



Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Small-Mid Cap Quality Value Portfolio
Managed Accounts
Third Quarter 2023 Review

[kayne.com](https://www.kayne.com)

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Firm Overview

As of September 30, 2023



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 | \$52.8 billion* |
| Number of Equity Investment Professionals | 21 |
| Average Investment Experience | 16 Years |

*Figures in USD.

†Please refer to the “Tenets of Quality: Our Quality Business Assessment” slide later in this presentation for KAR’s definition of high-quality businesses.

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*



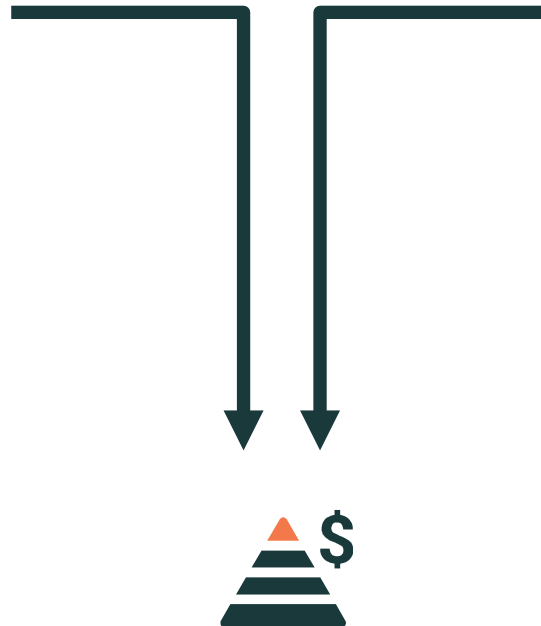
Competitive Protection

- Brand/Reputation
- Network Effect
- Scale/Cost Advantage
- Benchmarking Standard
- High Customer Switching Costs
- Barriers to Entry/Unique Asset
- Low Obsolescence Risk



Owner-Oriented Management

- Cultivates Competitive Advantage
- Rational Capital Allocation
- Considers Stakeholder Interests



HIGH QUALITY BUSINESS

- Protect and Grow Market Share
- High Economic Return on Capital
- Business Returns → Shareholder Returns

Small-Mid Cap Quality Value Team



Kayne Anderson Rudnick
Investment Management

| Portfolio Manager/Analysts | Responsibility | Research Experience | Years with KAR |
|----------------------------|---|---------------------|----------------|
| Julie Kutasov | Portfolio Manager and Senior Research Analyst Sector Coverage: Materials, Industrials and Utilities | 22 Years | 22 Years |
| Craig Stone | Portfolio Manager and Senior Research Analyst Sector Coverage: Real Estate and Consumer Discretionary | 33 Years | 23 Years |
| Todd Bailey, CFA | Senior Research Analyst Sector Coverage: Insurance | 24 Years | 21 Years |
| Julie Biel, CFA | Senior Research Analyst Sector Coverage: Information Technology and Health Care | 15 Years | 10 Years |
| Jon Christensen, CFA | Senior Research Analyst Sector Coverage: Health Care and Industrials | 28 Years | 22 Years |
| Chris Wright, CFA | Senior Research Analyst Sector Coverage: Financials, Information Technology, Energy and Industrials | 11 Years | 11 Years |
| Adam Xiao, CFA | Senior Research Analyst Sector Coverage: Financials, Communication Services, Consumer Discretionary and Information Technology | 10 Years | 5 Years |
| Sean Dixon | Research Analyst Sector Coverage: Consumer Discretionary and Industrials | 15 Years | 5 Years |
| Luke Longinotti | ESG Research Analyst | 3 Years | <1 Year |
| Arthur Su, CFA | Research Analyst Sector Coverage: Information Technology, Industrials and Consumer Staples | 8 Years | 1 Year |
| Clarissa Ali | Associate Research Analyst | <1 Year | 5 Years |
| Client Services | Responsibility | Industry Experience | Years with KAR |
| Jason Pomatto | Managing Director - Senior Client Portfolio Manager | 29 Years | 1 Year |
| Ben Falcone, CFA | Managing Director - Client Portfolio Manager | 27 Years | <1 Year |
| James B. May, CFA | Managing Director - Client Portfolio Manager | 35 Years | 4 Years |
| Ben Corser | Portfolio Specialist | 17 Years | 5 Years |

