



Kayne Anderson Rudnick
Investment Management

Small-Mid Cap Quality Value Portfolio
Managed Accounts
First Quarter 2021 Review

kayne.com

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Firm Overview

As of March 31, 2021



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	\$56.3 billion
Number of Equity Investment Professionals	16
Average Investment Experience	17 Years

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



KAR HIGH QUALITY BUSINESS

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

Summary of Key Differentiators

We Manage Risk and Generate Returns Differently



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	CLASSIC APPROACH*	KAR APPROACH
RISK	<p>stock portfolio 75</p> <p>1% to 2% positions</p> <p>No stock can help or hurt more than 2%</p>	<p>stock portfolio 25-35</p> <p>3% to 10% positions in high-quality companies</p> <ul style="list-style-type: none"> Minimal business risk Minimal balance sheet risk Minimal profit risk
RETURNS	<p>Average companies producing average returns on capital</p> <p>Buying cheap and selling dear required for above-average portfolio returns</p> <p>6 months average holding period</p> <p>High frictional costs due to RAPID trading</p> <p>Poor tax efficiency due to short holding periods</p>	<p>Exceptional companies producing exceptional returns on capital</p> <p>Buy at attractive price and let exceptional returns on capital drive exceptional growth and income over extended period of time</p> <p>36 to 60 months average holding period, but often longer</p> <p>Low frictional costs due to LESS trading</p> <p>Inherent tax efficiency</p>

* 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



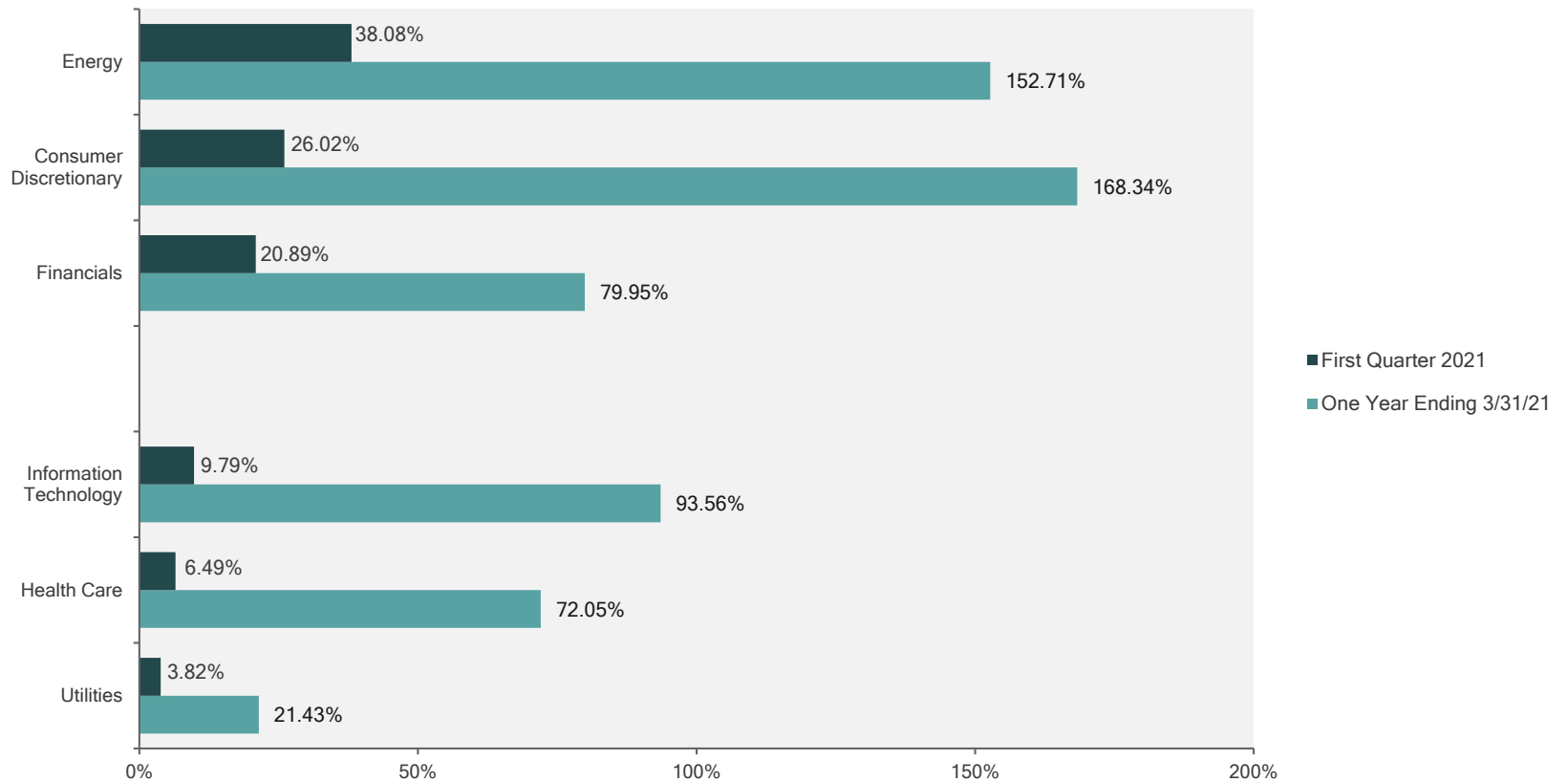
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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	35 Years	10 Years
Julie Kutasov	Portfolio Manager and Senior Research Analyst Sector Coverage: Materials and Industrials	20 Years	20 Years
Craig Stone	Portfolio Manager and Senior Research Analyst Sector Coverage: Industrials	32 Years	21 Years
Todd Bailey, CFA	Senior Research Analyst Sector Coverage: Energy and Communication Services	22 Years	19 Years
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Information Technology	13 Years	8 Years
Jon Christensen, CFA	Senior Research Analyst Sector Coverage: Health Care	26 Years	20 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials and Real Estate	9 Years	9 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Industrials	12 Years	3 Years
Adam Xiao, CFA	Research Analyst Sector Coverage: Consumer Staples, Financials and Industrials	6 Years	3 Years
Jordan Greenhouse	Managing Director - Senior Client Portfolio Manager	24 Years [†]	5 Years
James B. May, CFA	Managing Director - Client Portfolio Manager	33 Years [†]	2 Years

[†]Represents years of industry experience.

