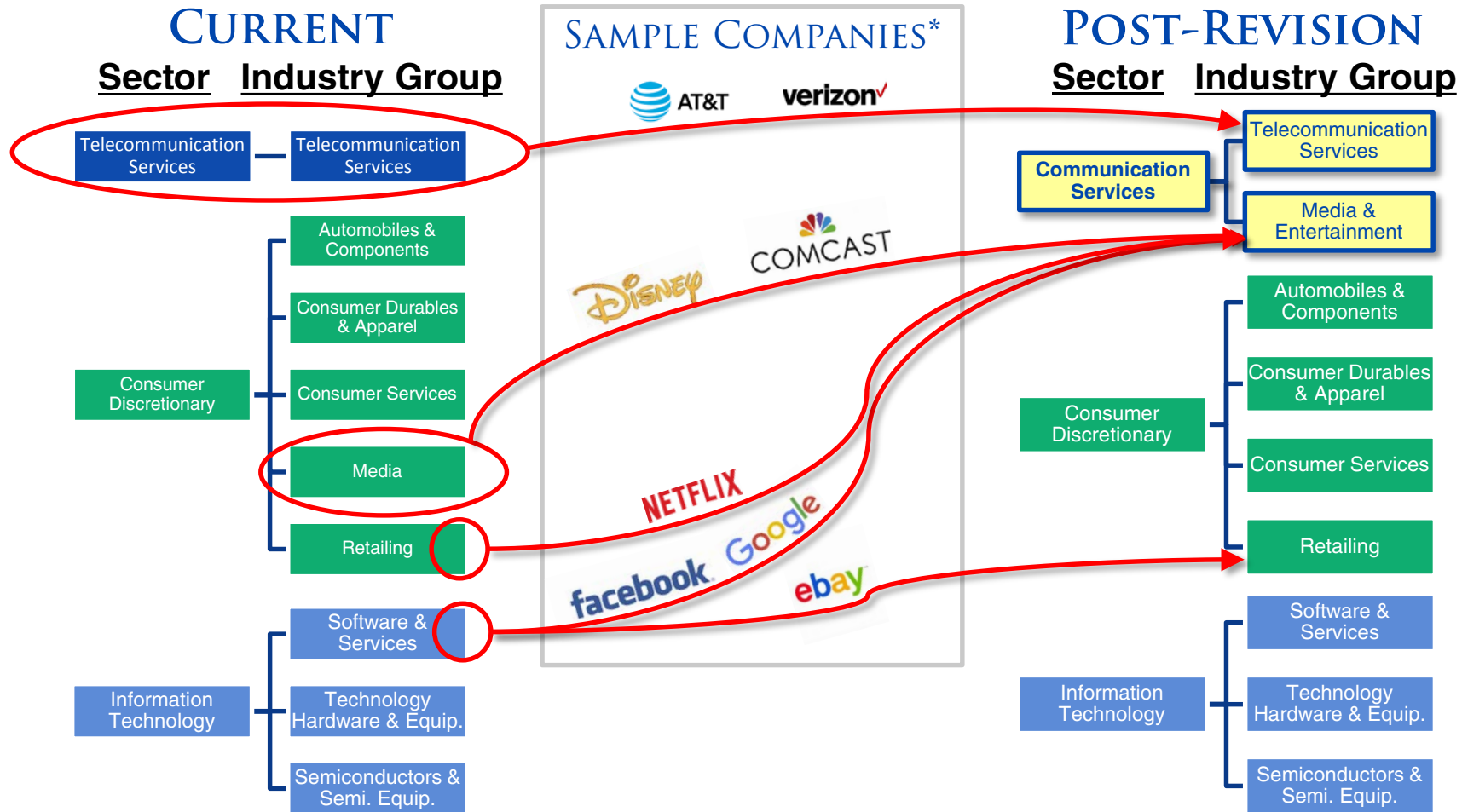
S&P AND MSCI RATIONALE:

“Convergence between telecom and media companies is not just a trend but a fact. Companies in these two industries are clearly finding synergies between creation of content and its delivery. The proposed Communication Services Sector reflects this evolution.”

- Sebastien Lieblich, Managing Director and Global Head of Equity Solutions Research at MSCI

* According to press releases from Standard & Poor’s and MSCI, the GICS changes will be effective in GICS Direct, a joint database product of the two companies, after the close of business on Friday, **September 28, 2018**, but the timing of implementation in actual indices will vary. Standard & Poor’s will implement the GICS changes in its indices during its regular quarterly rebalance, effective prior to market open on Monday, **September 24, 2018**. MSCI will implement the changes in its indices during its “November 2018 Semi Annual Index Review,” effective **December 3, 2018**.

