Kayne Anderson Rudnick
Investment Management

Small-Mid Cap Quality Value Portfolio
Managed Accounts
Second Quarter 2020 Review

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Firm Overview
As of June 30, 2020

Kayne Anderson Rudnick
Investment Management

Profile

- Originally established to manage founder capital
- Over three decades of experience
- A differentiated “business analyst” investment approach focusing on high-quality businesses
- A disciplined and repeatable investment process that produces high-conviction portfolios
- A wholly owned, independent subsidiary of Virtus Investment Partners

At a Glance	
Year Founded	1984
Headquarters	Los Angeles, CA
AUM	$37.0 billion
Number of Equity Investment Professionals	16
Average Investment Experience	17 Years

Disciplined Investment Approach

Investment Philosophy & Objectives

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Investment Philosophy

We believe that purchasing high-quality businesses with competitive protections at attractive valuations will achieve excess returns over a complete market cycle

Investment Objectives

- To achieve a return meaningfully above that of the Russell 2500™ Value Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics

Tenets of Quality

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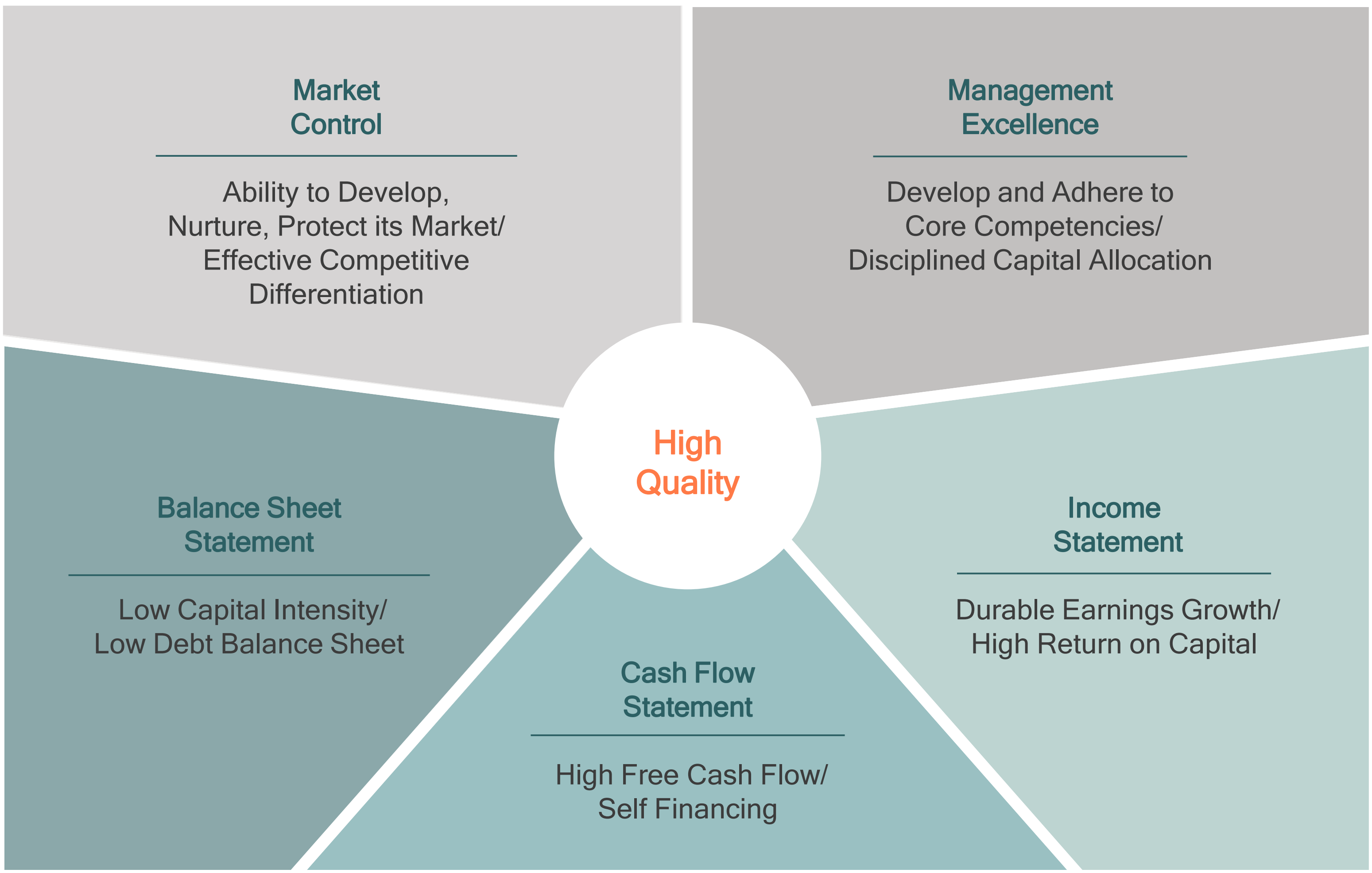

How Are We Different?

We Manage Risk and Generate Returns Differently

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	CLASSIC APPROACH*	KAR APPROACH
RISK	stock portfolio 75 1% to 2% positions No stock can help or hurt more than 2%	stock portfolio 25-35 3% to 10% positions in high-quality companies Minimal business risk Minimal balance sheet risk Minimal profit risk
RETURNS	Average companies producing average returns on capital	Exceptional companies producing exceptional returns on capital
	Buying cheap and selling dear required for above-average portfolio returns	Buy at attractive price and let exceptional returns on capital drive exceptional growth and income over extended period of time
	6 months average holding period	36 to 60 months average holding period, but often longer
	High frictional costs due to RAPID trading	Low frictional costs due to LESS trading
	Poor tax efficiency due to short holding periods	Inherent tax efficiency

** The Classic Approach is based upon competitors with 75 holdings or more. The observations are generalized and do not represent any specific competitor's investment approach.*

Past performance is no guarantee of future results.

Small-Mid Cap Quality Value Team

KAR
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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	34 Years	9 Years
Julie Kutasov	Portfolio Manager and Senior Research Analyst Sector Coverage: Materials and Processing	19 Years	19 Years
Craig Stone	Portfolio Manager and Senior Research Analyst Sector Coverage: Producer Durables	31 Years	20 Years
Todd Beiley, CFA	Senior Research Analyst Sector Coverage: Energy and Consumer Discretionary	21 Years	18 Years
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Technology	12 Years	7 Years
Jon Christensen, CFA	Senior Research Analyst Sector Coverage: Health Care	25 Years	19 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials	8 Years	8 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Producer Durables	11 Years	2 Years
Adam Xiao, CFA	Research Analyst Sector Coverage: Consumer Staples, Financials and Producer Durables	5 Years	2 Years
Jordan Greenhouse	Managing Director - Senior Portfolio Specialist and Relationship Manager	23 Years†	4 Years
James B. May, CFA	Managing Director - Portfolio Specialist	32 Years†	1 Year

†Represents years of industry experience.