Sector Performance

Russell 2500™ Value 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

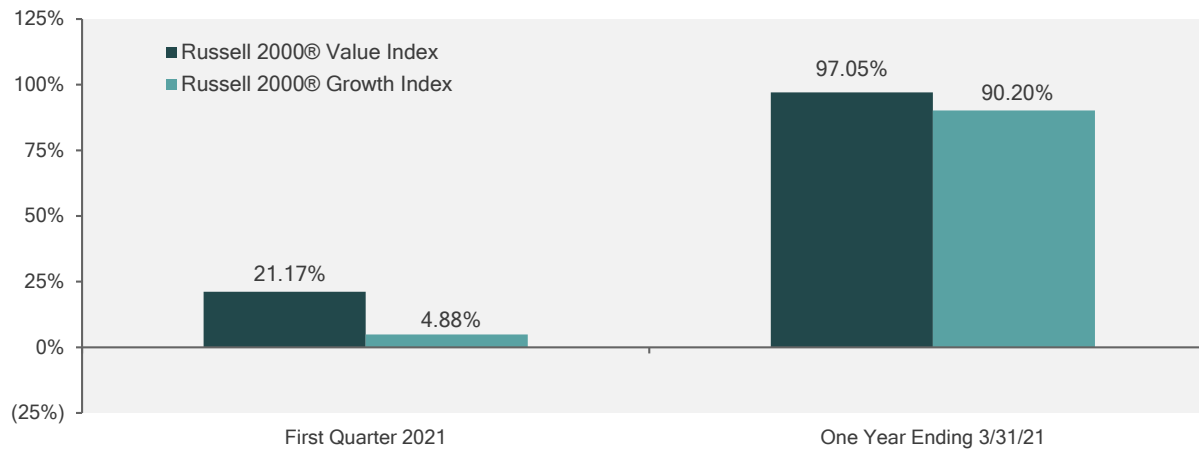
Performance by Style and Quality



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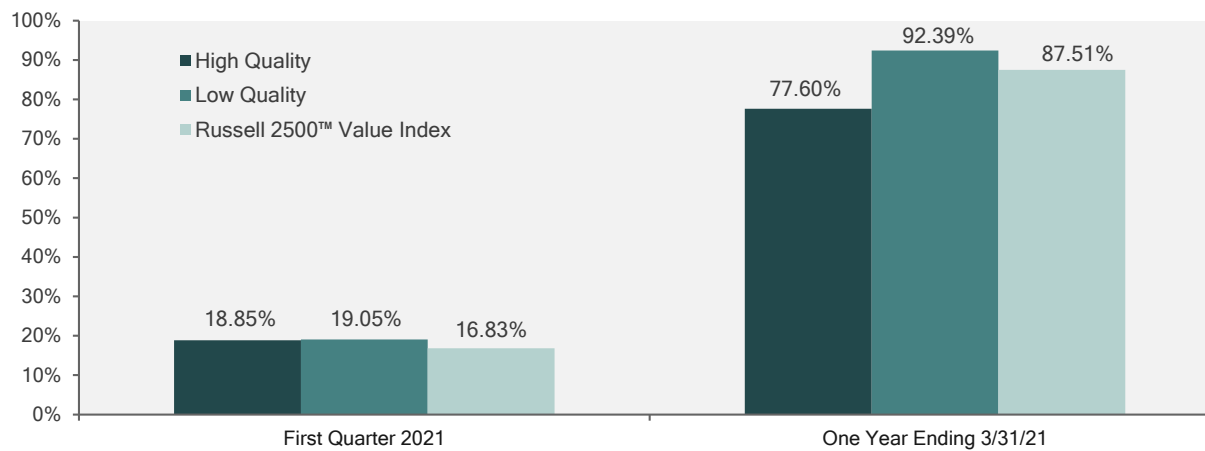
Performance by Style

Russell 2000® Value Index vs. Russell 2000® 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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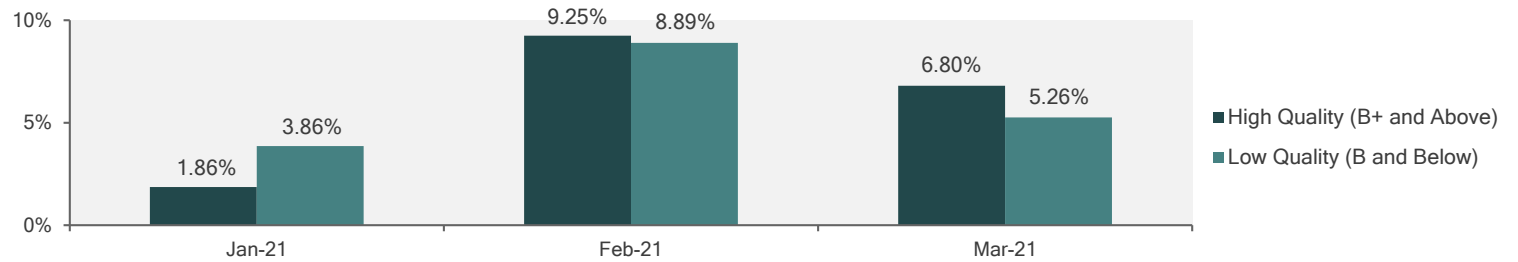
Market Review

