



Kayne Anderson Rudnick
Investment Management

Small-Mid Cap Quality Value Portfolio
Managed Accounts
Second Quarter 2021

kayne.com

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Firm Overview

As of June 30, 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

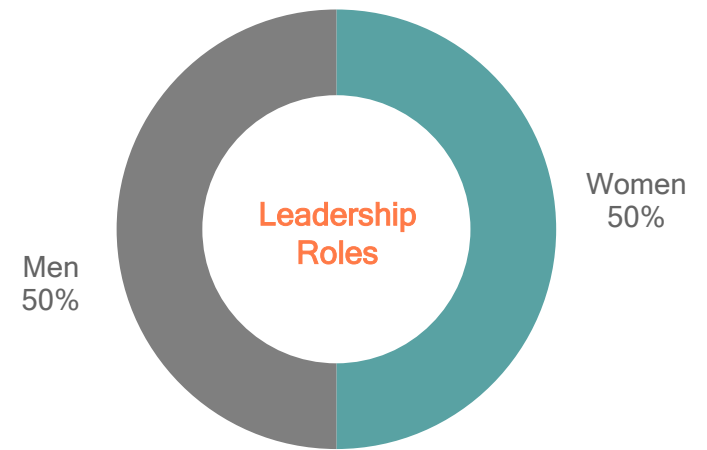
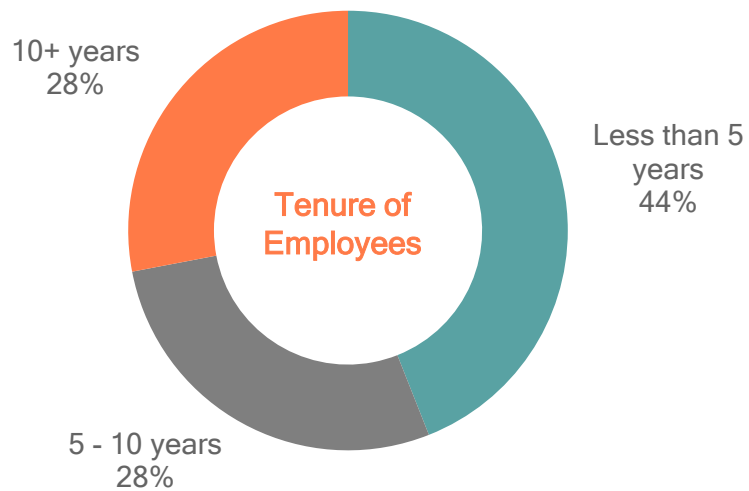
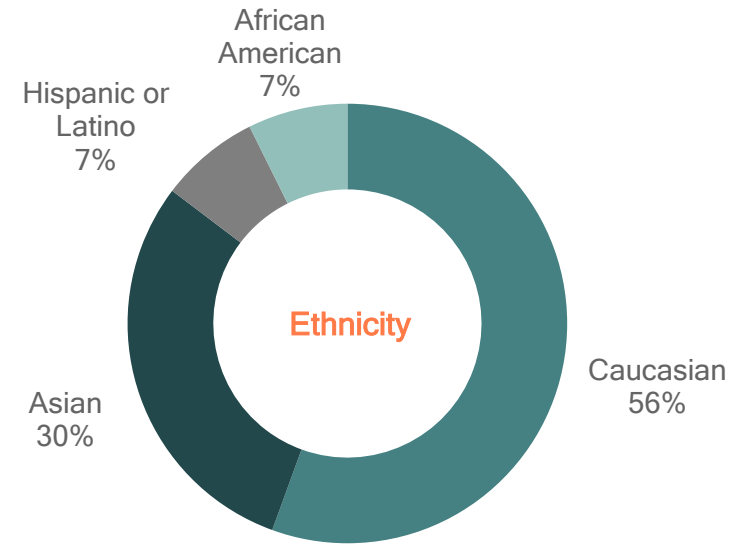
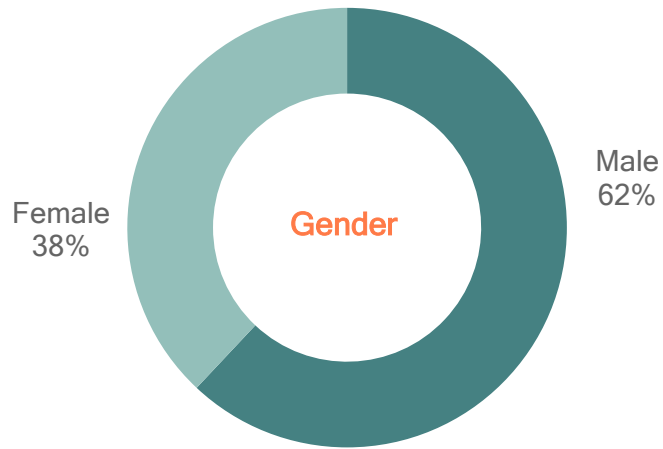
Year Founded	1984
Headquarters	Los Angeles, CA
AUM	\$61.2 billion
Number of Equity Investment Professionals	16
Average Investment Experience	17 Years