Market Review

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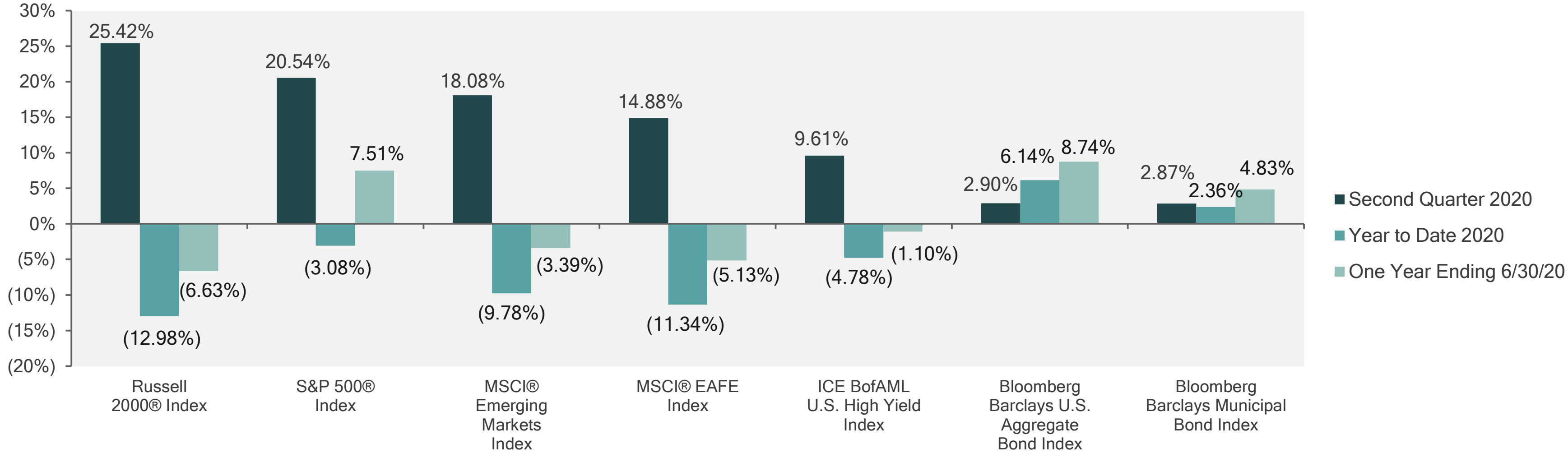
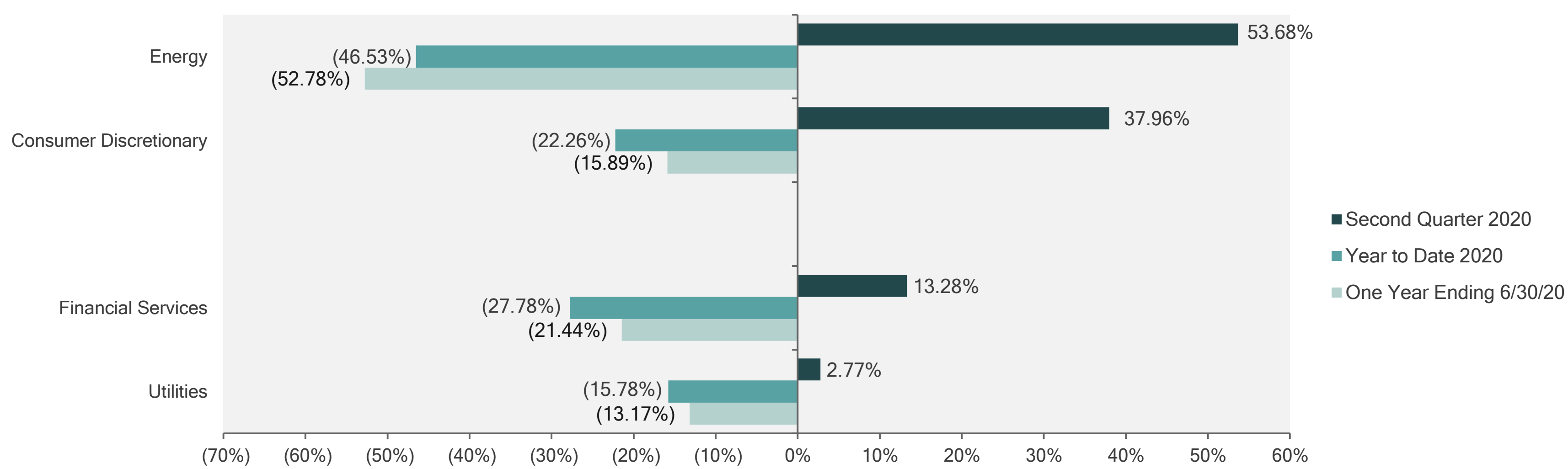
Index Performance



Sector Performance

Russell 2500™ Value Index



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Market Review

Performance by Style and Quality

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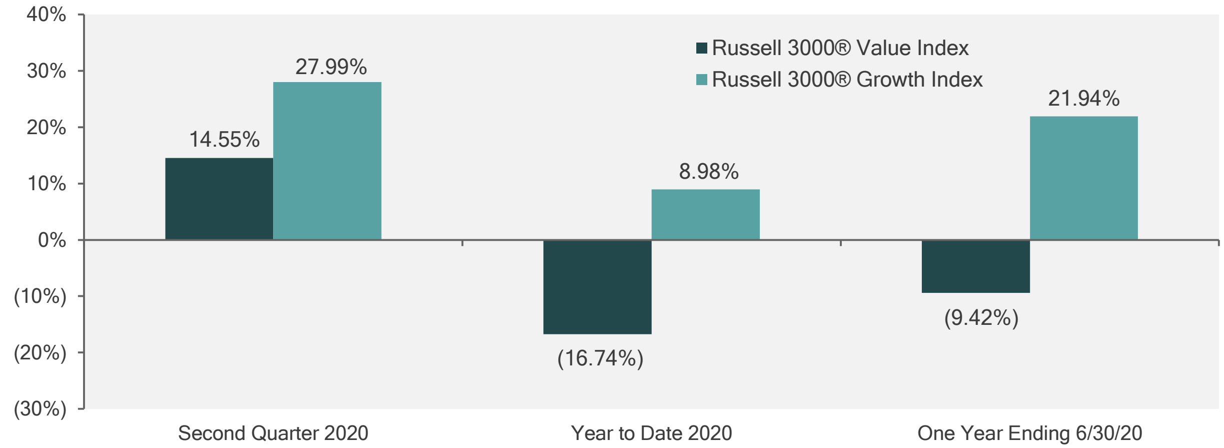
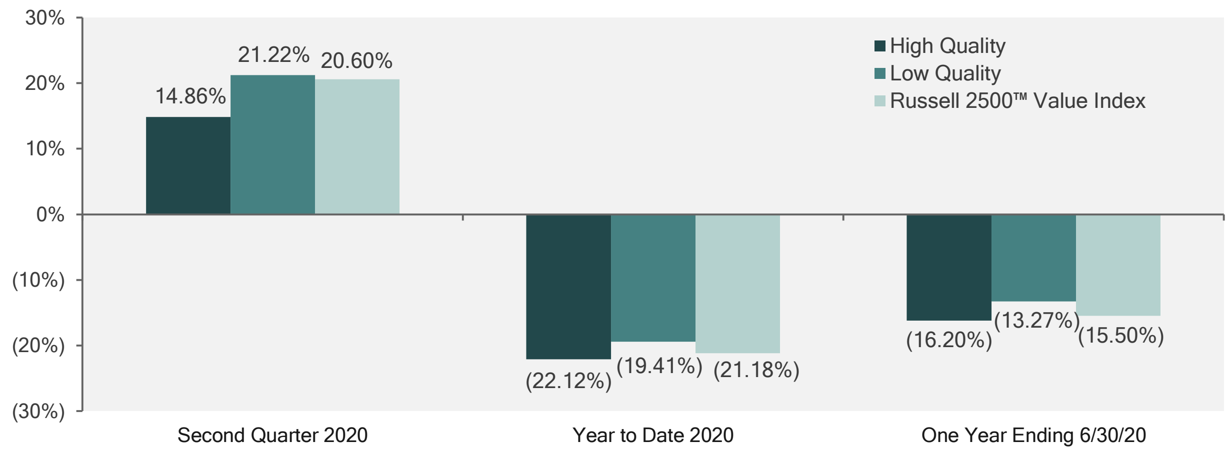
Performance by Style

Russell 3000® Value Index vs. Russell 3000® Growth Index



Performance by Quality

Russell 2500™ Value Index



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High Quality is defined as all stocks with an S&P Quality Ranking of B+ and above. Low Quality is defined as all stocks with an S&P Quality Ranking of B and below.