Market Review

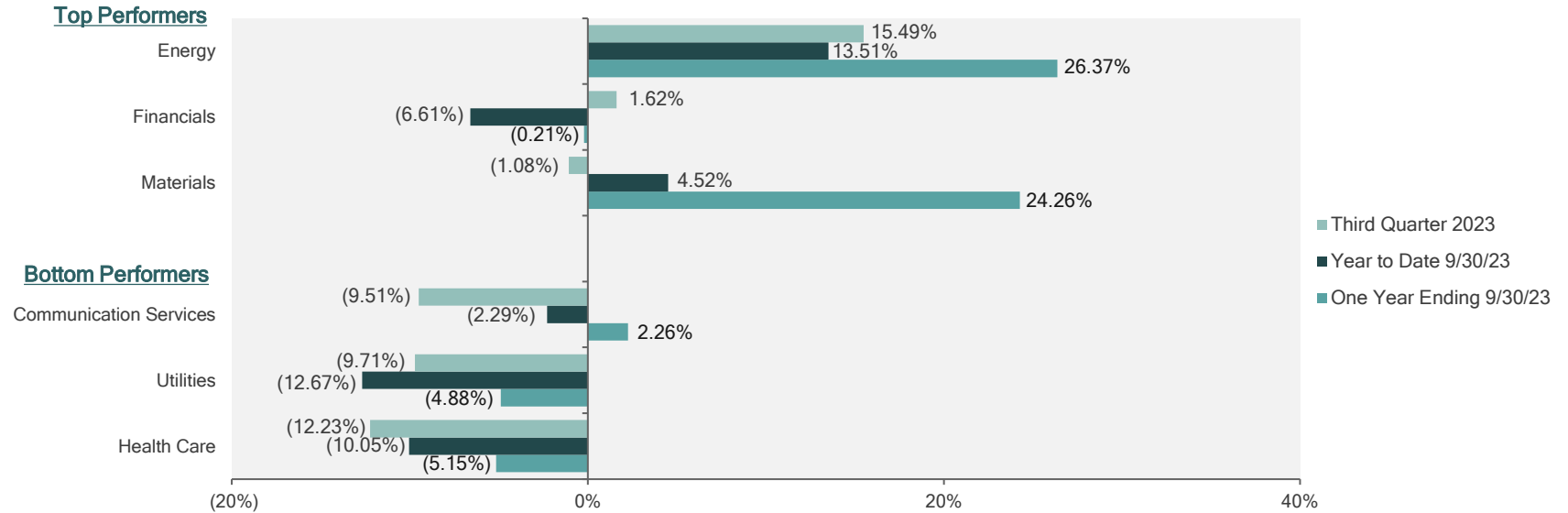
Performance by Sector and Style



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Investment Management

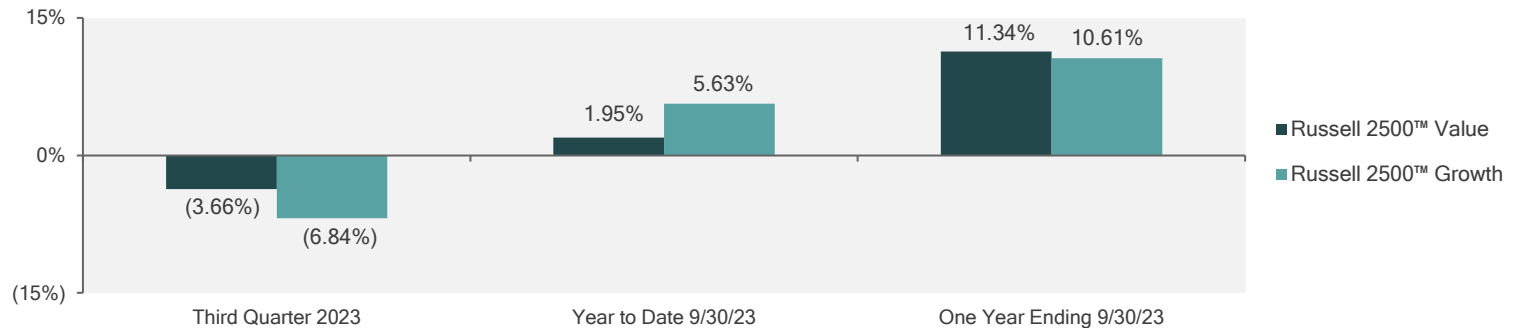
Sector Performance

Russell 2500™ Value Index



Performance by Style

Russell 2500™ Value Index vs. Russell 2500™ Growth Index



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

Data is obtained from FactSet Research Systems and is assumed to be reliable. Past performance is no guarantee of future results.

Market Review

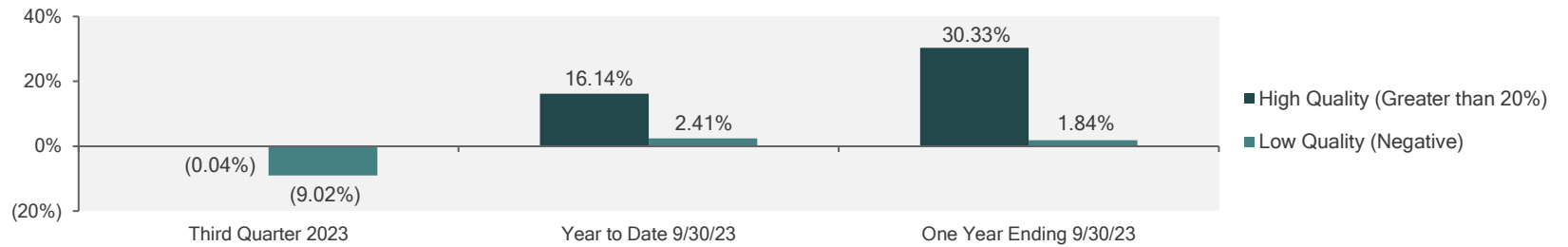
Performance by Financial Metric



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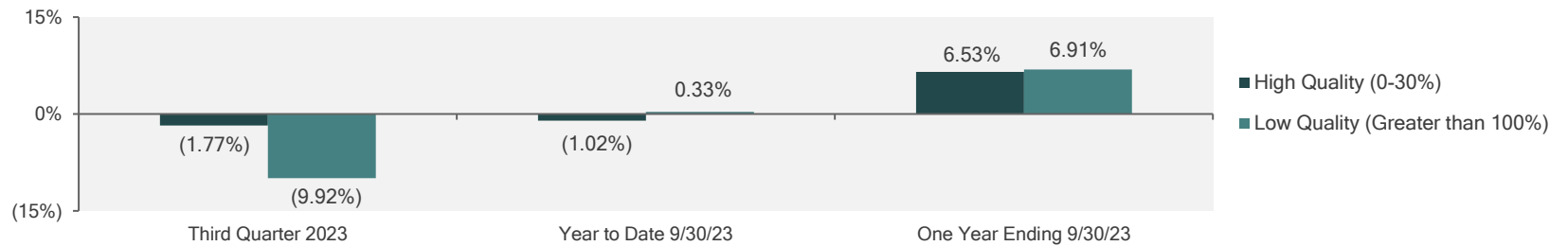
Performance by Return on Equity

Russell 2500™ Value Index



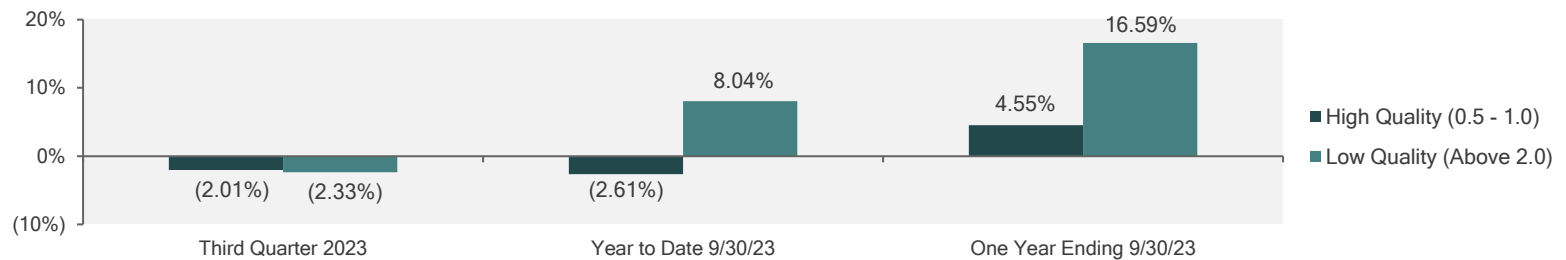
Performance by Debt/Capital Ratio

Russell 2500™ Value Index



Performance by Beta

Russell 2500™ Value Index



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Quarterly Performance Overview

Small-Mid Cap Quality Value Portfolio
Periods Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Monthly, Quarterly and Year to Date Performance