Employee Statistics

As of June 30, 2021



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Numbers may not always add up due to rounding.

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.

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

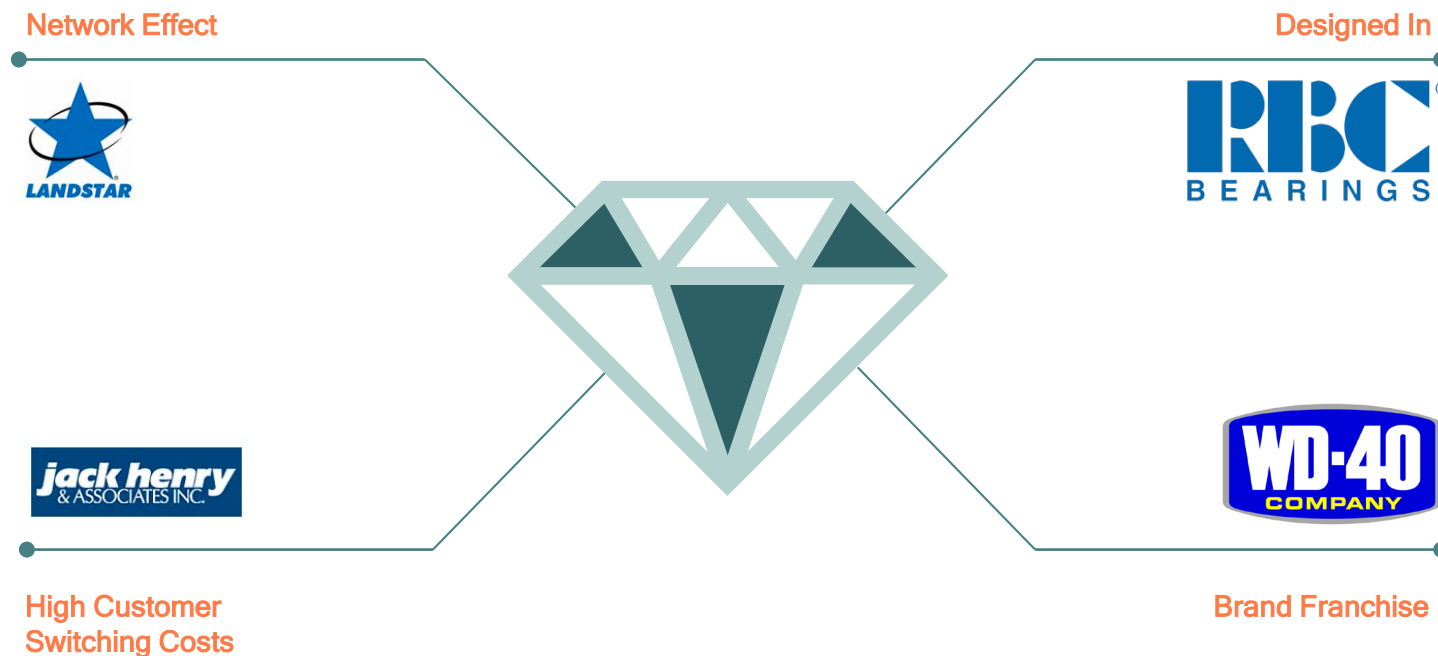
- Cultivates Competitive Advantage
- Rational Capital Allocation
- Considers Stakeholder Interests