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Quarterly Performance Overview

Small-Mid Cap Quality Value Portfolio
Periods Ending June 30, 2020

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Monthly, Quarterly and Year to Date Performance

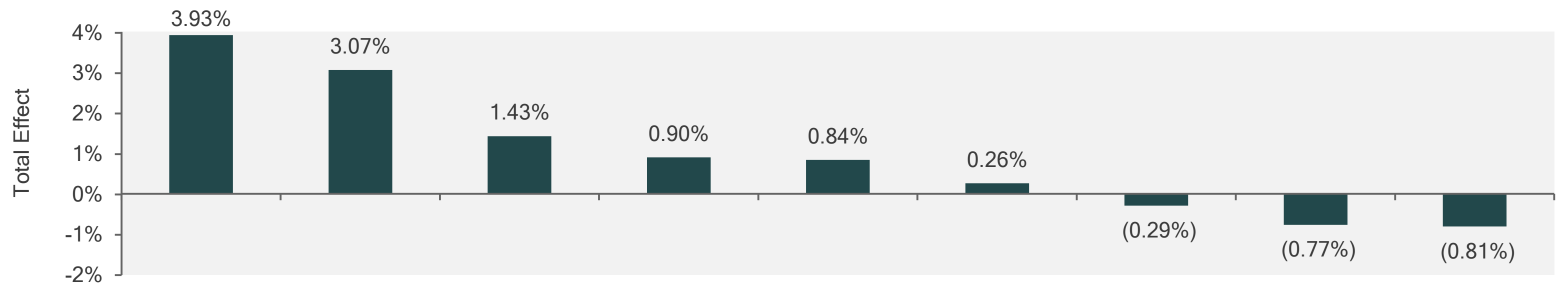
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
April	13.69	13.44	13.22	47
May	9.61	9.36	4.57	504
June	1.71	1.46	1.86	(15)
Second Quarter	26.74	25.87	20.60	615
Year to Date	(2.39)	(3.86)	(21.18)	1879

Contributors

Highest	Contribution
Thor Industries	+5.18%
Scotts Miracle-Gro	+2.84%
National Beverage	+1.87%
Teradyne	+1.82%
TransUnion	+1.52%
Lowest	**Contribution**
WD-40	(0.30%)
Graco	(0.17%)
Dolby Laboratories	(0.07%)
Cass Information Systems	(0.03%)
CorVel	0.06%

Attribution by Sector

Quarter Ending June 30, 2020



	Consumer Discretionary	Financial Services	Utilities	Technology	Materials & Processing	Consumer Staples	Health Care	Producer Durables	Energy	Total Effect
Russell 2500™ Value Returns	37.96%	13.28%	2.77%	23.76%	25.48%	21.13%	28.49%	20.87%	53.68%	20.60%
KAR Returns	97.50%	21.01%	0.00%	28.40%	29.89%	23.86%	28.33%	15.42%	0.00%	26.74%
KAR Selection Effect	4.46%	3.15%	0.00%	0.67%	0.46%	0.17%	0.07%	(0.78%)	0.00%	8.20%
KAR Allocation Effect	(0.53%)	(0.09%)	1.43%	0.24%	0.38%	0.08%	(0.36%)	0.01%	(0.81%)	0.36%

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The attribution data provided herein is based upon a buy and hold methodology for a representative portfolio. Returns for the Kayne Anderson Rudnick composite are preliminary. All periods less than one year are total returns and are not annualized. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding. ***Past performance is no guarantee of future results.***

Annual Performance Overview

Small-Mid Cap Quality Value Portfolio
Periods Ending June 30, 2020

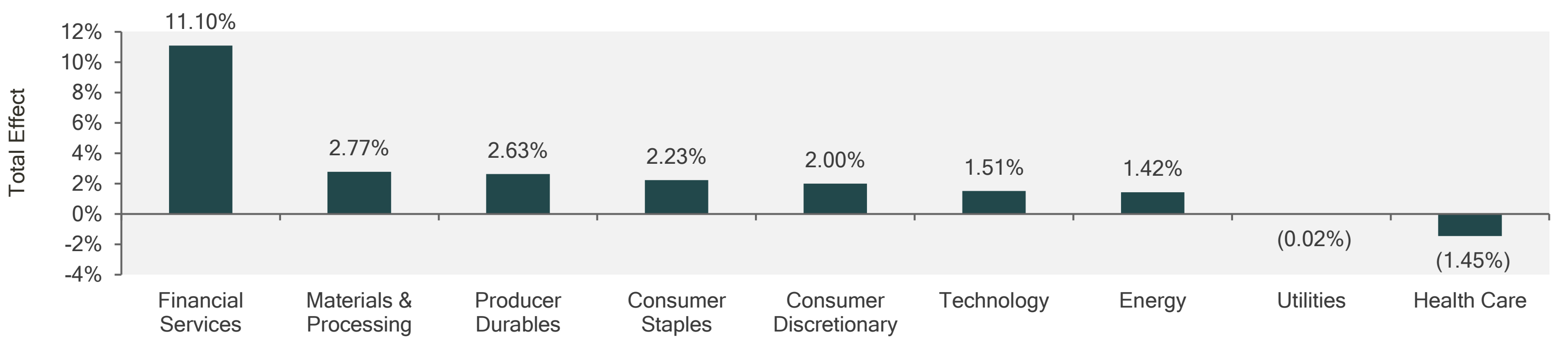
Kayne Anderson Rudnick
Investment Management

Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
Third Quarter 2019	3.52	2.75	0.13	339
Fourth Quarter 2019	5.25	4.48	7.07	(182)
First Quarter 2020	(22.99)	(23.62)	(34.64)	1165
Second Quarter 2020	26.74	25.87	20.60	615
1 Year Ending 6/30/20	6.35	3.21	(15.50)	2185

Attribution by Sector

One Year Ending June 30, 2020



	Financial Services	Materials & Processing	Producer Durables	Consumer Staples	Consumer Discretionary	Technology	Energy	Utilities	Health Care	Total Effect
Russell 2500™ Value Returns	(21.44%)	(12.00%)	(14.53%)	(1.69%)	(15.89%)	11.06%	(52.78%)	(13.17%)	9.32%	(15.50%)
KAR Returns	4.81%	7.60%	3.09%	46.26%	(3.60%)	15.49%	(41.14%)	0.00%	(8.66%)	6.35%
KAR Selection Effect	11.05%	2.42%	2.63%	1.92%	1.98%	0.35%	(0.15%)	0.00%	(0.41%)	19.80%
KAR Allocation Effect	0.05%	0.35%	(0.00%)	0.31%	0.02%	1.16%	1.57%	(0.02%)	(1.04%)	2.40%

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Highest Contributors

Small-Mid Cap Quality Value Portfolio
One Year Ending June 30, 2020

Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Thor Industries	+3.43%	Due to COVID-19 and its impact on consumers' lack of interest in utilizing airplanes and hotels for travel purposes, the RV industry has experienced healthy demand for Thor's products as traveling in an RV can permit physical distancing and personal living space.
MSCI	+2.91%	MSCI's operational results over the past 12 months have been strong with both revenue and profits growing double digits. While the emergence of COVID-19 caused an initial sell-off in the stock in the first quarter, shares recovered in the second quarter and hit a new 52-week high after the company reported another quarter of double-digit revenue growth and maintained its guidance for the full-year, whereas most companies have pulled guidance due to uncertainty from COVID-19.
Scotts Miracle-Gro	+2.85%	Early 2020 demand for inputs for edible gardening grew as a result of the COVID-19 pandemic. We view the franchise strength of Scotts Miracle-Gro's lawn & garden brands, including its hydroponics segment, as intact.
Teradyne	+2.29%	Teradyne's core test business continues to surprise to the upside. Demand has been strong across technology transitions, most notably 5G. It has broadened its customer base to allow it to better weather some of the variability in demand. Industrial Automation had already been struggling pre-COVID, and is unlikely to improve materially in the near term. That said, we believe the long-term investment in cobots is good for Teradyne.
National Beverage	+1.72%	National Beverage's fastest growing and most profitable brand is La Croix. In the last 12 months, the company has overcome the impact of an October 2018 highly publicized and ultimately retracted lawsuit alleging La Croix ingredients are not all-natural. Over this period, Nielsen data showed continued improvement of La Croix sales growth relative to its sparkling water category. As a result, the company reported recovering sales growth and profitability.