CREATING A COMMUNICATION SECTOR

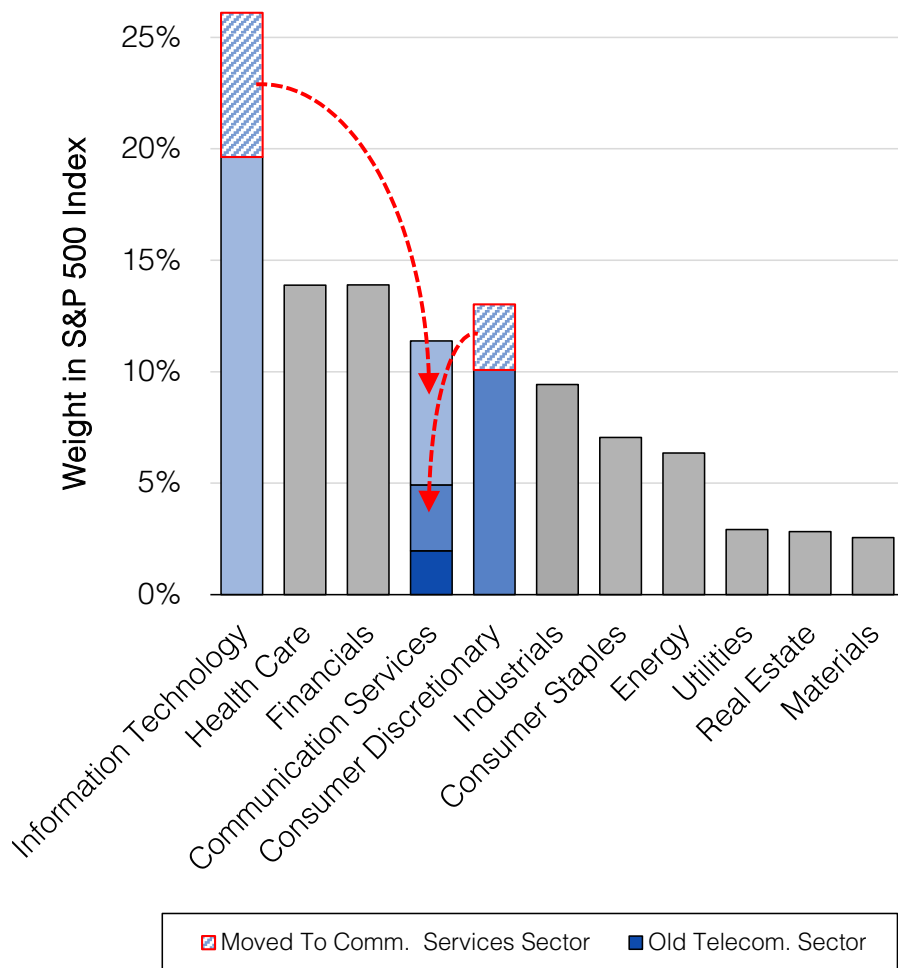


UNCROSSING THE WIRES:
In short, companies that primarily produce and/or transmit media content will be consolidated in the new Communication Services Sector.

* Sample companies were selected based on a combination of size and recognizability and are for illustrative purposes only. Sources: Standard & Poor's, WestEnd Advisors. Information has been gathered from sources believed to be reliable, however data is not guaranteed.

HOW THE COMMUNICATION SERVICES SECTOR STACKS UP

PRIMARY CHANGES TO S&P 500 SECTOR WEIGHTS*



* Based on data as of June 30, 2018.

Sources: Standard & Poor's, Bloomberg, WestEnd Advisors

PRO FORMA STATISTICS FOR IMPACTED SECTORS IN S&P 500*

SECTOR	CURRENT STOCK COUNT	REVISED STOCK COUNT	AVG. MKT. CAP. POST-REVISION
COMMUNICATION SERVICES	3 [†]	22	\$123 Bil.
CONSUMER DISCRETIONARY	76	64	\$40 Bil.
INFORMATION TECHNOLOGY	71	64	\$75 Bil.
<i>AVERAGE FOR ALL S&P 500 GICS SECTORS</i>	<i>45</i>	<i>45</i>	<i>\$49 Bil.</i>

* Based on data as of June 30, 2018.

† Represents the current Telecommunication Services GICS Sector.