KAR HIGH QUALITY BUSINESS

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

Examples of High-Quality Business Models



The securities presented on this page are chosen based upon objective, non-performance based criteria and are current holdings of the strategy. Companies are chosen to exemplify diversification. We typically select companies that operate in large, vast industries, but have overwhelming market share for their particular niches. All information is provided for informational purposes only and should not be deemed as a recommendation to purchase the securities mentioned. It should not be assumed that securities recommended in the future will be profitable. A complete list of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Individual investors' holdings may differ slightly.

Investment Process Overview

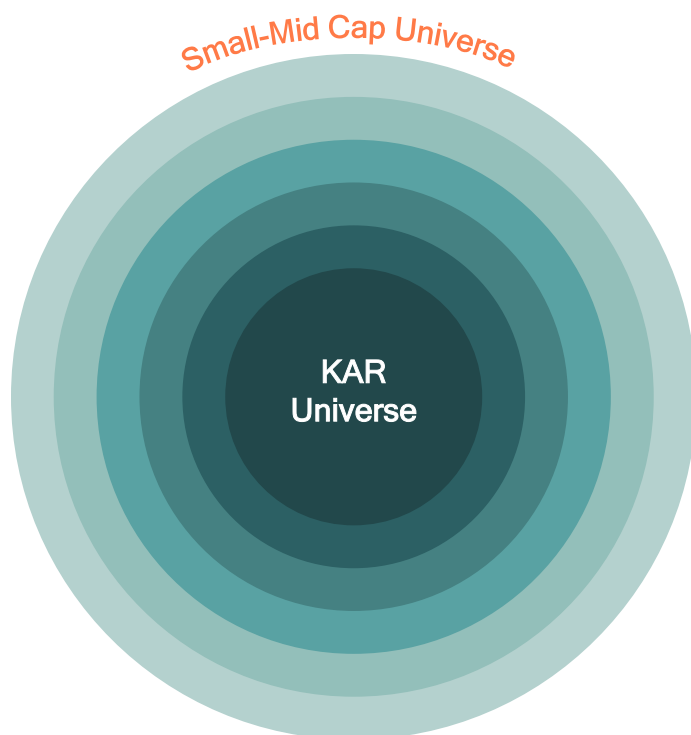
A Business Analyst Approach



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We source our investment universe in a number of ways



Quantitative Screens

- High return on capital over a full economic cycle
- Long and resilient earnings history
- High return on net operating assets
- Minimal debt

Other Resources

- Research on existing portfolio holdings
- Meetings with companies
- Industry reviews
- Investment conferences
- Third-party research



Research analysts and portfolio managers work together to develop in-depth business knowledge



Qualitative Analysis

Purpose: Determine if competitive advantage exists and evaluate its strength.

- Review regulatory filings, company materials, industry data, and third party research
- Conduct comprehensive interviews with management; contact other relevant parties
- Understand basis of competition within industry
- Assess competitive threats and obsolescence risk: What protects the business?

Financial Analysis

Purpose: Evaluate source, level, and sustainability of economic profitability.