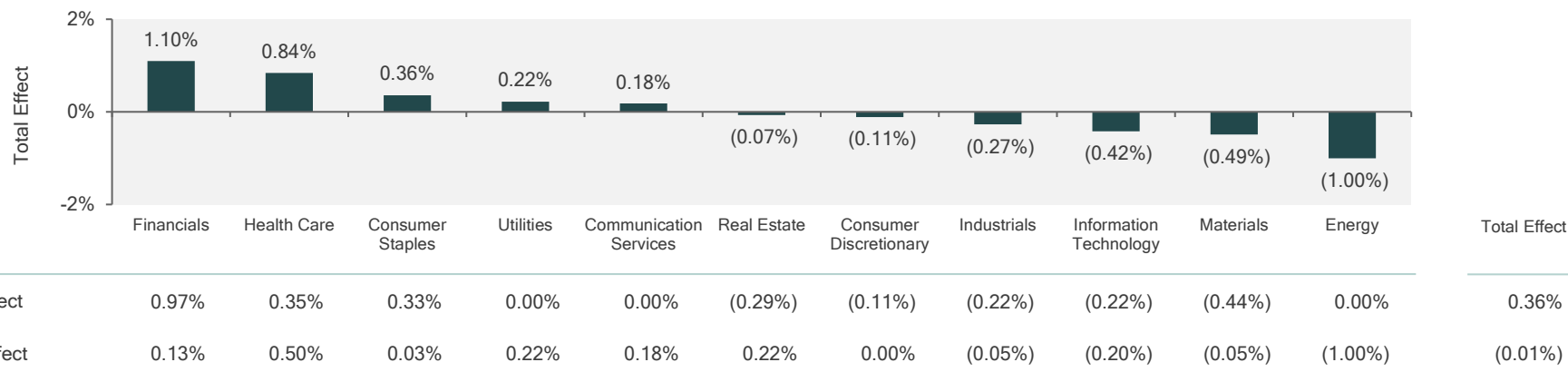
| | Gross (%) | Net (%) | Index (%) | Excess Returns - Net (bps) |
|---------------|-----------|---------|-----------|----------------------------|
| July | 4.45 | 4.20 | 5.86 | (166) |
| August | (2.30) | (2.55) | (3.85) | 130 |
| September | (4.85) | (5.10) | (5.35) | 25 |
| Third Quarter | (2.90) | (3.63) | (3.66) | 3 |
| Year to Date | 4.80 | 2.47 | 1.95 | 52 |

Annualized Performance

| Periods Ending 9/30/23 | Gross (%) | Net (%) | Index (%) |
|------------------------|-----------|---------|-----------|
| 1 Year | 11.22 | 7.96 | 11.34 |
| 5 Years | 6.82 | 3.67 | 3.99 |
| 10 Years | 9.53 | 6.31 | 6.95 |

Attribution by Sector

Quarter Ending September 30, 2023



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*The attribution data provided herein is based upon a buy and hold methodology and gross returns for a representative portfolio. Returns for the Kayne Anderson Rudnick composite are final. 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.*

Highest Contributors

Small-Mid Cap Quality Value Portfolio

Quarter Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

| Security | Contribution | Comments |
|----------------------|--------------|---|
| Lennox International | +0.51% | During the quarter, Lennox International's turnaround of its commercial HVAC business more than offset an incrementally softer residential HVAC market. Margins recovered ahead of plan primarily driven by better execution in the commercial segment. With better-than-expected results, management raised its outlook for the core business, causing shares to outperform. |
| Gentex | +0.40% | Gentex reported better-than-expected operating results and an improved profitability outlook. |
| Bank of Hawaii | +0.38% | Bank of Hawaii's shares, like many other regional banks, moved higher in the quarter as investors became less concerned about deposit flight. |
| LPL Financial | +0.35% | LPL Financial reported growth in organic net assets driven by the acquisitions of new assets and equity market appreciation. Profits were aided by a higher federal funds rate that has a positive effect on the company's interest income earned on client cash holdings. |
| W. R. Berkley | +0.32% | W.R. Berkley's underwriting profitability improved despite catastrophe losses while premiums grew at a healthy pace as management oriented toward segments offering greater rate potential. The company also repurchased a substantial amount of stock. |

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Lowest Contributors

Small-Mid Cap Quality Value Portfolio

Quarter Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

| Security | Contribution | Comments |
|--------------------|--------------|--|
| Zebra Technologies | (0.78%) | Zebra Technologies underperformed due to a reduction in guidance in the quarter. The company saw weakening demand through the quarter, particularly in e-commerce and logistics, which was exacerbated by channel destocking by distributors. Sales cycles have elongated, and customers are extending the life of their assets, translating to limited visibility into the timing of recovery. |
| Leslie's | (0.73%) | Leslie's provided guidance for full fiscal year's sales to be down. Poor weather in the beginning of the pool season along with customers' stocking of chemicals led to disappointing sales. |
| Toro | (0.68%) | Toro underperformed due to an ongoing shrinkage in the company's Residential business segment as the business normalizes from the stimulus-driven COVID environment. Also, Toro took a meaningful impairment charge on an acquisition due to that business's recent underperformance. |
| Graco | (0.66%) | Graco underperformed due to the recent decline in the company's Contractor business segment. In the short-term, Graco's end markets are cyclical, and we believe these cyclical fluctuations are expected and reasonable. |
| TransUnion | (0.47%) | TransUnion underperformed in the quarter due to weakening macro-economic conditions and a higher interest rate environment that is pressuring overall lending conditions. Another contributing factor was recent negative press related to a hacker publishing personal data that was reportedly stolen from the company, to which the company issued a statement stating the breach likely occurred at a third party instead of within its own systems after conducting investigations. |

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Annual Performance Overview

Small-Mid Cap Quality Value Portfolio

Periods Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Quarterly and Annual Performance

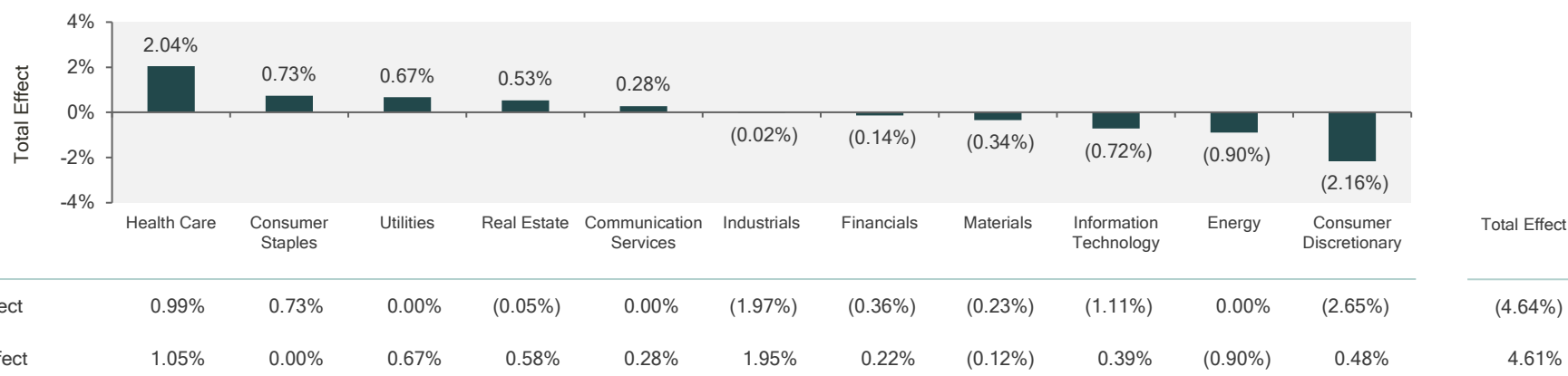
| | Gross (%) | Net (%) | Index (%) | Excess Returns - Net (bps) |
|-----------------------|-----------|---------|-----------|----------------------------|
| Fourth Quarter 2022 | 6.13 | 5.35 | 9.21 | (386) |
| First Quarter 2023 | 4.43 | 3.66 | 1.40 | 227 |
| Second Quarter 2023 | 3.34 | 2.58 | 4.37 | (179) |
| Third Quarter 2023 | (2.90) | (3.63) | (3.66) | 3 |
| 1 Year Ending 9/30/23 | 11.22 | 7.96 | 11.34 | (339) |