Sources: Standard & Poor's, Bloomberg, WestEnd Advisors

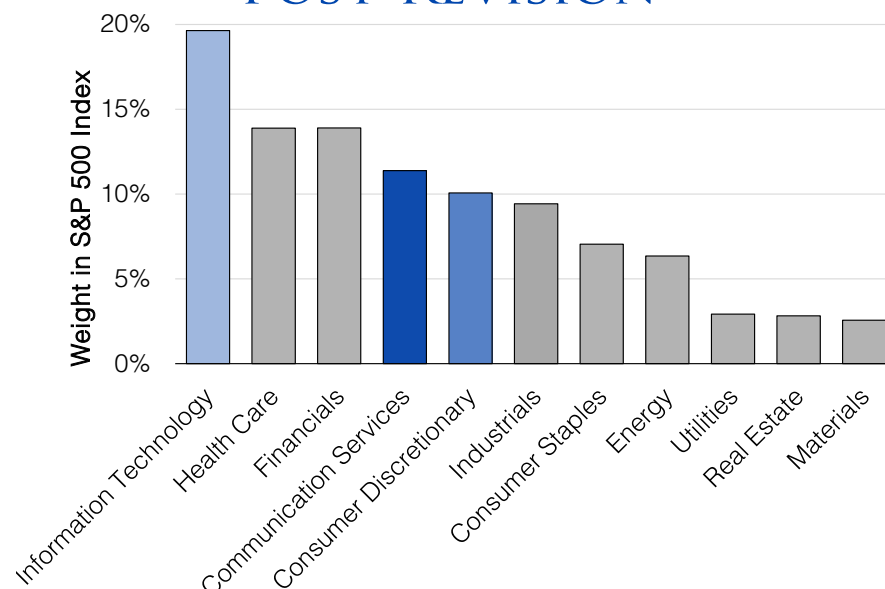
IMPACT ON SECTORS

- Economically, the revised sectors will be more consistent:
 - Internally: companies within sectors will be more similar to each other
 - Externally: less overlap of economic activities across sectors
- For equities, more evenly distributed opportunities for alpha generation:
 - A small sector will be replaced with an average-sized sector, making it easier to meaningfully underweight
 - Two large sectors will shrink, making them easier to meaningfully overweight

SECTOR DRIVERS POST-REVISION

SECTOR	KEY ECONOMIC FACTORS
COMMUNICATION SERVICES	Cyclical ad spending ; secular evolution in media consumption habits
CONSUMER DISCRETIONARY	Cyclical consumer retail spending
INFORMATION TECHNOLOGY	Cyclical business spending/investment

PRO-FORMA SECTOR WEIGHTS POST-REVISION*



* Data as of June 30, 2018
Sources: Standard & Poor's, Bloomberg, WestEnd Advisors

IMPACT ON OUR INVESTMENT PROCESS

We view these changes as positive for WestEnd's macro-economically-driven sector investment approach

- Potential benefits for sector-based investing
 - Less diversified Information Technology and Consumer Discretionary Sectors may be more responsive to economic drivers
 - Sector sizes make implementation of over/underweights easier
 - More differentiation among sectors may lead to larger performance spreads
- While there will be shifts in expected growth rates and valuations for the affected sectors, this change should not materially impact our current overall portfolio characteristics.

DISCLOSURES

This report should not be relied upon as investment advice or recommendations, and is not intended to predict the performance of any investment. The information contained herein is not intended to be an offer to provide investment advisory services. Such an offer may only be made if accompanied by WestEnd Advisors' SEC Form ADV Part 2. All investments carry a certain degree of risk including the possible loss of principal, and an investment should be made with an understanding of the risks involved with owning a particular security or asset class. Past performance is not indicative of future results. It should not be assumed that recommendations made in the future will be profitable. These opinions may change at any time without prior notice. While every effort has been made to verify the information contained herein, we make no representation as to its accuracy.

The Standard and Poor's 500[®] Stock Index includes approximately 500 stocks and is a common measure of the performance of the overall U.S. stock market. The Russell 1000[®] Growth Index is an index composed of large- and mid-capitalization U.S. equities that exhibit growth style characteristics. The Russell 1000[®] Value Index is an index composed of large- and mid-capitalization U.S. equities that exhibit value style characteristics. The Russell 2000[®] Index measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000[®] Index and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. An index is unmanaged and is not available for direct investment.

DISCLOSURE UPDATE: On December 31, 2021, Victory Capital Holdings, Inc. ("Victory Capital") acquired WestEnd Advisors, LLC ("WestEnd"). WestEnd, an SEC-registered investment adviser, operates as an autonomous Victory Capital Investment Franchise. WestEnd's active principals continue to be responsible for managing the firm and its day-to-day operations.