- Seek: High and resilient return on capital
- Seek: Persistent earning power
- Seek: Abundant discretionary cash flow
- Seek: Under-levered balance sheet
- Assess management's capital allocation practices; favor high insider ownership

Valuation Analysis

Purpose: Estimate total return over several year period; compare to other opportunities considering varying levels of certainty

- Consider economic earning power in relation to enterprise value
- In our view, mispricing can be created by: Underfollowed company, investors' over-reaction to short-term challenges, improved competitive position not yet recognized

Investment Guidelines

Position Weights	<ul style="list-style-type: none">• 25-35 holdings• Maximum initial position size is 5% (at cost)• Maximum position size is 10% (at market)
Sector Tolerances	<ul style="list-style-type: none">• Seek broad diversification, but no sector constraints
Non-U.S. Holdings	<ul style="list-style-type: none">• Up to 20%
Holding Period	<ul style="list-style-type: none">• Typically 3-to-5 years, but is often longer• Portfolio turnover typically 25% to 35%
Cash Levels	<ul style="list-style-type: none">• Typically will not exceed 10% once a portfolio is fully invested; review by CIO triggered if over 10%

Sell Discipline

Extended Valuation	<ul style="list-style-type: none"> • Significant premium to intrinsic value • Expected annual return insufficient
Portfolio Upgrade	<ul style="list-style-type: none"> • Better business • Better price
Acquisition Activity	<ul style="list-style-type: none"> • Our holding acquired at an attractive premium • Our holding acquires a company diminishing its business or value
Negative Company or Industry Changes	<ul style="list-style-type: none"> • Position review research report written for any of the following conditions: <ul style="list-style-type: none"> - Stock price declines 20% or more in a short time period absent a broad market decline - Validity deteriorates for one or more of the reasons for purchase - Credit-quality profile deteriorates • Quality parameters reviewed by the Chief Investment Officer with the Portfolio Managers

4 | Investment Process

Risk Management & Portfolio Monitoring



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Risk Management

Investment Philosophy	<ul style="list-style-type: none"> • Focus on “high-quality” companies • Company’s “business risk” is primary risk control factor
Portfolio Level Controls	<ul style="list-style-type: none"> • Broad sector diversification • Individual security weights initiated at 2% to 5% of portfolio
Position Reviews	<ul style="list-style-type: none"> • “Position Review” report when a portfolio holding declines 20% absent a broad market decline • Re-validate reasons for original purchase or sell position
Trading Guidelines	<ul style="list-style-type: none"> • Guidelines provided by Portfolio Managers when entering and exiting portfolio holdings • Relative benchmarks and transaction costs are monitored in real time to ensure investments are implemented both efficiently and effectively

Portfolio Monitoring

Risk and Compliance Committee	<ul style="list-style-type: none"> • Meets quarterly to independently evaluate portfolio risk exposures with findings presented to the Chief Investment Officer
CIO/PM Meetings	<ul style="list-style-type: none"> • Provides a forum for the Chief Investment Officer and the Portfolio Managers to review, discuss, and explain each strategy’s portfolio positioning and its performance
Research Meetings	<ul style="list-style-type: none"> • Provides a forum to discuss and evaluate portfolio holdings and overall industry trends
Performance Analytics and Portfolio Attribution	<ul style="list-style-type: none"> • Allows Portfolio Managers to quantify investment decisions and understand drivers of return and risk characteristics

Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Small-Mid Cap Quality Value Portfolio – As of June 30, 2021



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	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
Quality		
Return on Equity—Past 5 Years	24.8%	10.6%
Total Debt/EBITDA	2.0 x	5.5 x
Earnings Variability—Past 10 Years	36.9%	76.8%
Growth		
Earnings Per Share Growth—Past 5 Years	14.0%	8.7%
Earnings Per Share Growth—Past 10 Years	9.6%	6.4%
Dividend Per Share Growth—Past 5 Years	12.7%	3.8%
Dividend Per Share Growth—Past 10 Years	13.4%	8.9%
Capital Generation—{ROE x (1-Payout)}	16.1%	7.6%
Value		
P/E Ratio—Trailing 12 Months	36.2 x	32.6 x
Dividend Yield	1.0%	1.5%
Free Cash Flow Yield†	4.3%	4.5%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$8.6 B	\$5.2 B
Largest Market Cap—3-Year Average	\$24.8 B	\$17.5 B
Annualized Standard Deviation—Since Inception*	17.4%	20.1%

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, 2021. Prices are as of June 30, 2021. Excludes financials.