Annualized Performance

| Periods Ending 9/30/23 | Gross (%) | Net (%) | Index (%) |
|------------------------|-----------|---------|-----------|
| 1 Year | 11.22 | 7.96 | 11.34 |
| 5 Years | 6.82 | 3.67 | 3.99 |
| 10 Years | 9.53 | 6.31 | 6.95 |

Attribution by Sector

One Year Ending September 30, 2023



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Highest Contributors

Small-Mid Cap Quality Value Portfolio
One Year Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

| Security | Contribution | Comments |
|--------------------------------|--------------|---|
| Lennox International | +1.85% | Lennox International executed well under new leadership, particularly with regards to turning around its commercial HVAC segment which saw a notable improvement in revenue growth and profitability. The company also divested its European commercial HVAC and refrigeration business. Shares outperformed with better execution and improving sentiment as the market gained confidence in new management's turnaround strategy. |
| Thor Industries | +1.32% | Thor Industries continues to feel the effects of the significant downdraft in industry-wide RV sales. However, the business continues to operate largely as an assembler and not a vertical manufacturer, which we believe helps the business continue to generate free cash flow, even as RV sales decline. |
| Gentex | +1.12% | Gentex reported better-than-expected operating results and an improved profitability outlook. |
| TransUnion | +1.09% | TransUnion outperformed on resilient financial performance despite worsening macro-economic conditions and a more difficult lending environment in the U.S. The company also addressed the integration of previously acquired companies while avoiding further merger and acquisitions and reducing financial leverage. |
| Broadridge Financial Solutions | +0.92% | Broadridge Financial Solutions reported several quarters of recurring revenue growth driven by an increase in equity and fund positions held by clients as well as growth in its investor communications business, along with new business wins for its technology solutions business. Combined with growth in profit margin from operating leverage, the company's shares performed well over the trailing twelve-month period. |

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Lowest Contributors

Small-Mid Cap Quality Value Portfolio
One Year Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

| Security | Contribution | Comments |
|-------------------------|--------------|--|
| Leslie's | (1.94%) | Leslie's provided guidance for full fiscal year's sales to be down. Poor weather in the beginning of the pool season along with customers' stocking of chemicals led to disappointing sales. |
| Bank of Hawaii | (1.18%) | The shares of Bank of Hawaii, like other regional banks, have been under pressure due to concerns that rising deposit costs will hurt profitability and create the potential for future loan losses in a weakening commercial real estate market. |
| Jack Henry & Associates | (0.74%) | The turmoil in the regional banking market hurt the share price of Jack Henry & Associates as investors remain concerned that smaller banks could face long-lasting profitability headwinds. In addition, guidance for the next fiscal year was below expectations, which added further pressure to the company's share price. |
| American Software | (0.49%) | American Software saw bookings and professional services revenues decline due to elongated sales cycles as customers place greater scrutiny on software deals in the current uncertain macro-economic environment. This decline in bookings, a leading indicator of future sales growth, caused shares to underperform. |
| Zebra Technologies | (0.30%) | Demand fundamentals for Zebra Technologies weakened as customers cut back on IT-related spending, particularly in the e-commerce and logistics sectors. The issues were exacerbated more recently by channel destocking by the company's distributors. These factors led to several negative guidance revisions resulting in the shares underperforming over the last 12 months. |

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Purchases

Small-Mid Cap Quality Value Portfolio
Quarter Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

| Purchases | Descriptions/Reasons |
|---------------------------------------|--|
| CACI International—Initiated Position | Founded in 1962, CACI International is a leading provider of products and solutions to defense, intelligence, civilian government agencies, and commercial customers. CACI delivers a wide range of capabilities in support of national security missions and government transformation, including in the areas of information technology modernization, cybersecurity and space, engineering services, and mission support. |

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New Position

Small-Mid Cap Quality Value Portfolio
Quarter Ending September 30, 2023



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CACI International (CACI)

- CACI International operates in a market where quality and reliability are more important to customers than price. Governments (particularly as it relates to matters of national defense and national security) do not have a large incentive to try a new provider for a slightly lower price. They are much more concerned about dependability and reputation of the program.
- Demand for CACI is created by the increasingly complex network, systems, and information environments in which governments and businesses operate, and by the need to stay current with emerging technology while increasing productivity, enhancing security, and, ultimately, improving performance.
- Government spending on cybersecurity continues to rise so we believe that to be a tailwind for CACI. Performance and brand and reputation are increasingly important in high stakes areas like cybersecurity.

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Sales

Small-Mid Cap Quality Value Portfolio Quarter Ending September 30, 2023



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| Sales | Reasons |
|--------------------------------------|---|
| CDW—Sold Entire Position | We believe shares of CDW performed admirably since our initial purchase. However, with the company’s market capitalization at over \$28 billion, the position outgrew the mandate for the strategy. With the shares trading at an attractive valuation, we exited our position. |
| VICI Properties—Sold Entire Position | MGP Growth Properties was acquired by VICI Properties last year. We took the VICI shares as we continued to like the Las Vegas real estate exposure and the attractive valuation of the business. However, with the market cap of VICI at over \$30 billion, we sold our position to help fund a new purchase in the portfolio. |

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Portfolio Characteristics

Small-Mid Cap Quality Value Portfolio

As of September 30, 2023



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| | KAR Small-Mid Cap Quality Value | Russell 2500™ Value Index |
|--|------------------------------------|------------------------------|
| Quality | | |
| Return on Equity—Past 5 Years | 25.1% | 12.3% |
| Debt/EBITDA* | 1.5 x | 2.8 x |
| Earnings Variability—Past 10 Years | 34.6% | 72.6% |
| Growth | | |
| Earnings Per Share Growth—Past 5 Years | 8.2% | 12.3% |
| Earnings Per Share Growth—Past 10 Years | 9.9% | 9.3% |
| Dividend Per Share Growth—Past 5 Years | 10.7% | 6.0% |
| Dividend Per Share Growth—Past 10 Years | 10.5% | 6.9% |
| Capital Generation—{ROE x (1-Payout)} | 17.5% | 9.0% |
| Value | | |
| P/E Ratio—Trailing 12 Months | 19.2 x | 19.2 x |
| Dividend Yield | 1.3% | 2.2% |
| Free Cash Flow Yield† | 4.0% | 4.8% |
| Market Characteristics | | |
| \$ Weighted Average Market Cap—3-Year Average | \$10.3 B | \$6.6 B |
| Largest Market Cap—3-Year Average | \$34.4 B | \$25.1 B |
| Annualized Standard Deviation—Since Inception‡ (Net of Fees) | 17.7% | 20.2% |

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.