Performance by Quality

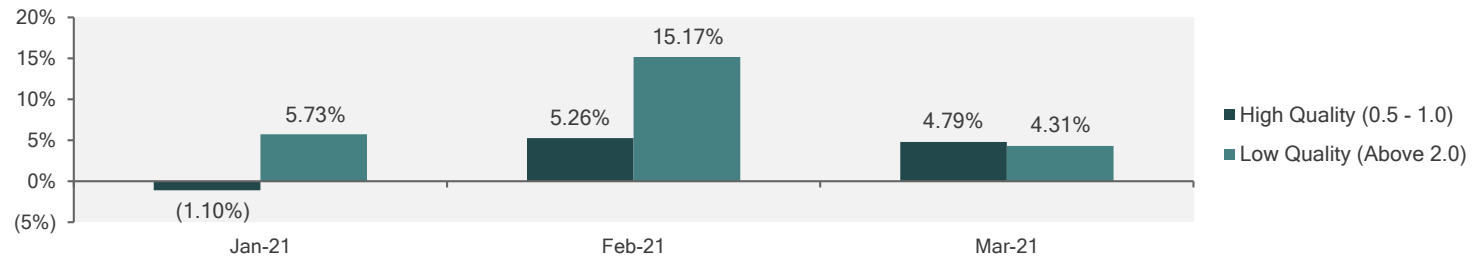


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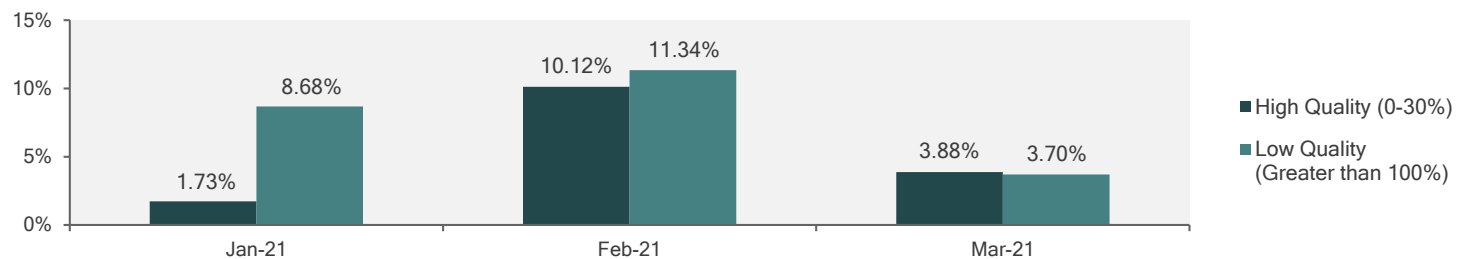
Performance by S&P Quality Ranking Russell 2500™ Value Index



Performance by Beta Russell 2500™ Value Index



Performance by Debt/Capital Ratio Russell 2500™ Value Index



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Quarterly Performance Overview

Small-Mid Cap Quality Value Portfolio

Periods Ending March 31, 2021



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Monthly and Quarterly Performance

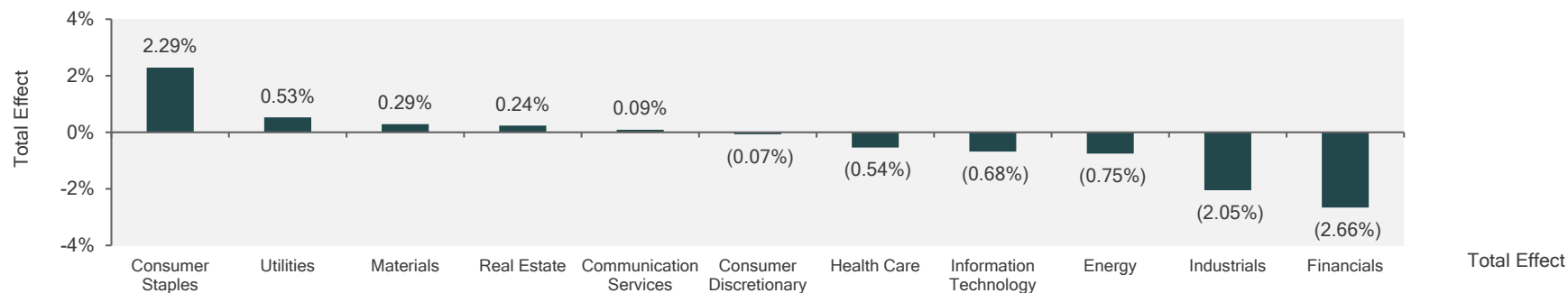
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
January	3.53	3.28	2.21	107
February	4.53	4.28	8.90	(462)
March	4.07	3.82	4.96	(115)
First Quarter	12.62	11.81	16.83	(502)

Contributors

Highest	Contribution
National Beverage	+2.58%
Scotts Miracle-Gro	+1.74%
Cheesecake Factory	+1.70%
Thor Industries	+1.66%
Zebra Technologies	+1.11%
Lowest	Contribution
TransUnion	(0.40%)
MSCI	(0.29%)
Anika Therapeutics	(0.23%)
Terminix Global Holdings	(0.20%)
Jack Henry & Associates	(0.18%)

Attribution by Sector

Quarter Ending March 31, 2021



	Consumer Staples	Utilities	Materials	Real Estate	Communication Services	Consumer Discretionary	Health Care	Information Technology	Energy	Industrials	Financials	Total Effect
Russell 2500™ Value Returns	13.45%	3.82%	15.36%	10.66%	13.84%	26.02%	6.49%	9.79%	38.08%	17.22%	20.89%	16.83%
KAR Returns (Gross)	22.82%	0.00%	18.15%	10.29%	0.00%	28.17%	(5.62%)	11.19%	0.00%	8.20%	4.78%	12.62%
KAR Selection Effect	2.38%	0.00%	0.37%	0.00%	0.00%	0.11%	(0.78%)	0.34%	0.00%	(2.04%)	(2.47%)	(2.09%)
KAR Allocation Effect	(0.08%)	0.53%	(0.08%)	0.24%	0.09%	(0.18%)	0.24%	(1.02%)	(0.75%)	(0.01%)	(0.19%)	(1.21%)