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 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.**

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.

- **Portfolio Data**
- **Biographies**
- **Representative Client List**
- **Disclosure**

Sector Weights

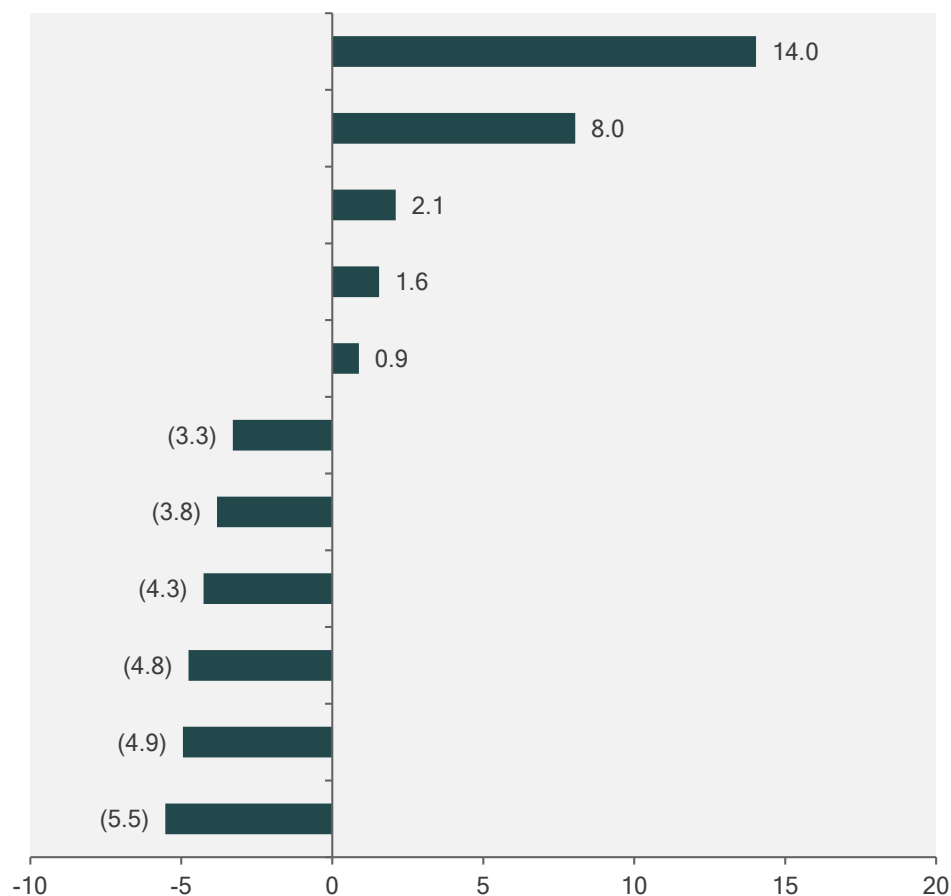
Small-Mid Cap Quality Value Portfolio
As of June 30, 2021



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Sectors	KAR Small-Mid Cap Quality Value (%)	Russell 2500™ Value Index (%)
Information Technology	23.0	9.0
Industrials	25.3	17.2
Consumer Discretionary	12.9	10.8
Consumer Staples	4.8	3.2
Materials	7.6	6.7
Communication Services	—	3.3
Utilities	—	3.8
Financials	15.9	20.1
Energy	—	4.8
Health Care	4.0	9.0
Real Estate	6.5	12.0

Underweight/Overweight (%)



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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 June 30, 2021