*KAR utilizes the interquartile method when calculating Debt/EBITDA. The interquartile method excludes outliers from an aggregate statistic such as weighted average. The interquartile method does not assume that data from the top or bottom of the distribution are outliers—only the extreme ends are excluded—and that it can be applied consistently as a quantitative method for most fundamental characteristics. Debt/EBITDA utilizes net debt for the calculation.

†Free cash flow data is as of June 30, 2023. Prices are as of September 30, 2023. Excludes financials.

‡January 1, 2008

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Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. The statistics presented above are based on a representative portfolio. Actual results may vary. 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

Market Commentary

U.S. Economy



Kayne Anderson Rudnick
Investment Management

We believe the economy will continue to slow over the next 12-to-18 months. Hawkish monetary policy in response to unacceptable levels of inflation is slowing economic growth already and threatens to engineer a mild recession over the next 12 months.

- We believe corporate profit growth will moderate in 2024 but will remain slightly positive. However, recession risks, due to rising long-term interest rates, are growing and threatening earnings per share growth over the next year.
- Inflation concerns have clearly moderated since June 2022. Continued improvement in the inflation outlook should give the Federal Reserve more flexibility in monetary policy in the future. We believe the Fed is attempting to lower inflation without pushing the economy into a severe recession and will be successful. Oil prices continue to be a wild card.
- The yield curve is finally starting to flatten but more because of a rise in long-term interest rates than a drop in short-term rates.
- Short-term interest rate increases and slowing GDP and corporate profits could lead to continued volatility over the next year. However, we believe the stock market has already discounted a shallow/mild recession even if it were to occur.
- The failure of Silicon Valley Bank, Signature Bank, and First Republic are unlikely to create a systemic banking crisis due to the unique nature of their deposit base. However, continued increases in long-term interest rates hurts banks' balance sheets.

Figure 1: Yield Curve

U.S. Treasury Yield Curve

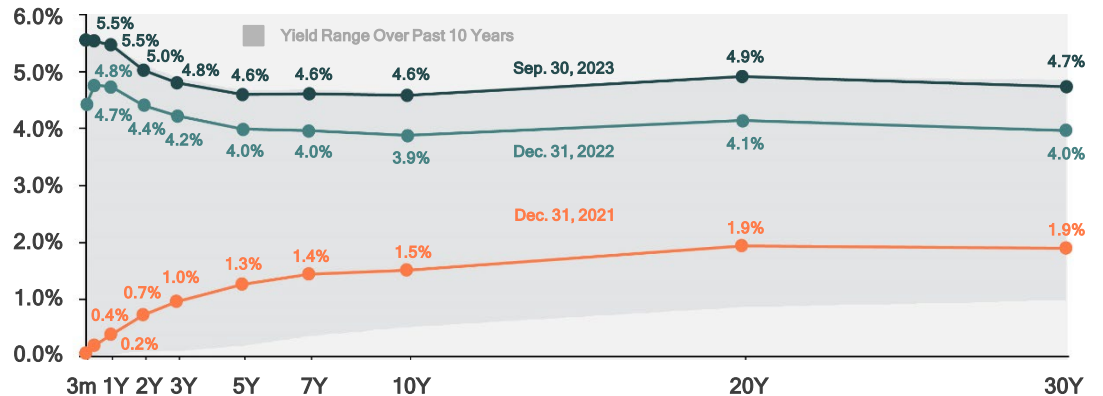
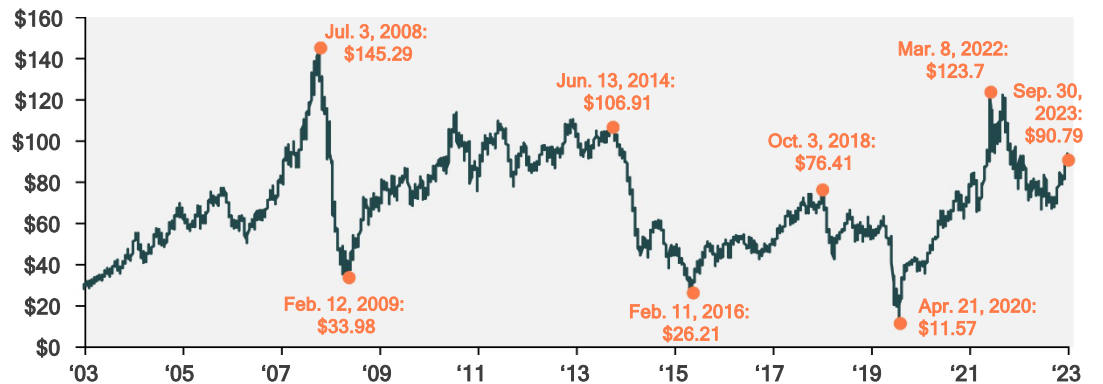


Figure 2: Price of Oil

WTI Crude, Nominal Prices, USD/Barrel



Data as of September 30, 2023. Figure 1 data is obtained from FactSet, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Figure 2 data is obtained from FactSet and J.P. Morgan Asset Management and is assumed to be reliable. WTI crude prices are continuous contract NYM prices in USD. **Past performance is no guarantee of future results.**

The global economy is still slowing as well due to interest rate increases by many central banks.

- Global inflation expectations have risen along with the U.S., particularly in Asia where numerous city and country shutdowns have continued to contribute to the supply/demand shortfall globally. Supply chain issues finally appear to be disappearing.
- The U.S. has continued to produce significant returns for over a decade now; however, if the technology sector decline continues, diversification and foreign markets may do relatively better because of a lack of technology exposure in many of the international developed indices. Artificial intelligence (AI) interest, however, is more likely to benefit U.S. benchmarks.
- Emerging markets struggled in 2022 with the prospect of rising interest rates and continued COVID-19 variants causing economic disruptions. China's regulatory crackdown was a clear negative for many Chinese technology and educational companies. China is struggling to grow now, but policies are starting to shift back to fostering recovery. So far this year, Chinese growth has been disappointing.
- The invasion of Ukraine has negative implications for European economic growth. The longer the conflict lasts, the more likely Europe will slip into a mild/deep recession.
- The collapse of Credit Suisse, which has been years in the making, is unlikely to trigger a systemic banking crisis in Europe.