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

*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 March 31, 2021



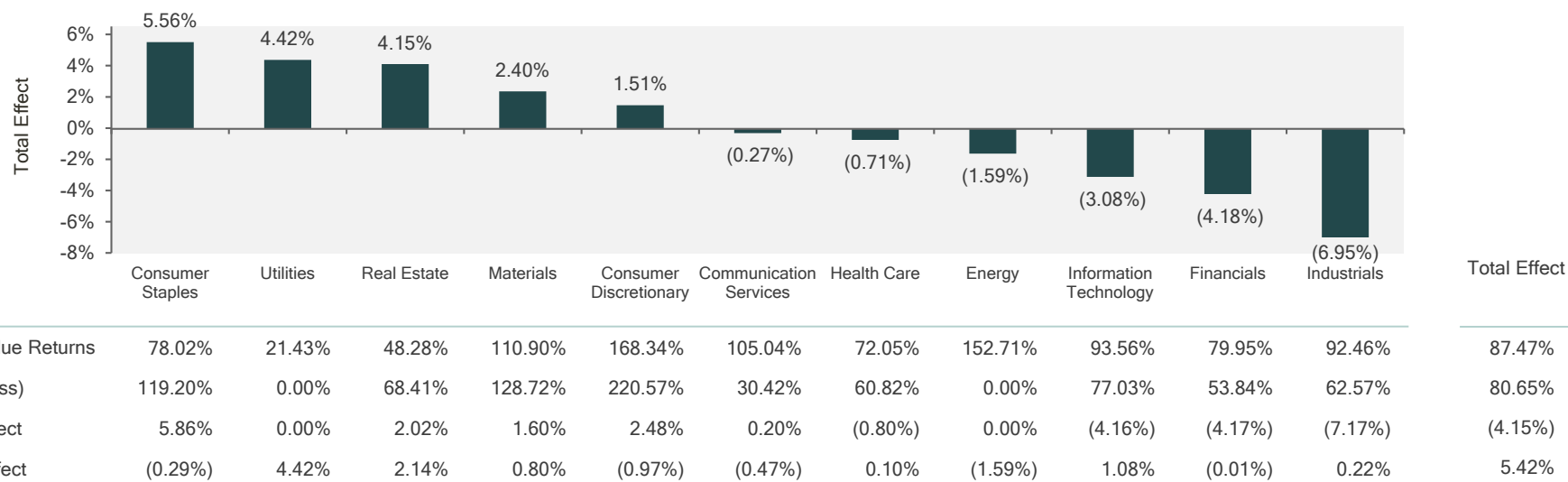
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Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Second Quarter 2020	26.74	25.87	20.60	527
Third Quarter 2020	2.84	2.07	3.54	(147)
Fourth Quarter 2020	23.07	22.21	28.51	(630)
First Quarter 2021	12.62	11.81	16.83	(502)
1 Year Ending 3/31/21	80.65	75.55	87.47	(1,192)

Attribution by Sector

One Year Ending March 31, 2021



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Highest Contributors

Small-Mid Cap Quality Value Portfolio

One Year Ending March 31, 2021



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Security	Contribution	Comments
Scotts Miracle-Gro	+9.82%	Throughout 2020, Scotts Miracle-Gro saw demand for lawn, gardening and hydroponics products grow as a result of the lockdowns related to the COVID-19 pandemic.
Thor Industries	+8.58%	Thor Industries' business model is built around being more of an assembler as opposed to a true manufacturer, and this trait has historically allowed Thor to maintain profitability throughout the economic cycle as it flexes operations relative to demand. Recently, 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 its products as traveling in an RV can permit physical distancing from others while traveling in one's own living space. We continue to believe Thor's competitive position will fundamentally benefit the business over time.
National Beverage	+7.88%	National Beverage has reported recovering market share and profitability in tandem with the launch of new flavors. We continue to monitor market share and we believe that National Beverage has retained its position as one of the leaders in the growing sparkling water category.
Zebra Technologies	+5.43%	Zebra Technologies' stock outperformed as investors started to recognize the company's hardware and software capabilities that the company has developed or acquired over the past couple of years. The increased digital solutions Zebra has today for many industries helps with efficiencies and higher return on investment, which is especially key during the pandemic.
Cheesecake Factory	+4.95%	We believe Cheesecake Factory continues to demonstrate its value proposition to customers and is recapturing a meaningful share of its pre-COVID-19 restaurant level performance through a combination of on-premise and off-premise dining.

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*A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. Holdings are subject to change. All information is provided for informational purposes only and should not be deemed as a recommendation to purchase the securities mentioned. Kayne Anderson Rudnick has chosen to review the securities in this document based upon objective criteria. It should not be assumed that securities recommended in the future will be profitable. Data is obtained from FactSet Research Systems and is assumed to be reliable. **Past performance is no guarantee of future results.***

Lowest Contributors

Small-Mid Cap Quality Value Portfolio

One Year Ending March 31, 2021



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Security	Contribution	Comments
Leslie's	(0.14%)	Leslie's saw weaker performance beginning in the fourth quarter 2020 as investors rotated into more cyclical businesses in anticipation of a post-pandemic rebound in other businesses.
Cass Information Systems	(0.05%)	We believe the operating environment for Cass Information Systems' business is likely to be challenged due to the economic impact from COVID-19, a flat yield curve and a weak trucking environment. Therefore, we sold our position earlier this year to fund other investment opportunities in the portfolio.
Armstrong World Industries	0.21%	Armstrong World Industries' shares lagged driven by the pandemic-related slowdown in commercial construction and renovation activity. We view these issues as temporary in nature.
Cinemark	0.46%	Due to the COVID pandemic, Cinemark's stock experienced pressure due to the impacts and restrictions from shelter-in-place orders across geographies. The impact of social distancing requirements, the shifting of blockbuster movie releases to future dates and the accompanying new release distribution experiments (direct-to-streaming) have resulted in increased uncertainty to its business.
Jack Henry & Associates	0.66%	Jack Henry's revenue growth continued to slow as COVID-19 elongated the sales cycle to new accounts. Reduced travel also lowered reimbursements from clients. We view these headwinds as short-term in nature and are encouraged by the company's continued ability to win new accounts away from competitors.

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Purchases

Small-Mid Cap Quality Value Portfolio Quarter Ending March 31, 2021



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Purchases	Descriptions/Reasons
Leslie's – Initiated Position	Leslie's is the largest and the only direct-to-consumer pool and spa care brand with national scale, operating a physical network of 934 branded locations and a digital platform.
Bank of Hawaii – Increased Position	We increased our position in Bank of Hawaii given the stock's attractive valuation. We believe that as travel restrictions are lifted, tourism will return to Hawaii and this will benefit the business.
Thor Industries – Increased Position	Since our last trim in June 2020, Thor Industries' stock price has been flat versus the Russell 2500 Value Index, which has seen returns in excess of 30% over the same period. With the stock more attractively valued relative to the index, we increased our position.