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Lowest Contributors

Small-Mid Cap Quality Value Portfolio
One Year Ending June 30, 2020

Security	Contribution	Comments
Cinemark Holdings	(2.13%)	Cinemark has experienced pressure recently due to the impacts and restrictions from shelter-in-place orders across geographies. The result of human isolation restrictions has been a halt to its current business.
Cheesecake Factory	(2.12%)	The Cheesecake Factory has come under pressure recently due to the impacts and restrictions from physical distancing orders across the United States. As a result of these restrictions, dining within opened Cheesecake Factory's restaurants are at a limited capacity as permitted by state and local governments.
Lamar Advertising	(1.62%)	The emergence of COVID-19 sent Lamar Advertising's shares sharply lower at the end of the first quarter due to concerns that shelter-in-place restrictions would significantly curtail advertising by its customers. While recent management commentary suggests business is getting better each month, the Board of Directors decided to reduce the quarterly dividend in the interim as a precautionary measure. Depending on how the year finishes, the dividend could be increased back to pre-COVID levels. It is hard to assess how severe the near-term financial hit from COVID-19 will be on Lamar, but we believe the business can manage these headwinds and, more importantly, the barriers to entry in this industry and its dominant local market share will remain intact.
RBC Bearings	(1.19%)	RBC Bearings' shares lagged driven by pandemic-related disruptions in the aerospace segment as well as Boeing 737 MAX aircraft production delays. We view these issues as temporary in nature. We believe RBC's solid market positioning is intact. The company remains a solid free-cash-flow generator and its balance sheet is pristine.
W. R. Berkley	(1.08%)	In the last 12 months, shares of W. R. Berkley have sold off alongside the broader property & casualty insurance industry due to the uncertainty over Business Interruption claims related to COVID-19. Any liability would impact the industry as a whole and we do not see it changing the company's differentiation relative to its competitors. We believe the company's disciplined underwriting approach will generate satisfactory long-term results.

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Purchases

Small-Mid Cap Quality Value Portfolio
Quarter Ending June 30, 2020

Kayne Anderson Rudnick
Investment Management

Purchases	Descriptions/Reasons
Dolby Laboratories–Initiated Position	Dolby Laboratories designs high-quality audio and visual technology it implements in its own products as well as licenses to original equipment manufacturers, content producers, streaming services and cell phone manufacturers. Its technology optimizes both the visual and auditory experience for both consumer and business applications.
Lennox International–Initiated Position	Lennox International manufactures a wide variety of heating, ventilation, air conditioning (HVAC) and refrigeration products. Lennox utilizes both third party and in-house distribution, via Parts Plus stores, to reach customers.
ServiceMaster Global Holdings–Initiated Position	ServiceMaster Global Holdings offers residential and commercial termite and pest control, national accounts pest control services, restoration, commercial cleaning, residential cleaning, cabinet and furniture repair and home inspections. It operates through the following segments: Terminix, ServiceMaster Brands and Corporate.
Teradyne–Initiated Position	Teradyne manufactures and sells automatic test systems used to test semiconductors, wireless products, data storage and complex electronic systems in the consumer electronics, wireless, automotive, industrial, and aerospace and defense industries. The company also sells industrial automation tools, such as their collaborative robots (cobots). These are highly programmable robots used by global manufacturing and light industrial customers to help improve quality, increase manufacturing efficiency and reduce manufacturing costs.
Axalta Coating Systems–Increased Position	Shares of Axalta suffered from the COVID-19 related disruptions. Importantly, as of the end of January, the company's core Refinish segment continued to exhibit solid pricing power and market-share gains driven by the company's scale and superior technology advantages. While the near-to-medium term outlook remains uncertain, we believe that Axalta's long-term positioning is intact. We used the weakness in the shares to add to our position.
The Cheesecake Factory–Increased Position	Shares of The Cheesecake Factory, along with other casual dining restaurant peers, have declined significantly due to the closing of dining rooms across many states. We believe that most of this revenue decline has been factored into the stock price. We increased our weight in the stock believing that the company will survive this crisis and come out stronger on the other side.

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Dolby Laboratories (DLB)

- While Dolby's roots were in mandated audio standards that it licensed, the company has evolved to one with a much broader portfolio of solutions as well as end-markets. It leverages its leadership position and brand to expand into new platforms and applications.

- Over decades, Dolby has been able to establish a brand for excellence in the audio and eventually visual technology markets. It has done so by investing heavily in both marketing and R&D to stay relevant and in front of major changes in standards and technology. As such, original equipment manufacturers, phone manufacturers and streaming services have all come to expect a certain standard of excellence from Dolby with a brand name that is well-supported. In some cases, companies leverage the Dolby brand to differentiate their own technology from competitors.

- As a result of its scale, Dolby is able to invest heavily in technology development, particularly as its breadth of offerings has expanded. Thus it is able to spread R&D investment in audio technology across its diverse end-markets, such as the mobile phone, TVs, set-top-boxes, sound bars, video-conference, cinema and streaming applications. Because it can leverage technology across end-market applications, it has less risk in entering new product opportunities. The breadth of its offering and customer relationships would be hard to replicate.

Lennox International (LII)

- Consumers of residential HVAC equipment largely rely on HVAC contractor recommendations as contractors are legally required to install all equipment. The contractor has little incentive to use an off-brand product as their reputation is crucial. Selling a respected brand, such as Lennox, minimizes career risk. Additionally, it enables the contractor to associate their small business with a national brand, become well versed in Lennox's product line to enhance their sales capabilities and speed up repair times due to product familiarity.

- Being the second largest residential HVAC manufacturer enables Lennox to leverage fixed costs, obtain purchase discounts and benefit from nationwide marketing campaigns.

- Another important benefit to scale is the rollout of company-owned distribution via Parts Plus stores. HVAC contractors are more willing to support a brand if those products are in close proximity and can be easily obtained. Parts Plus stores, in combination with multiple technology investments, provide an advantage for HVAC contractors.

ServiceMaster Global Holdings (SERV)

- Terminix is the best known brand in termite control is and number two in size in the U.S. pest and termite industry. Brand and reputation is important for both residential and commercial customers due to the mission-critical and time-sensitive need for success in removing potentially disease-carrying bugs and rats, and in removing potentially building-value destroying termites. Due to its size, Terminix can get more return on investment in national marketing than local and regional competitors, providing it a customer-acquisition cost advantage.

- Route density provides local scale advantages to the pest and termite control businesses with the most customer stops in a region. More stops close together increases the number of stops technicians can do in a day, which reduces the number of facilities, vehicles and employees needed per job in that area. This gives denser players a structural cost advantage to less dense players. In addition, time spent by a technician driving does not generate revenue and technicians are paid a percentage of the revenue they generate. Therefore, improving route density also increases technician pay, satisfaction and retention.

- Pest and termite control is a very attractive industry, especially for the larger and better-known businesses. The business has qualities of capital-light high profitability, low-ticket-cost, highly non-discretionary demand and scale advantages that accrue to the largest players.