Figure 3: Global Earnings Estimates

Jan. 2004 = 100, Next 12 Months Consensus Estimates, U.S. Dollars

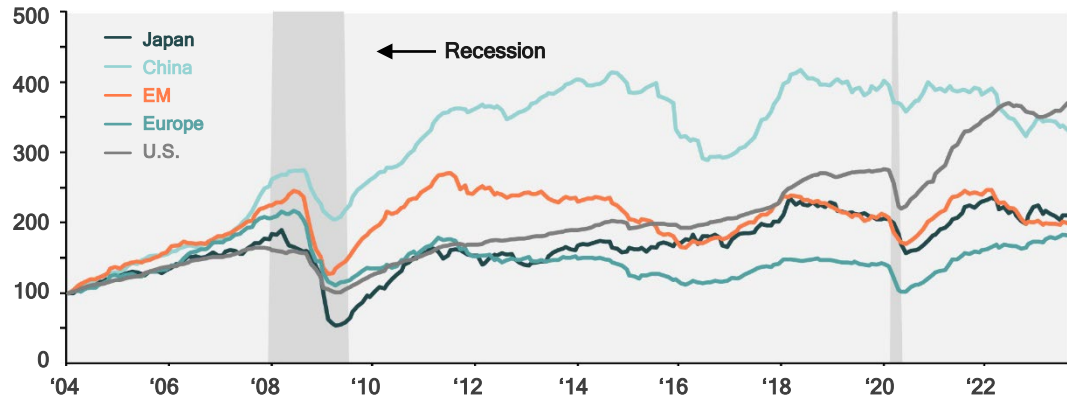


Figure 4: China Real GDP Contribution

Year-Over-Year % Change for GDP, Contribution to GDP for Components

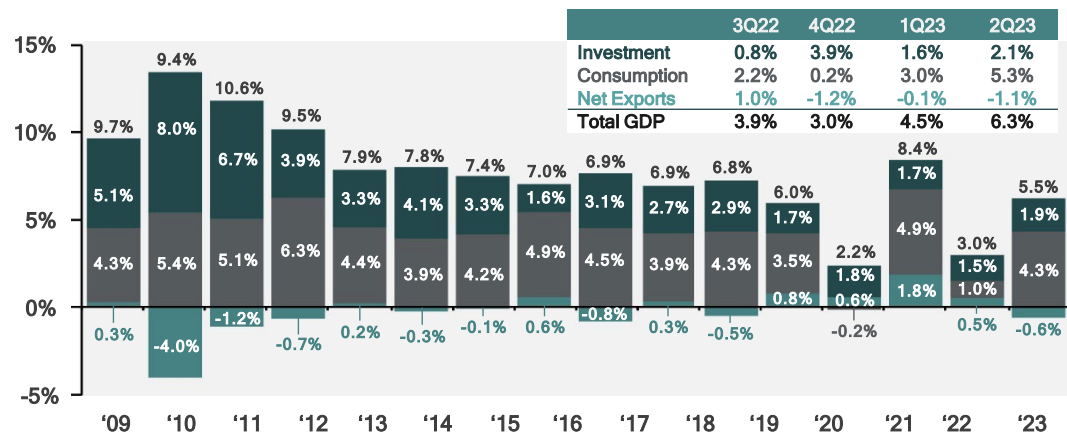


Figure 3 data is as of September 30, 2023 and is obtained from FactSet, MSCI, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Figure 4 data is as of September 30, 2023 and is obtained from CEIC and J.P. Morgan Asset Management and is assumed to be reliable. Next 12 months consensus estimates are based on pro-forma earnings and are in U.S. dollars. MSCI Europe includes the eurozone as well as countries not in the currency bloc, such as Norway, Sweden, Switzerland and the U.K. (which collectively make up almost half of the overall index). **Past performance is no guarantee of future results.**

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

- Monetary policy should continue to slow the economy into 2024. However, slower growth and/or a recession may not be as deep as the market currently fears.
- Equity valuations are about normal by historic measures on absolute levels. We think earnings are likely to continue to improve from here on a multi-year basis, albeit at a slower rate. Many parts of the market (excluding the big 7 technology companies) are very reasonably valued on a P/E basis.
- Geopolitical events have caused a more uncertain outlook for global growth. U.S./Taiwan continues to be a risk we are monitoring. The Ukraine/Russia conflict continues to drag on.
- Corporate profit margins have declined due to high input costs, transportation bottlenecks, and supply constraints although these factors are clearly reversing now. Corporate margins may have bottomed in Q1 2023.
- In our view, the biggest risk is the Fed overshoots rate increases and slows the economy more than expected and we enter a deeper than anticipated recession over the next 12-to-24 months.
- We believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets over the long term.
- Long-term interest rates have increased recently which is key to the value of long duration assets such as equities. The October 2022 low in the market has continued to hold despite many short-term cross currents.

Figure 5: P/E Ratio of the Top 10 and Remaining Stocks in the S&P 500®
Next 12 Months, 1996 - Present

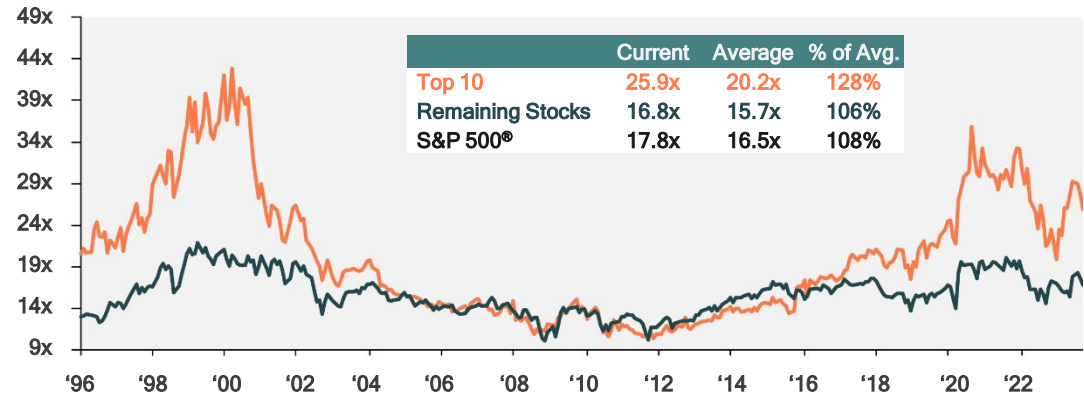
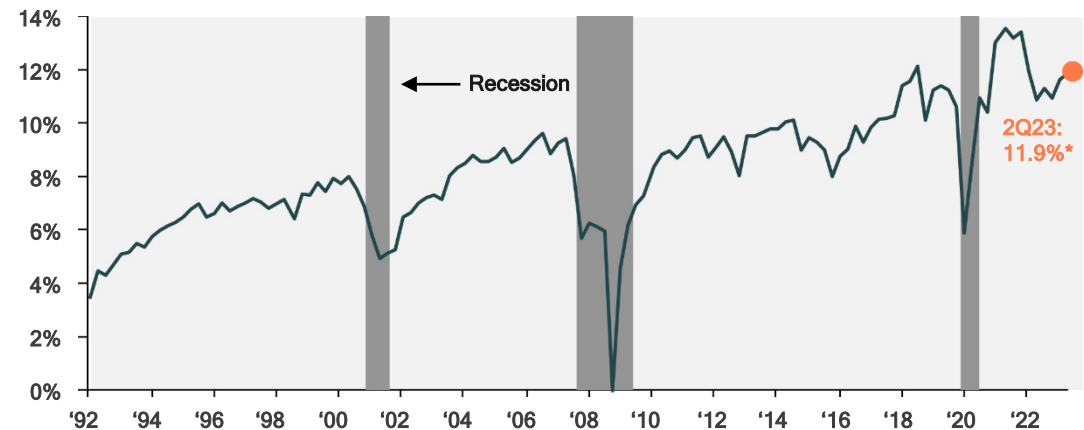


Figure 6: S&P 500® Profit Margins
Quarterly Operating Earnings/Sales



Data as of September 30, 2023. Figure 5 data is obtained from FactSet, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Figure 6 data is obtained from Compustat, FactSet, NFIB, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. The top 10 S&P 500 companies are based on the 10 largest index constituents at the beginning of each month. As of 9/30/2023, the top 10 companies in the index were AAPL (7.0%), MSFT (6.5%), AMZN (3.2%), NVDA (3.0%), GOOGL (2.2%), TSLA (1.9%), META (1.9%), GOOG (1.9%), BRK.B (1.8%), XOM (1.3%) and UNH (1.3%). The remaining stocks represent the rest of the 494 companies in the S&P 500. *Current 2Q23 profit margin is a preliminary estimate.