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Top 10 Holdings	GICS Sector	% of Portfolio
Zebra Technologies	Information Technology	5.1
Scotts Miracle-Gro	Materials	5.1
MSCI	Financials	5.0
Teradyne	Information Technology	4.3
Thor Industries	Consumer Discretionary	4.3
TransUnion	Industrials	4.1
W. R. Berkley	Financials	3.9
RBC Bearings	Industrials	3.8
Jack Henry & Associates	Information Technology	3.7
Toro	Industrials	3.6
Total		42.8

Research confidence leads to large active weights

	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
# of Holdings	31	1,814
Average Position Size (%)	3.2	0.1
Weight of Top Ten Holdings (%)	42.8	4.1
Active Share (%)	98.1	—

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

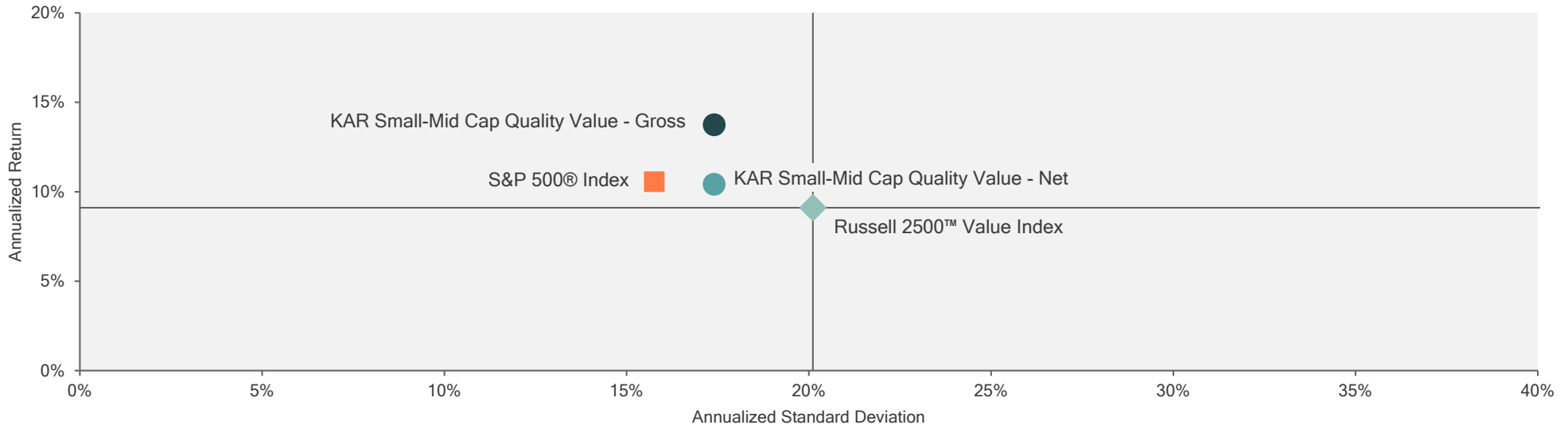
Inception* to June 30, 2021



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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	5.64	0.76	17.40	13.11	0.82	6.63
Russell 2500™ Value Index	0.00	0.42	20.11	15.50	1.00	0.00

*January 1, 2008

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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.**