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New Position

Small-Mid Cap Quality Value Portfolio
Quarter Ending March 31, 2021



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Leslie's (LESL)

- Leslie's is the largest pool retailer in the U.S. The number of stores is larger than the sum of the next 20 largest competitors. The company's total sales account for about 15% of industry spend for the residential aftermarket product categories. The stores also have certified in-field technicians available to help residential customers with install or repairs.
- The company has a strong brand with 50% of sales coming from private label. This strong brand also carries over to the e-commerce market where Leslie's supplies the bulk of the sales (currently about 40%) given that typically the chemicals are difficult to ship and need particular expertise.
- Leslie's has achieved 57 consecutive years of sales growth. Eighty percent of sales is aftermarket products, which helps lessen the pool industry's cyclical nature and helps the business overcome recessionary periods.

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Sales

Small-Mid Cap Quality Value Portfolio Quarter Ending March 31, 2021



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Sales	Reasons
Cheesecake Factory – Trimmed Position	We believe Cheesecake Factory has done a great job managing through the pandemic with all the different restrictions in each state and also within the counties in each state. Off-premise sales more than doubled since prior to the pandemic, which helped the company weather the crisis better than many other restaurants. Also, having raised capital from private equity during the crisis, we think the company's financial position is not an issue. With the stock price rebounding since the pandemic bottom, we trimmed our position.
National Beverage – Trimmed Position	National Beverage saw its shares get caught up in the short squeeze speculative fervor. National Beverage has had a high short position for a number of years now, particularly building up during the 2018-2019 timeframe. The stock was bid up in a very short period of time and, thus, we trimmed our overweight position. However, the distinction should be made that while most, if not all, of the other short squeeze plays are unprofitable businesses with questionable balance sheets, we believe National Beverage is a profitable business with a net cash balance.
Scott's Miracle-Gro – Trimmed Position	Since our last trim, Scott's Miracle Gro's stock has continued to do well as the company benefited from increased sales for core gardening products along with increasing sales in its Hawthorne segment. We trimmed our overweight position 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 March 31, 2021



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	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
Quality		
Return on Equity—Past 5 Years	22.6%	9.8%
Total Debt/EBITDA	2.1 x	10.9 x
Earnings Variability—Past 10 Years	41.5%	75.9%
Growth		
Earnings Per Share Growth—Past 5 Years	9.2%	6.2%
Earnings Per Share Growth—Past 10 Years	8.6%	6.8%
Dividend Per Share Growth—Past 5 Years	13.1%	4.2%
Dividend Per Share Growth—Past 10 Years	11.9%	8.3%
Capital Generation—{ROE x (1-Payout)}	14.1%	7.0%
Value		
P/E Ratio—Trailing 12 Months	50.9 x	69.2 x
Dividend Yield	1.0%	1.5%
Free Cash Flow Yield†	4.0%	3.8%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$8.2 B	\$5.0 B
Largest Market Cap—3-Year Average	\$34.6 B	\$31.2 B
Annualized Standard Deviation—Since Inception*	17.5%	20.3%

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 December 31, 2020. Prices are as of March 31, 2021. 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



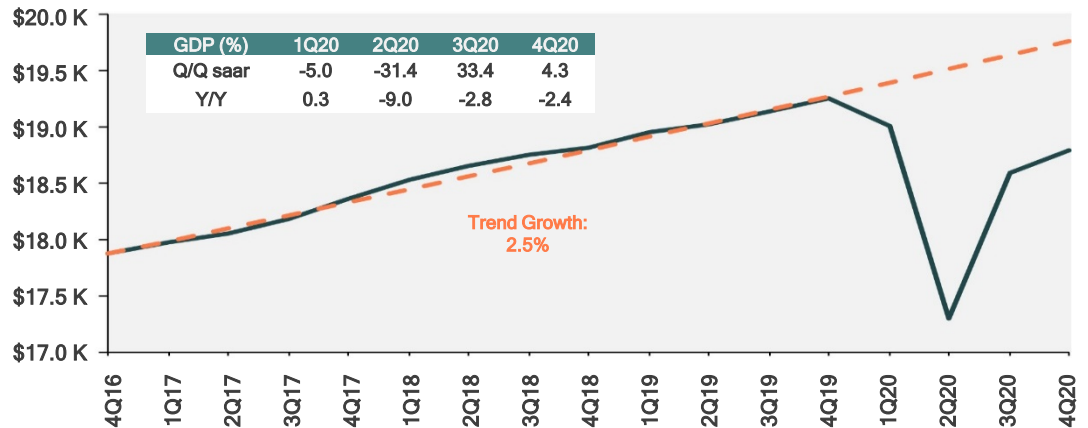
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The U.S. and global economies are still in a recession due to the COVID-19 health crisis, but we believe the economic outlook for 2021 and beyond has improved significantly due to fiscal stimulus and efficacious vaccines.

- We expect there will be a slow but steady recovery from here through year end 2021 and beyond. We believe pent-up demand from consumers may occur in the second half of 2021, driving robust GDP growth.
- Corporate earnings should improve moving forward as vaccines become more widely available and consumers gain confidence in their safety. So far interest rate increases have been driven by an improving economy.
- The yield curve has steepened despite the Fed holding short-term rates to effectively zero. The Fed may be on hold for an extended period. However, inflation fears have picked up due to port congestion, depleted inventories and semiconductor shortages.
- Fiscal policy is bridging the gap between the shutdown and resumption of normal activity. Several trillion dollars of fiscal support has been passed.
- We feel consumer behavior is more likely to change longer-term since the virus has lasted so long. Streaming, ordering groceries online and video call usage has been accelerated dramatically.
- Volatility is likely to decline from here as the health crisis peaks out globally and business conditions return to normal.
- Innovation and disruption are continuing at a breathtaking pace in the U.S. in a variety of industries.