Past performance is no guarantee of future results.

- **Portfolio Data**
- **Disclosure**

Sector Weights

Small-Mid Cap Quality Value Portfolio

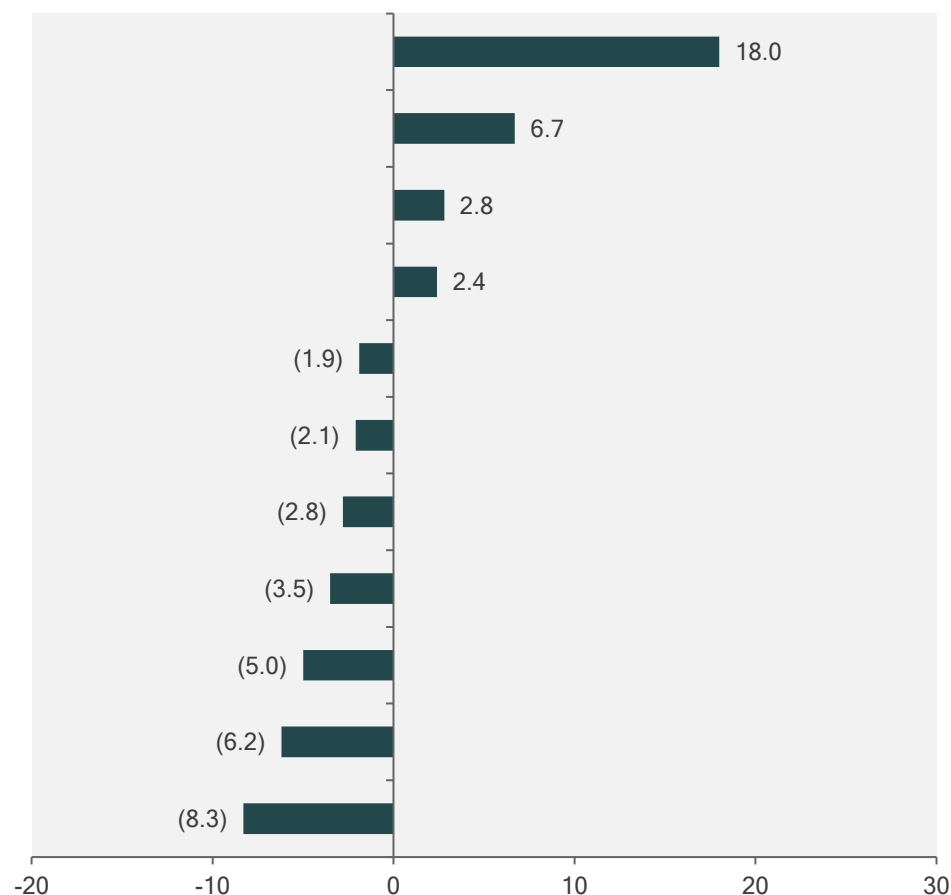
As of September 30, 2023



Kayne Anderson Rudnick
Investment Management

| Sectors | KAR Small-Mid Cap Quality Value (%) | Russell 2500™ Value Index (%) |
|------------------------|-------------------------------------|-------------------------------|
| Industrials | 37.6 | 19.6 |
| Consumer Staples | 9.8 | 3.1 |
| Financials | 22.6 | 19.8 |
| Information Technology | 10.7 | 8.2 |
| Materials | 4.8 | 6.7 |
| Consumer Discretionary | 10.3 | 12.4 |
| Communication Services | — | 2.8 |
| Utilities | — | 3.5 |
| Health Care | 2.4 | 7.5 |
| Energy | — | 6.2 |
| Real Estate | 1.8 | 10.1 |

Underweight/Overweight (%)



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

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 GICS sector classifications. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Top Ten Holdings

Small-Mid Cap Quality Value Portfolio

As of September 30, 2023



Kayne Anderson Rudnick
Investment Management

| Top 10 Holdings | GICS Sector | % of Portfolio |
|--------------------------------|------------------------|----------------|
| TransUnion | Industrials | 5.0 |
| W. R. Berkley | Financials | 4.9 |
| Broadridge Financial Solutions | Financials | 4.7 |
| Gentex | Consumer Discretionary | 4.5 |
| Lennox International | Industrials | 4.4 |
| RBC Bearings | Industrials | 4.3 |
| LPL Financial Holdings | Financials | 4.3 |
| Landstar System | Industrials | 4.3 |
| Jack Henry & Associates | Financials | 4.0 |
| Dolby Laboratories | Information Technology | 3.9 |
| Total | | 44.3 |

Research confidence leads to large active weights

| | KAR Small-Mid Cap Quality Value | Russell 2500™ Value Index |
|--------------------------------|---------------------------------|---------------------------|
| # of Holdings | 30 | 1,884 |
| Average Position Size (%) | 3.3 | 0.1 |
| Weight of Top Ten Holdings (%) | 44.3 | 4.3 |
| Active Share (%) | 97.8 | — |

The strategy benefits from diversification while still taking significant active positions

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

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 GICS sector classifications. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Returns

Small-Mid Cap Quality Value Portfolio



Kayne Anderson Rudnick
Investment Management

Annualized Performance

| Periods Ending 9/30/23 | Gross (%) | Net (%) | Index (%) | Excess Return - Net (bps) |
|------------------------|-----------|---------|-----------|---------------------------|
| Third Quarter | (2.90) | (3.63) | (3.66) | 3 |
| Year to Date | 4.80 | 2.47 | 1.95 | 52 |
| 1 Year | 11.22 | 7.96 | 11.34 | (339) |
| 3 Years | 8.02 | 4.84 | 13.32 | (848) |
| 5 Years | 6.82 | 3.67 | 3.99 | (32) |
| 7 Years | 9.58 | 6.36 | 6.48 | (12) |
| 10 Years | 9.53 | 6.31 | 6.95 | (64) |
| Since Inception* | 10.81 | 7.56 | 7.21 | 34 |

Calendar Year Performance

| Periods Ending 12/31 | Gross (%) | Net (%) | Index (%) | Excess Return - Net (bps) |
|----------------------|-----------|---------|-----------|---------------------------|
| 2022 | (20.01) | (22.43) | (13.08) | (934) |
| 2021 | 22.18 | 18.62 | 27.78 | (916) |
| 2020 | 23.53 | 19.93 | 4.88 | 1,505 |
| 2019 | 32.48 | 28.65 | 23.56 | 508 |
| 2018 | (11.08) | (13.74) | (12.36) | (138) |
| 2017 | 19.17 | 15.69 | 10.36 | 533 |
| 2016 | 19.40 | 15.91 | 25.20 | (929) |
| 2015 | (0.59) | (3.53) | (5.49) | 195 |
| 2014 | 8.88 | 5.68 | 7.11 | (143) |
| 2013 | 36.30 | 32.37 | 33.32 | (96) |
| 2012 | 11.01 | 7.75 | 19.21 | (1,146) |
| 2011 | 7.40 | 4.24 | (3.36) | 760 |
| 2010 | 25.83 | 22.18 | 24.82 | (264) |
| 2009 | 32.51 | 28.67 | 27.68 | 99 |
| 2008 | (18.99) | (21.44) | (31.99) | 1,055 |

*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 final. All periods less than one year are total returns and are not annualized. 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. Returns could be reduced, or losses incurred, due to currency fluctuations.