Teradyne (TER)

- Teradyne and its main competitor, Advantest, have a relatively high concentration of market share. Advantest is strongest in Japan and in the memory segment while Teradyne has nearly 50% for all automatic testing equipment. Part of the stickiness is that there is an important software component along with the hardware and engineers are trained on the particular software and would need to re-learn the software if switching to a different supplier.

- There is no interoperability between Advantest and Teradyne testers. Even though large customers may purchase from both Teradyne and Advantest, generally the other is just a secondary supplier with a much smaller share.

- The company's semiconductor test business has clearly executed over the last two years. Revenue growth has been much stronger than expected, despite very strong industry headwinds, most notably on the memory side of the business. 5G is also coming, and with it a host of new formats of technology that could be great candidates for Teradyne.

Sales

Small-Mid Cap Quality Value Portfolio
Quarter Ending June 30, 2020

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Sales	Reasons
Cass Information Systems–Sold Entire Position	We sold Cass Information Systems as we believe there are major hurdles for the company that will be hard to overcome, specifically issues related to interest rates at zero and low oil prices. With the stock holding up well in the market decline due to its debt-free balance sheet, we sold our position to help fund increases to existing portfolio positions.
Cinemark–Sold Entire Position	With most movie theaters closed globally, Cinemark has had no revenues during the past couple of months. It will be difficult for the company to match past profitability with social distancing leading to lower capacity, consumers' adoption of streaming services and movie studios producing fewer box office titles.
CDW–Trimmed Position	Shares of CDW have continued to outperform. We trimmed our position to help fund a new purchase.
MSCI–Trimmed Position	With the strong performance of MSCI's shares, we trimmed our overweight position in the company to help fund a new purchase.
RBC Bearings–Trimmed Position	Since our last trim, RBC Bearings has significantly outperformed the benchmark. We still believe that the business has unique qualities that will continue to allow it to generate high returns. The proceeds were utilized to increase positions of existing names in the portfolio.
Scotts Miracle-Gro–Trimmed Position	We trimmed our position in Scotts Miracle-Gro to help fund new purchases in the portfolio.

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Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Small-Mid Cap Quality Value Portfolio – As of June 30, 2020

KAR Kayne Anderson Rudnick Investment Management

	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
Quality		
Return on Equity–Past 5 Years	24.1%	10.7%
Total Debt/EBITDA	3.1 x	13.3 x
Earnings Variability–Past 10 Years	35.5%	63.8%
Growth		
Earnings Per Share Growth–Past 5 Years	9.8%	7.0%
Earnings Per Share Growth–Past 10 Years	11.2%	8.3%
Dividend Per Share Growth–Past 5 Years	16.5%	7.7%
Dividend Per Share Growth–Past 10 Years	11.5%	9.2%
Capital Generation–{ROE x (1-Payout)}	15.7%	7.2%
Value		
P/E Ratio–Trailing 12 Months	28.9 x	26.2 x
Dividend Yield	1.3%	2.2%
Free Cash Flow Yield†	4.6%	6.0%
Market Characteristics		
$ Weighted Average Market Cap–3-Year Average	$7.5 B	$4.8 B
Largest Market Cap–3-Year Average	$19.4 B	$14.5 B
Annualized Standard Deviation–Since Inception*	17.4%	20.0%

In a market of average businesses, we seek to own protected proprietary businesses that generate exceptional returns on shareholders' capital without employing significant debt.

In a market of cyclical businesses requiring growth capital from fickle markets, we seek to own companies producing self-funded strong, consistent growth sustainable into the future.

And we have historically been able to achieve this high quality and strong growth at a discount valuation to the market.

**January 1, 2008*

†Free cash flow data is as of March 31, 2020. Prices are as of June 30, 2020. Excludes financials.

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Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. ***Past performance is no guarantee of future results.***

Market Outlook

U.S. Economy

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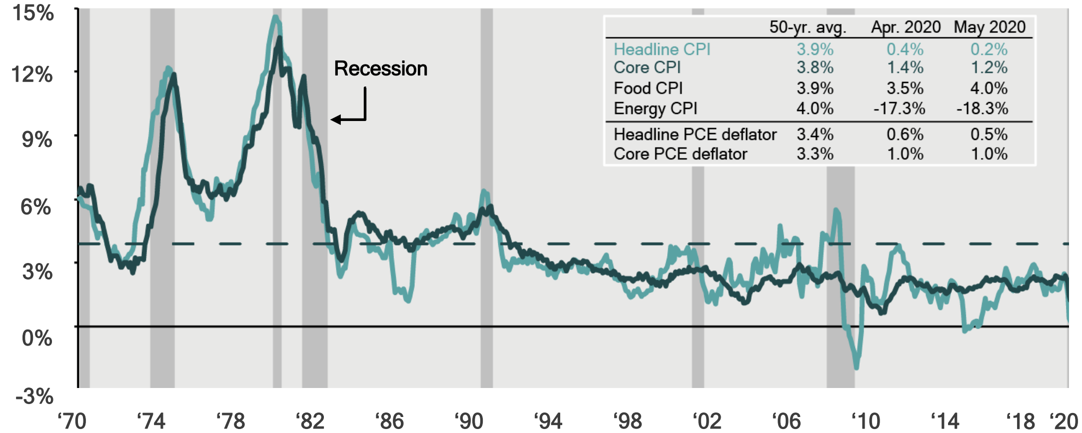
The U.S. and global economies are in a recession due to the COVID-19 health crisis, but have started to resume some normal activity.

- We believe U.S. 2020 growth will decline slightly with a major decline felt in Q2 2020. We expect there will be a slow, but steady recovery from here through year end 2021.
- Consumer behavior is more likely to change longer-term since the virus is still a threat.
- Corporate earnings are going to suffer significantly in the near future due to the shutdown. Visibility on earnings is very low and many companies have withdrawn guidance for the year.
- The yield curve is still fairly flat despite the Fed pushing short-term rates to effectively zero. The Fed may be on hold for an extended period. Low-to-no inflation has given the Fed even more room to lower rates.
- The strength of the consumer had been supporting the global economy, but unemployment has soared in the near-term hurting confidence. Fiscal policy is attempting to bridge the gap between the shutdown and resumption of normal activity.
- Volatility is likely to decline from here as the health crisis peaks out globally and business conditions slowly return to normal, assuming no major second wave of infections globally.
- Innovation and disruption is continuing at a breathtaking pace in the U.S. in a variety of industries, creating clear winners and losers in many industries. Stock picking is key particularly in this environment.

CPI and Core CPI

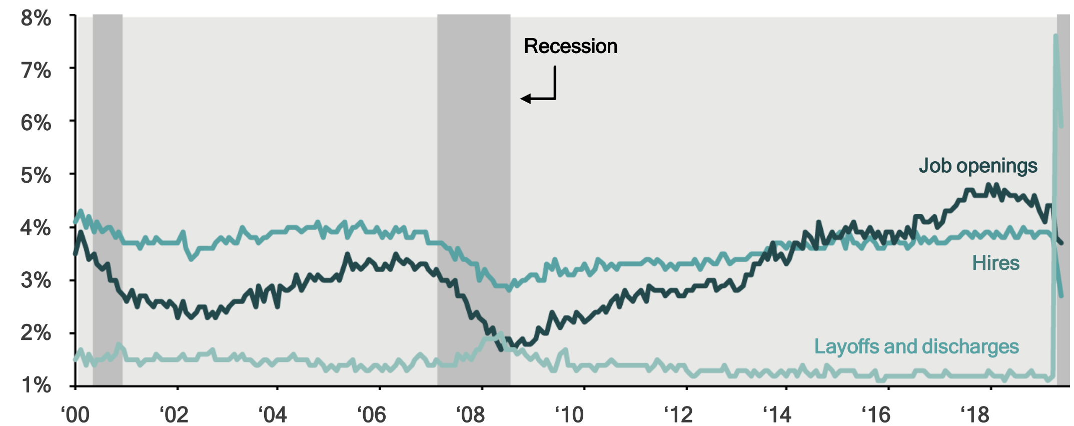
% Change vs. Prior Year, Seasonally Adjusted



	50-yr. avg.	Apr. 2020	May 2020
Headline CPI	3.9%	0.4%	0.2%
Core CPI	3.8%	1.4%	1.2%
Food CPI	3.9%	3.5%	4.0%
Energy CPI	4.0%	-17.3%	-18.3%
Headline PCE deflator	3.4%	0.6%	0.5%
Core PCE deflator	3.3%	1.0%	1.0%

Hires, Job Openings and Layoffs and Discharges

Share of Total Nonfarm Employment, Seasonally Adjusted, Percent



Data as of June 30, 2020.