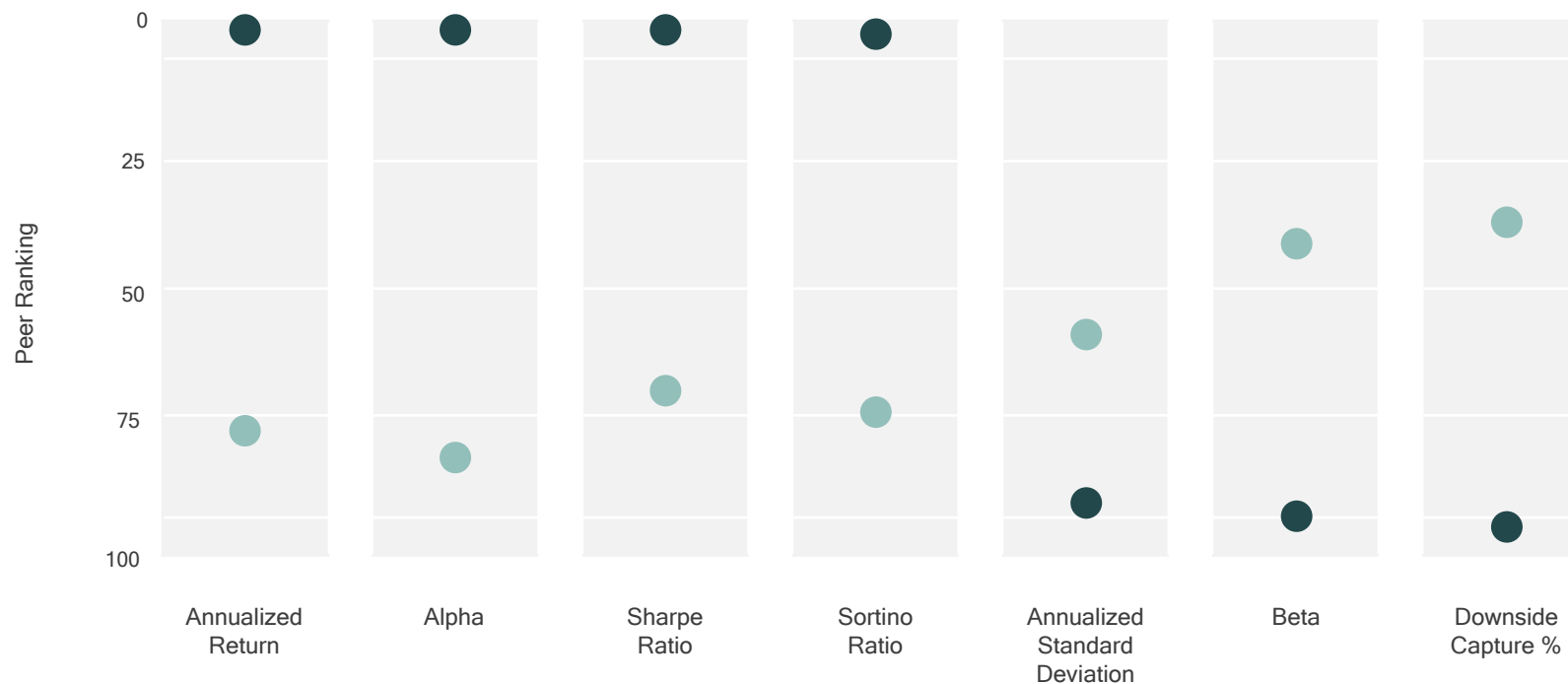
Peer Comparison

Small-Mid Cap Quality Value Portfolio

Inception* to June 30, 2021



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● KAR Small-Mid Cap Quality Value ● Russell 2500™ Value Index ■ Small-Mid Cap Value Universe

*January 1, 2008

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The Small-Mid Cap Value Universe includes all managers categorized in the small-mid cap value asset class by eVestment.

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.** Management fees are described in Form ADV Part 2, which is available upon request. Gross annual returns will be reduced by investment management fees and other expenses that may be incurred in the management of the account. Net annual returns have been calculated after the deduction of an assumed maximum annual fee of 3%. The effect of fees on performance would grow at a compounded rate. Over a five-year period, if a \$100,000 portfolio had an annual return of 10%, it would grow to \$161,051. The net compounded effect of a 3% annual investment management fee would total \$20,796 and result in a portfolio value of \$140,255.

Returns

Small-Mid Cap Quality Value Portfolio



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Annualized Performance

Periods Ending 6/30/21	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
Second Quarter	2.80	2.04	5.00	(296)
Year to Date	15.77	14.09	22.68	(859)
1 Year	46.53	42.32	63.23	(2,091)
3 Years	18.38	14.92	10.60	432
5 Years	16.99	13.57	12.29	128
7 Years	14.01	10.67	8.82	185
10 Years	14.45	11.10	10.93	17
Since Inception*	13.75	10.42	9.11	131

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.