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. **Limited Number of Investments:** Because the portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a portfolio with a greater number of securities. **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.

Risk-Return Analysis

Small-Mid Cap Quality Value Portfolio

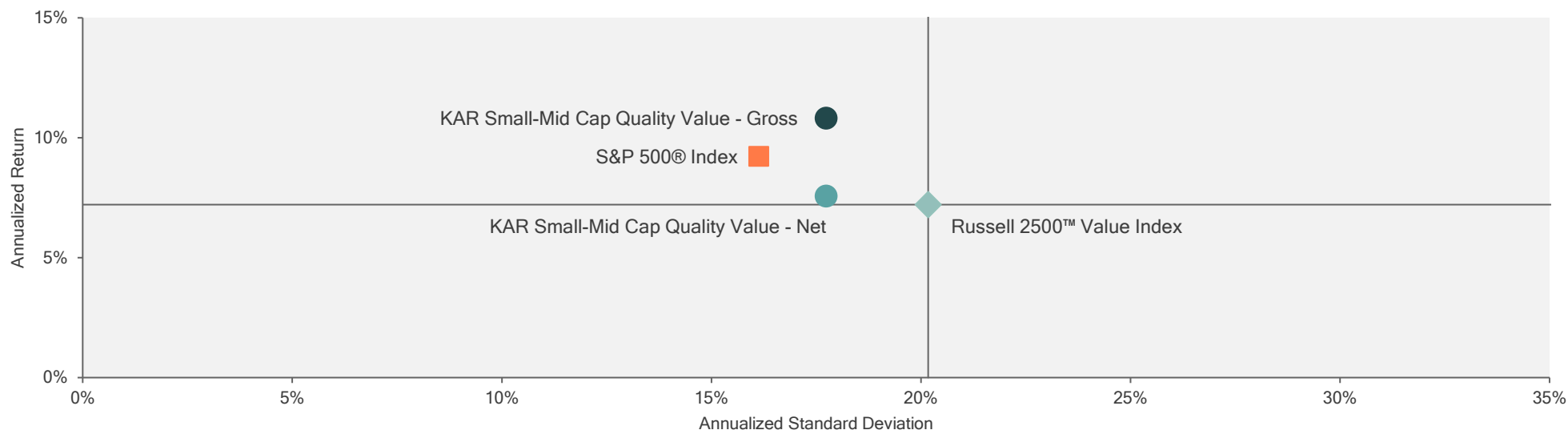
Inception* to September 30, 2023



Kayne Anderson Rudnick
Investment Management

Meaningful Excess Return with Lower Volatility

Annualized Since Inception*



Performance Statistics

Annualized Since Inception*

| | Annualized Return (%) | Alpha (%) | Sharpe Ratio | Information Ratio | Tracking Error | Standard Deviation (%) | Beta | Downside Capture |
|---|-----------------------|-----------|--------------|-------------------|----------------|------------------------|------|------------------|
| KAR Small-Mid Cap Quality Value - Gross | 10.81 | 4.28 | 0.56 | 0.54 | 6.62 | 17.74 | 0.83 | 76.56 |
| KAR Small-Mid Cap Quality Value - Net | 7.56 | 1.20 | 0.38 | 0.05 | 6.62 | 17.74 | 0.83 | 81.51 |
| Russell 2500™ Value Index | 7.21 | 0.00 | 0.32 | N/A | N/A | 20.17 | 1.00 | 100.00 |

*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 final. 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 could be reduced, or losses incurred, due to currency fluctuations.

Disclosure

Small-Mid Cap Quality Value Portfolio



Kayne Anderson Rudnick
Investment Management

| Year | Composite Pure Gross Return* (%) | Composite Net Return (%) | Russell 2500™ Value Index Return (%) | Composite 3-Yr Std Dev (%) | Benchmark 3-Yr Std Dev (%) | Number of Accounts | Internal Dispersion (%) | Composite Assets (\$ Millions) | Firm Assets (\$ Millions) |
|------|----------------------------------|--------------------------|--------------------------------------|----------------------------|----------------------------|--------------------|-------------------------|--------------------------------|---------------------------|
| 2013 | 36.30 | 32.37 | 33.32 | 12.01 | 15.29 | 6 | 0.13 | 138 | 7,841 |
| 2014 | 8.88 | 5.68 | 7.11 | 10.65 | 11.41 | 12 | 0.09 | 140 | 7,989 |
| 2015 | (0.59) | (3.53) | (5.49) | 12.26 | 12.19 | < 5 | N/A | < 1 | 8,095 |
| 2016 | 19.40 | 15.91 | 25.20 | 12.26 | 13.36 | < 5 | N/A | < 1 | 9,989 |
| 2017 | 19.17 | 15.69 | 10.36 | 10.95 | 11.98 | < 5 | N/A | < 1 | 14,609 |
| 2018 | (11.08) | (13.74) | (12.36) | 12.82 | 13.77 | < 5 | N/A | < 1 | 17,840 |
| 2019 | 32.48 | 28.65 | 23.56 | 13.58 | 14.43 | < 5 | N/A | < 1 | 25,685 |
| 2020 | 23.53 | 19.93 | 4.88 | 21.90 | 25.40 | 20 | N/A | 143 | 39,582 |
| 2021 | 22.18 | 18.62 | 27.78 | 20.14 | 24.49 | 74 | 0.15 | 232 | 47,269 |
| 2022 | (19.94) | (22.36) | (13.08) | 23.17 | 26.84 | 73 | 0.55 | 259 | 33,531 |

*Pure gross returns are supplemental to net returns.

The Russell 2500™ Value Index is a trademark/service mark of Frank Russell Company. Russell® is a trademark of Frank Russell Company.

KAR (as defined below) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. KAR has been independently verified for the period from January 1, 1999 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, 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.

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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 inception date of the composite is January 2008. The composite was created in July 2015. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The firm's list of composite descriptions, list of broad distribution pooled fund and the list of limited distribution pooled funds descriptions 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. All portfolios included in this composite for all periods are wrap portfolios.

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 2A 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 1/12th 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 pure gross returns) and the benchmark for the 36-month period.