Real GDP

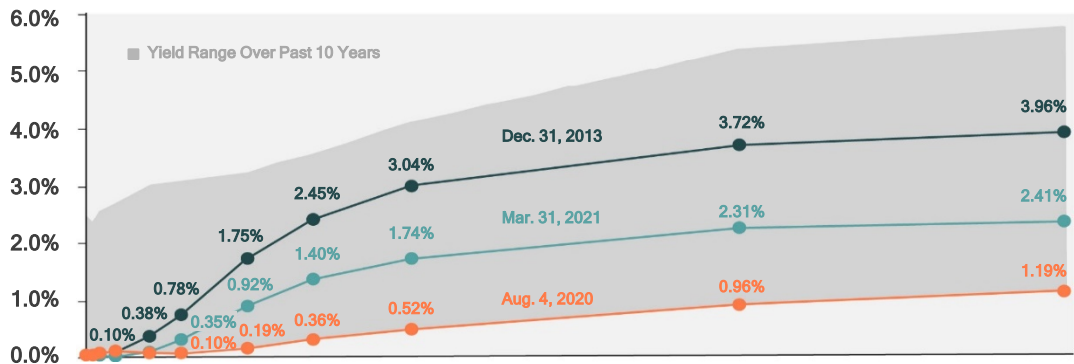
Billions of Chained (2012) Dollars, Seasonally Adjusted at Annual Rates



Data as of March 31, 2021. Data is obtained from BEA, FactSet and J.P. Morgan Asset Management and is assumed to be reliable. Forecasts are not a reliable indicator of future performance. **Past performance is no guarantee of future results.**

Yield Curve

U.S. Treasury Yield Curve



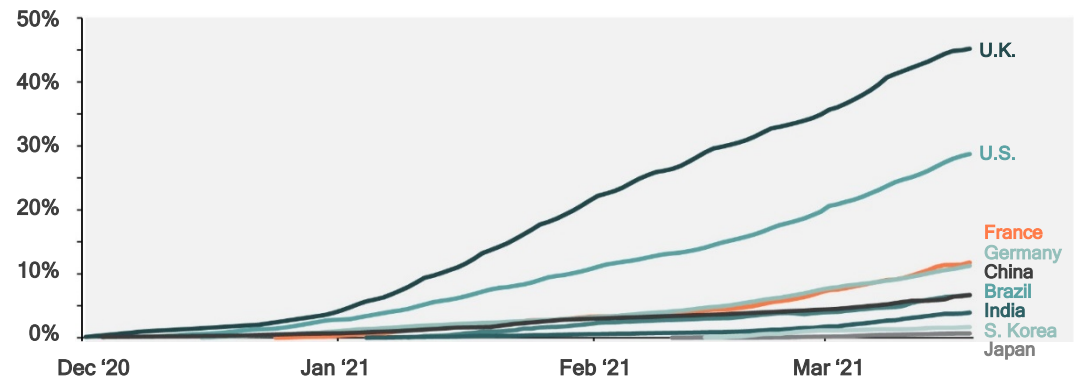
Data as of March 31, 2021. Data is obtained from FactSet, the Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Forecasts are not a reliable indicator of future performance. Positive yield does not imply positive return. **Past performance is no guarantee of future results.**

The global economy has not escaped a recession either, but we believe investors are starting to discount a recovery here too.

- Europe and emerging market economies weakened in early 2019 due to trade disputes with China. COVID-19 weakened these markets further in 2020. We believe recovery is likely to be slow but steady over the next several years, particularly with a slower vaccine rollout in Europe.
- Asia in particular has done an excellent job of containing the virus and is already starting to see improving business conditions, especially in China.
- Global inflation expectations are still benign and this gives central banks the opportunity to keep low short-term rates for an extended timeframe. We think global competition, oil prices and modest wage growth are the key drivers behind this longer-term. We believe global deflation is still the principal threat to developed nations longer-term once these short-term shortages have been corrected.
- International and emerging markets may finally start to perform better relative to the U.S. as breadth improves due to better global economic growth.

COVID-19 Vaccine Rollout

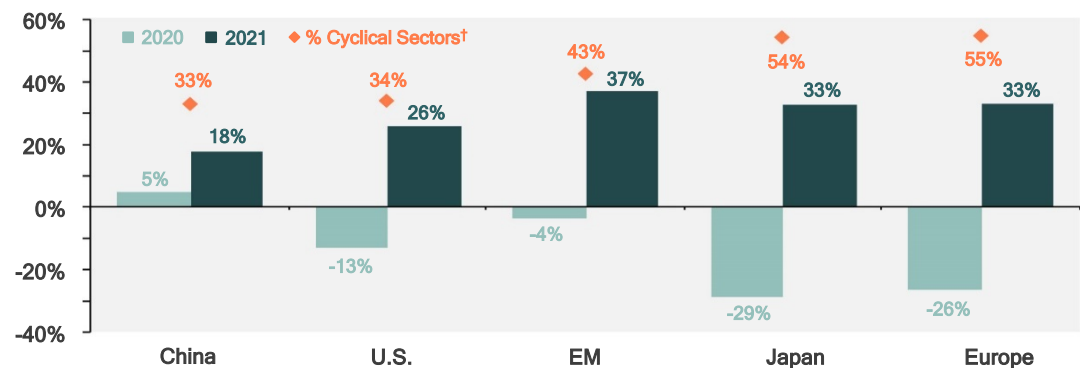
Percent of Total Population that Has Received at Least One Vaccine Dose*



Data is obtained from Our World in Data and J.P. Morgan Asset Management and is assumed to be reliable.

Global Earnings Growth

Calendar Year Consensus Estimates



Data is obtained from FactSet, MSCI, Standard & Poor's, Thomson Reuters and J.P. Morgan Asset Management and is assumed to be reliable.

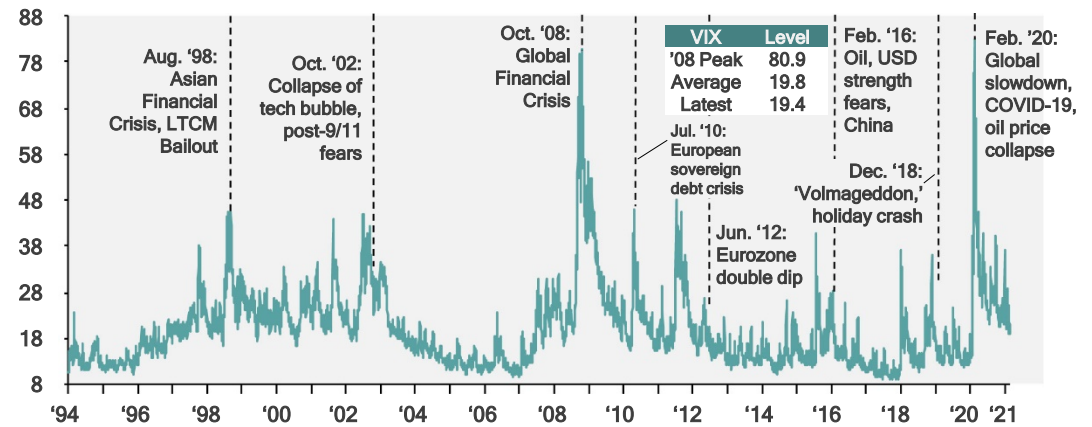
Data as of March 31, 2021.