Data is obtained from BLS, FactSet, Bureau of Labor Statistics and J.P. Morgan Asset Management and is assumed to be reliable. CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed weight basket used in CPI calculations. ***Past performance is no guarantee of future results.***

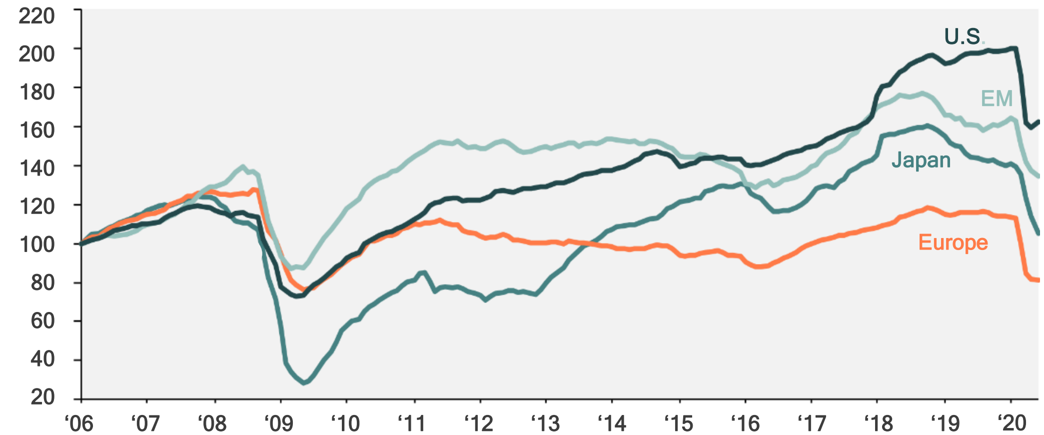
Market Outlook
International Economy

Kayne Anderson Rudnick
Investment Management

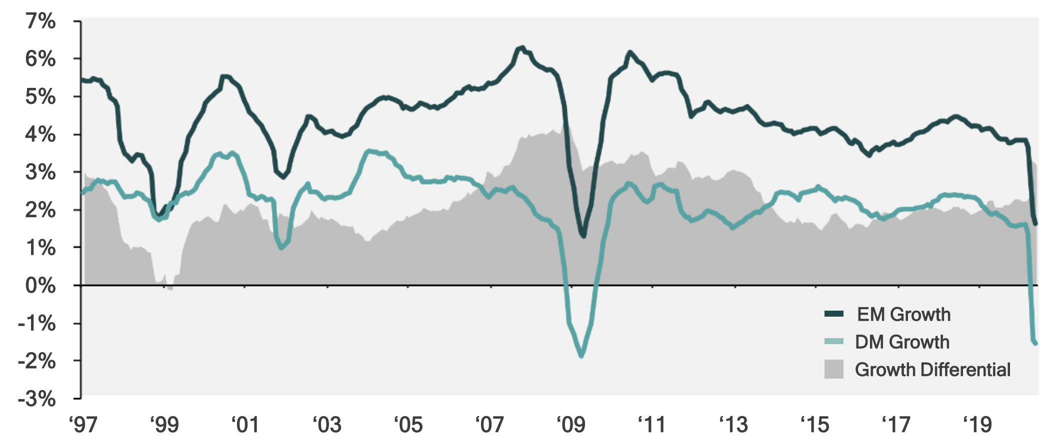
Global growth prospects were already weak before the health crisis. The global economy has not escaped a recession either.

- Europe and emerging market economies weakened in early 2019 due to trade disputes with China. COVID-19 has weakened these markets further in 2020. Recession has set in.
- Despite the negative impact to emerging markets and international growth rates due to the trade disputes and COVID-19, Asia has done an excellent job of containing the virus and is already starting to see improving business conditions in China.
- Global inflation expectations are still very benign and this gives central banks the opportunity to keep low short-term rates for an extended timeframe. Global competition, oil prices and modest wage growth are the key drivers behind this longer-term. Global deflation is still the principal threat to developed nations.

Global Earnings
EPS, Local Currency, Next 12 Months, Jan. 2006 = 100



Emerging Markets vs. Developed Markets Growth
Monthly, Consensus Expectations for GDP Growth in 12 Months



Data as of June 30, 2020.

Data is obtained from Consensus Economics, FactSet, MSCI, Standard & Poor's, Thomson Reuters and J.P. Morgan Asset Management and is assumed to be reliable.
The Global Earnings chart uses MSCI indices for all regions/countries, except for the U.S., which is the S&P 500. All indices use IBES aggregate earnings estimates. MSCI Europe includes the eurozone as well as countries not in the currency bloc, such as Norway, Sweden, Switzerland and the UK (which collectively make up 45% of the overall index). "Growth differential" is consensus estimates for EM growth in the next 12 months minus consensus estimates for DM growth in the next 12 months, provided by Consensus Economics.. ***Past performance is no guarantee of future results.***