*Share of total population may not equal the share that are fully vaccinated if the vaccine requires two doses. If a person receives the first dose of a 2-dose vaccine, this metric goes up by 1. If they receive the second dose, the metric stays the same. Data for China represents cumulative doses administered as China does not report the breakdown of doses administered by first and second doses. †Cyclical sectors include consumer discretionary, financials, industrials, energy and materials. The Internet and direct marketing subsector has been removed from the cyclicals calculation. In J.P. Morgan's judgement, companies in this space do not yet fit into the cyclical category, as they are still in a transitional growth phase and are not being directly impacted by the business cycle. 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 U.K. (which collectively make up 44% 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 particularly relative to fixed income.

- Business should continue to improve as states reopen, but we are still not back to normal activity. It will take time, even with vaccines being deployed, to fully restore consumer confidence.
- Equity valuations are above normal by historic measures on absolute levels, but still attractive relative to interest rates. We think earnings are likely to improve from here on a multi-year basis as the health crisis eases.
- We believe foreign markets are recovering gradually, particularly China and Asia, since the health crisis is fading there. Europe has also been relatively successful at containing the virus, but is lagging behind with its vaccination rollout.
- Corporate profit margins should improve over the next several years as revenues increase in an expanding global recovery.
- 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.
- 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 as earnings recover. In our view, relatively tame interest rates combined with improving earnings is a powerful combination for reasonable equity performance.

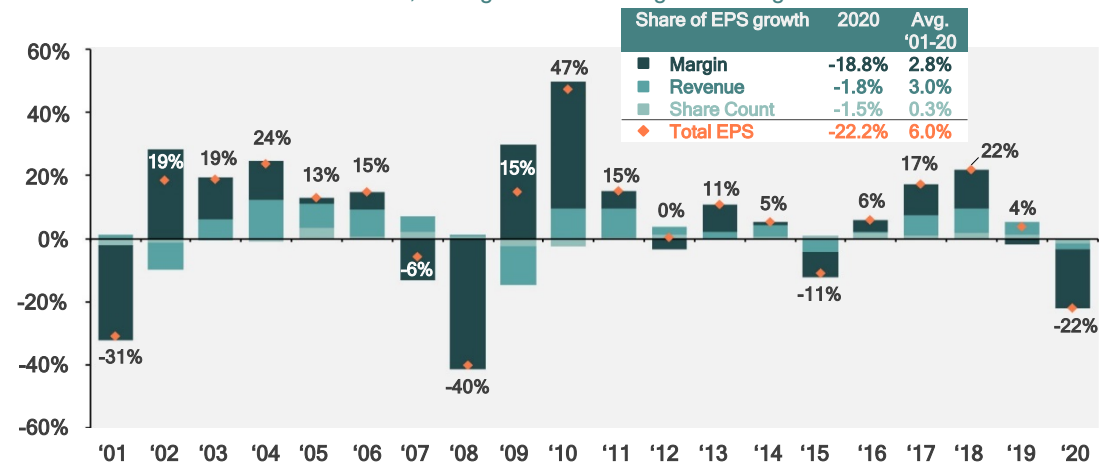
Volatility VIX Index



Data as of March 31, 2021. Data is obtained from FactSet, CBOE, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Drawdowns are calculated as the prior peak to the lowest point. **Past performance is no guarantee of future results.**

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 March 31, 2021. Data is obtained from FactSet, Compustat, 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.**

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

Sector Weights

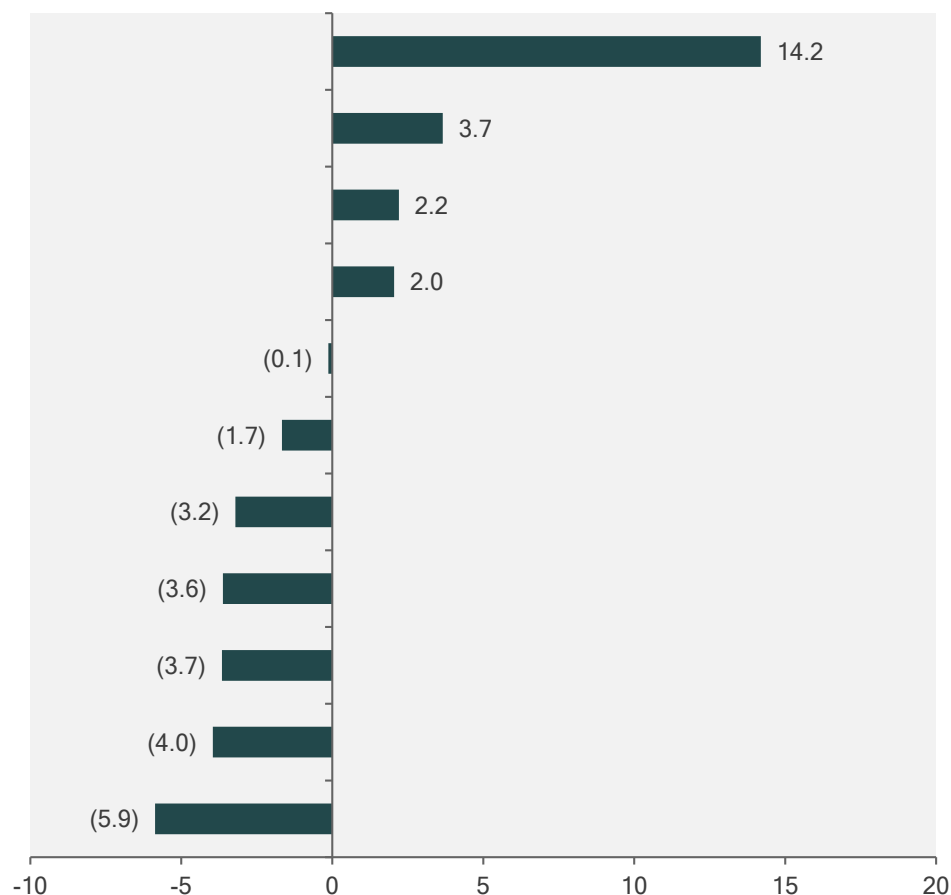
Small-Mid Cap Quality Value Portfolio
As of March 31, 2021



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Sectors	KAR Small-Mid Cap Quality Value (%)	Russell 2500™ Value Index (%)
Information Technology	22.5	8.3
Industrials	21.9	18.3
Materials	9.2	7.0
Consumer Staples	5.4	3.4
Consumer Discretionary	14.1	14.3
Health Care	4.6	6.2
Communication Services	—	3.2
Real Estate	6.9	10.5
Utilities	—	3.7
Energy	—	4.0
Financials	15.3	21.2

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 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.

Conviction-Driven Investing Provides Opportunities for Excess Return

Small-Mid Cap Quality Value Portfolio

As of March 31, 2021



Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
Scotts Miracle-Gro	Materials	6.6
Thor Industries	Consumer Discretionary	5.2
Zebra Technologies	Information Technology	4.8
W. R. Berkley	Financials	4.1
MSCI	Financials	4.1
Lamar Advertising	Real Estate	4.0
Teradyne	Information Technology	4.0
RBC Bearings	Industrials	3.8
Bank of Hawaii	Financials	3.8
Cheesecake Factory	Consumer Discretionary	3.8
Total		44.3

Research confidence leads to large active weights

	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
# of Holdings	31	1,952
Average Position Size (%)	3.2	0.1
Weight of Top Ten Holdings (%)	44.3	4.3
Active Share (%)	97.9	—

The strategy benefits from diversification while still taking significant active positions

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Strong Risk-Adjusted Returns

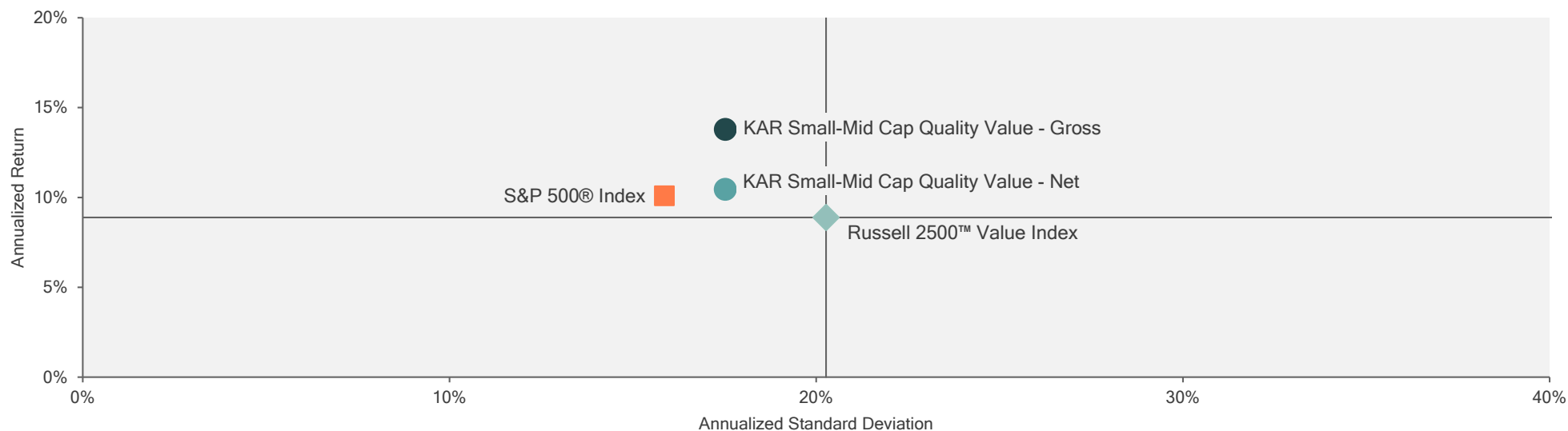
Small-Mid Cap Quality Value Portfolio
Inception* to March 31, 2021



Kayne Anderson Rudnick
Investment Management

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	5.84	0.75	17.52	13.21	0.82	6.63
Russell 2500™ Value Index	0.00	0.41	20.27	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 3/31/21	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
First Quarter	12.62	11.81	16.83	(502)
1 Year	80.65	75.55	87.47	(1,192)
3 Years	18.46	14.99	10.88	412
5 Years	16.80	13.38	12.15	123
7 Years	14.24	10.88	8.70	218
10 Years	14.28	10.93	10.23	70
Since Inception*	13.79	10.45	8.89	157

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
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	5.60	7.11	(151)
2013	36.30	32.41	33.32	(91)
2012	11.01	7.72	19.21	(1,149)
2011	7.40	4.32	(3.36)	768
2010	25.83	22.18	24.82	(264)
2009	32.51	28.68	27.68	100
2008	(18.99)	(21.47)	(31.99)	1,052

*January 1, 2008

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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 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:** Local, regional, or global events such as war, acts of terrorism, the speed of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended.

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 (%)	Percentage of Wrap-Fee Accounts (%)	Number of Accounts (%)	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2010	25.83	22.18	24.82	24.26	27.35	0	< 5	N/A	< 1	4,729
2011	7.40	4.32	(3.36)	20.07	24.57	0	< 5	N/A	1	5,232
2012	11.01	7.72	19.21	13.97	18.67	0	< 5	N/A	85	6,545
2013	36.30	32.41	33.32	12.01	15.29	0	6	0.13	138	7,841
2014	8.88	5.60	7.11	10.65	11.41	0	12	0.09	140	7,989
2015	(0.59)	(3.53)	(5.49)	12.26	12.19	0	< 5	N/A	< 1	8,095
2016	19.40	15.91	25.20	12.26	13.36	100	< 5	N/A	< 1	9,989
2017	19.17	15.69	10.36	10.95	11.98	100	< 5	N/A	< 1	14,609
2018	(11.08)	(13.74)	(12.36)	12.82	13.77	100	< 5	N/A	< 1	17,840
2019	32.48	28.65	23.56	13.58	14.43	100	< 5	N/A	< 1	25,685

*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, 2019. 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.

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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 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 pure gross returns) and the benchmark for the 36-month period.