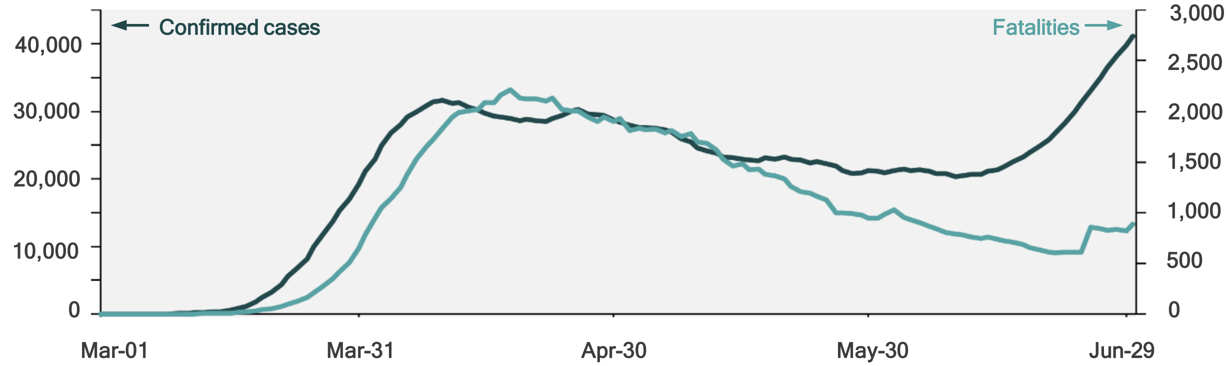
Market Outlook

Kayne Anderson Rudnick
Investment Management

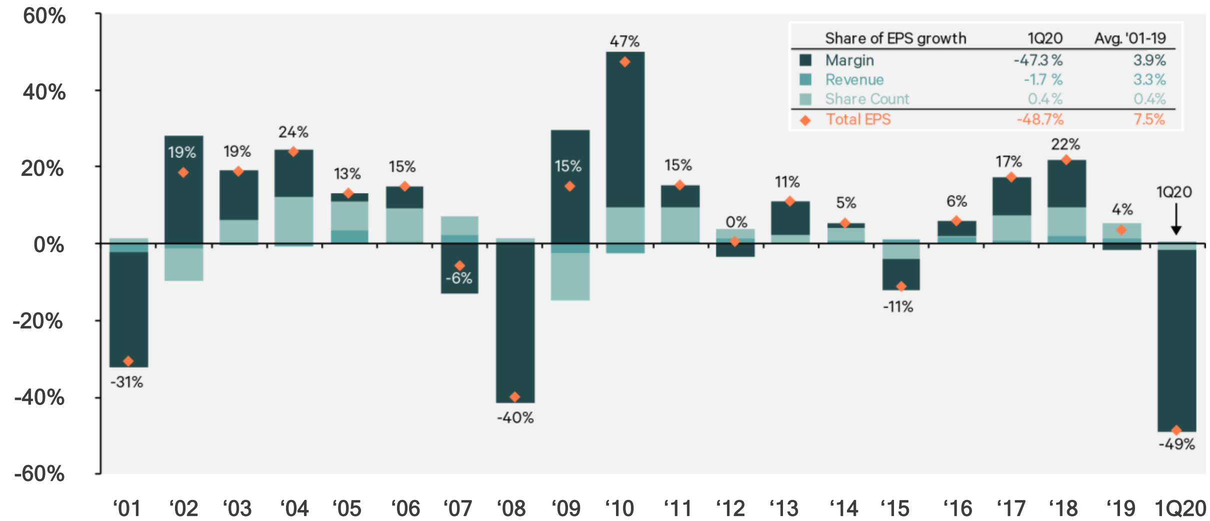
We continue to believe that the risk/reward ratio for equities over the long-term is favorable on an absolute basis and particularly relative to fixed income.

- Business is improving as states reopen, but we are a long way from normal activity. A second wave of infections is threatening reopening plans already. It will take time to fully restore consumer confidence.
- Equity valuations remain reasonable by historic measures on absolute levels, but particularly relative to interest rates.
- Foreign markets should recover gradually, particularly China and Asia since the health crisis is fading there. Europe has also been relatively successful at containing the virus.
- Cash is king right now and investors are solidly focused on debt and balance sheets during this health crisis. Many buybacks have been suspended.
- Corporate profit margins will contract dramatically near-term due to declining revenue and still significant employee costs.
- We believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets.
- We believe that the outlook for the equity markets continues to be favorable going forward. Volatility will likely decline and we believe the longer term outlook is still favorable.

Change in Confirmed Cases and Fatalities in the U.S.
7-Day Moving Average



S&P 500 Year-Over-Year Operating EPS Growth
Annual Growth Broken into Revenue, Changes in Profit Margin & Changes in Share Count



Data as of June 30, 2020.

Data is obtained from Compustat, FactSet, Johns Hopkins CSSE, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. EPS levels are based on annual operating earnings per share. Percentages may not sum due to rounding. ***Past performance is no guarantee of future results.***

Appendix

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- Portfolio Data
- Disclosure

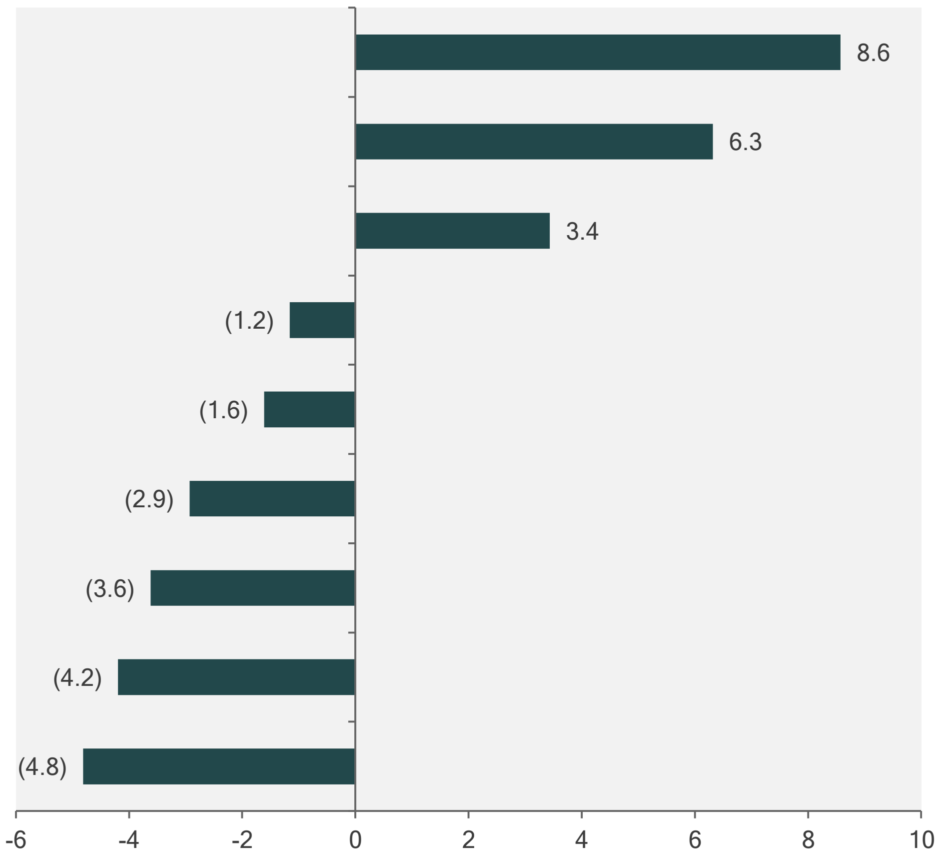
Sector Weights

Small-Mid Cap Quality Value Portfolio
As of June 30, 2020

Kayne Anderson Rudnick
Investment Management

Sectors	KAR Small-Mid Cap Quality Value (%)	Russell 2500™ Value Index (%)
Technology	15.9	7.3
Materials & Processing	15.4	9.1
Consumer Staples	6.8	3.4
Producer Durables	13.9	15.0
Financial Services	33.1	34.7
Health Care	3.6	6.6
Consumer Discretionary	11.3	15.0
Energy	–	4.2
Utilities	–	4.8

Underweight/Overweight (%)



This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

A complete list of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. The sector information represented above is based on Russell sector classifications. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Conviction-Driven Investing Provides Opportunities for Excess Return

Small-Mid Cap Quality Value Portfolio
As of June 30, 2020

Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	Russell Sector	% of Portfolio
Scotts Miracle-Gro	Materials & Processing	6.7
Thor Industries	Consumer Discretionary	5.0
MSCI	Financial Services	4.9
TransUnion	Financial Services	4.8
National Beverage	Consumer Staples	4.6
W. R. Berkley	Financial Services	4.6
Lamar Advertising	Financial Services	4.5
Jack Henry & Associates	Financial Services	4.2
Broadridge Financial Solutions	Financial Services	4.2
Teradyne	Technology	4.0
Total		**47.3**

Research confidence leads to large active weights

	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
# of Holdings	29	1,867
Average Position Size (%)	3.4	0.1
Weight of Top Ten Holdings (%)	47.3	4.0
Active Share (%)	97.8	–

The strategy benefits from diversification while still taking significant active positions

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Strong Risk-Adjusted Returns

Small-Mid Cap Quality Value Portfolio
Inception* to June 30, 2020

Kayne Anderson Rudnick
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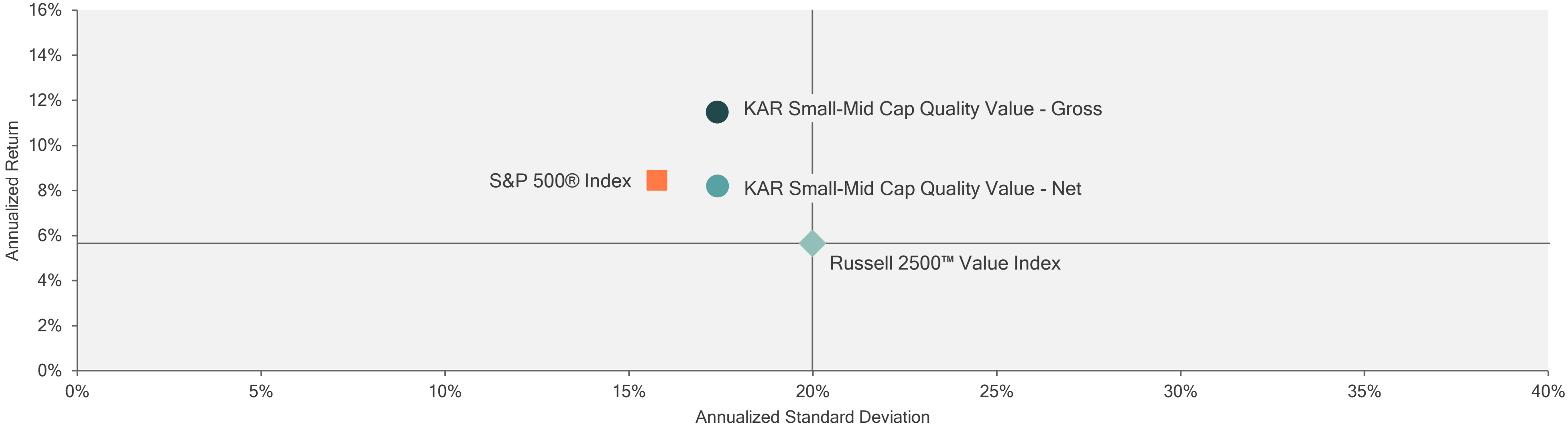
Meaningful Excess Return with Lower Volatility
Annualized Since Inception*



Strong Risk-Adjusted Performance Metrics
Annualized Since Inception*

	Alpha	Sharpe Ratio	Standard Deviation	Semi-Standard Deviation	Beta	Tracking Error
KAR Small-Mid Cap Quality Value	**6.25**	**0.62**	**17.41**	**13.22**	**0.83**	**6.54**
Russell 2500™ Value Index	0.00	0.25	19.99	15.61	1.00	0.00

**January 1, 2008*

This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

Returns for the Kayne Anderson Rudnick composite are preliminary and are gross of fees unless otherwise specified. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. ***Past performance is no guarantee of future results.***

Returns

Small-Mid Cap Quality Value Portfolio

Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 6/30/20	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
Second Quarter	26.74	25.87	20.60	615
Year to Date	(2.39)	(3.86)	(21.18)	1879
1 Year	6.35	3.21	(15.50)	2185
3 Years	8.27	5.08	(2.60)	1087
5 Years	9.38	6.18	1.85	753
7 Years	11.54	8.26	4.74	680
10 Years	13.52	10.19	8.81	471
Since Inception*	11.47	8.20	5.65	582

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
2019	32.48	28.65	23.56	892
2018	(11.08)	(13.74)	(12.36)	128
2017	19.17	15.69	10.36	881
2016	19.40	15.91	25.20	(580)
2015	(0.59)	(3.53)	(5.49)	490
2014	8.88	5.60	7.11	177
2013	36.30	32.41	33.32	298
2012	11.01	7.72	19.21	(821)
2011	7.40	4.32	(3.36)	1076
2010	25.83	22.18	24.82	101
2009	32.51	28.68	27.68	484
2008	(18.99)	(21.47)	(31.99)	1300

**January 1, 2008*

This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

Returns for the Kayne Anderson Rudnick composite are preliminary. All periods less than one year are total returns and are not annualized. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Past performance is no guarantee of future results.

*IMPORTANT RISK CONSIDERATIONS: **Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Limited Number of Investments:** Because the fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.*

Disclosure

Small-Mid Cap Quality Value Portfolio

Kayne Anderson Rudnick
Investment Management

Kayne Anderson Rudnick Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Kayne Anderson Rudnick Investment Management, LLC has been independently verified for the period from January 1, 1999 through December 31, 2018. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

Kayne Anderson Rudnick Investment Management, LLC, a wholly owned subsidiary of Virtus Investment Partners, Inc., is a registered investment advisor under the Investment Advisers Act of 1940. Registration of an Investment Advisor does not imply any level of skill or training. Kayne Anderson Rudnick Investment Management, LLC manages a variety of equity and fixed-income strategies focusing exclusively on securities the firm defines as high quality.

The composite includes all fully discretionary Small-Mid Cap Quality Value Wrap Portfolios. Small-Mid Cap Quality Value Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ Value Index, that have market control, rising free cash flow, shareholder-oriented management, strong consistent profit growth and low debt balance sheets. For comparison purposes, the composite is measured against the Russell 2500™ Value Index. The Russell 2500™ Value Index is a market capitalization-weighted index of value-oriented stocks of the 2,500 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total-return basis with dividends reinvested. Benchmark returns are not covered by the report of the independent verifiers. The composite was created in July 2015. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

For periods prior to July 1, 2015, the composite calculations have been linked to the firm's Small-Mid Cap Quality Value actual historical non-wrap fee composite performance.

The standard wrap fee schedule in effect is 3.00% on total assets. Actual management fees charged may vary depending on applicable fee schedules and portfolio size, among other things. Additional information may be found in Part IIA of Form ADV, which is available on request. The performance information is supplied for reference. Past performance is no guarantee of future results. Results will vary among accounts. The U.S. dollar is the currency used to express performance. Performance results include the reinvestment of all income. Pure gross returns do not reflect the deduction of any expenses, including trading costs. Net annual returns are calculated by deducting 1/4th of an assumed maximum annual wrap fee of 3% on a quarterly basis. Beginning January 1, 2016, net annual returns are calculated by deducting 1/12th of an assumed maximum annual wrap fee of 3% on a monthly basis. Wrap fees include all charges for trading costs, portfolio management, custody and other administrative expenses.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns for accounts in the composite for the entire year. For those years when less than five accounts were included for the full year, no dispersion measure is presented. The three-year annualized ex-post standard deviation, measures the variability of the composite (using gross returns) and the benchmark for the 36-month period ended at the following dates:

	3-Yr Annualized Standard Deviation (%)	
December 31	Composite	Benchmark
2011	20.07	24.57
2012	13.97	18.67
2013	12.01	15.29
2014	10.65	11.41
2015	12.26	12.19
2016	12.26	13.36
2017	10.95	11.98
2018	12.82	13.77

Year	Total Firm Assets ($ millions)	Total Composite Assets ($ millions)	Wrap Accounts as (%) of Composite Assets	Accounts at Year End	Pure Gross Annual Return (%)*	Net Annual Return (%)	Russell 2500® Value Index Annual Return (%)	Internal Dispersion
2009	4,010	<1	0%	<5	32.51	28.68	27.68	N/A
2010	4,729	<1	0%	<5	25.83	22.18	24.82	N/A
2011	5,232	1	0%	<5	7.40	4.32	(3.36)	N/A
2012	6,545	85	0%	<5	11.01	7.72	19.21	N/A
2013	7,841	138	0%	6	36.30	32.41	33.32	0.13
2014	7,989	140	0%	12	8.88	5.60	7.11	0.09
2015	8,095	<1	0%	<5	(0.59)	(3.53)	(5.49)	N/A
2016	9,989	<1	100%	<5	19.40	15.91	25.20	N/A
2017	14,609	<1	100%	<5	19.17	15.69	10.36	N/A
2018	17,840	<1	100%	<5	(11.08)	(13.74)	(12.36)	N/A

**Pure gross returns are supplemental to net returns.*