Biographies

Small-Mid Cap Quality Value Team



Kayne Anderson Rudnick
Investment Management



Douglas S. Foreman, CFA

Chief Investment Officer and Member of the Executive Management Committee

Mr. Foreman has approximately 35 years of investment experience. Before joining Kayne Anderson Rudnick in 2011, Mr. Foreman was Director of Equities at HighMark Capital Management and before that he was Group Managing Director and Chief Investment Officer of U.S. equities at Trust Company of the West (TCW). He earned a B.S. in Marine Engineering from The U.S. Naval Academy and an M.B.A. from Harvard University. Mr. Foreman is a Chartered Financial Analyst charterholder.



Julie Kutasov

Portfolio Manager and Senior Research Analyst with primary research responsibilities for the small and mid-capitalization materials and industrials sectors

Before joining Kayne Anderson Rudnick in 2001, Ms. Kutasov worked at Goldman Sachs in a program focused on investment management for high-net worth individuals and at Arthur Andersen as a Senior Associate leading teams that provided financial-audit and business-advisory services to a variety of clients in service-related industries. Ms. Kutasov holds a Certified Public Accountant license (currently inactive) in the state of California. She has approximately 20 years of equity research experience. Ms. Kutasov earned a B.A. in Business Economics from the University of California, Los Angeles, where she graduated summa cum laude, and an M.B.A. from Harvard Business School.



Craig Stone

Portfolio Manager and Senior Research Analyst with primary research responsibilities for the small and mid-capitalization industrials sector

Mr. Stone has approximately 32 years of equity research experience. Before joining Kayne Anderson Rudnick in 2000, Mr. Stone was a Portfolio Manager at Doheny Asset Management. He earned a B.S. in International Business from San Francisco State University and an M.B.A. from the University of Southern California.

Biographies

Small-Mid Cap Quality Value Team



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Todd Beiley, CFA

Senior Research Analyst with primary research responsibilities for the small and mid-capitalization communication services and energy sectors

Before joining Kayne Anderson Rudnick in 2002, Mr. Beiley worked as an Associate Analyst in equity research at Prudential Securities and before that was an Equity Research Associate at RNC Capital Management. He has approximately 22 years of equity research experience. Mr. Beiley earned a B.S. in Finance from Northern Arizona University and an M.B.A. from the University of Southern California. Mr. Beiley is a Chartered Financial Analyst charterholder.



Jon Christensen, CFA

Senior Research Analyst with primary research responsibilities for the small and mid-capitalization health care sector

Before joining Kayne Anderson Rudnick in 2001, Mr. Christensen was a Portfolio Manager and Senior Research Analyst for Doheny Asset Management and has approximately 26 years of equity research experience. He earned a B.S. in Mathematics/Applied Science from the University of California, Los Angeles, and an M.B.A. from the California State University, Long Beach. Mr. Christensen is a Chartered Financial Analyst charterholder.



Julie Biel, CFA

Senior Research Analyst with primary research responsibilities for the small and mid-capitalization information technology sector

Before joining Kayne Anderson Rudnick in 2013, Ms. Biel worked at Imperial Capital as an Equity Research Associate. Prior to business school, Ms. Biel was an Equity Research Associate at Merrill Lynch. She has approximately 13 years of equity research experience. Ms. Biel earned a B.A., in Economics and Psychology from New York University and an M.B.A. from the University of California, Los Angeles. Ms. Biel is a Chartered Financial Analyst charterholder.



Chris Wright, CFA

Senior Research Analyst with primary research responsibilities for the financials and real estate sectors

Before joining Kayne Anderson Rudnick in 2012, Mr. Wright worked at Alvarez & Marsal as a Senior Associate in Turnarounds and Restructuring and at Houlihan Lokey Howard & Zukin as an Associate in the Investment Banking Financial Institutions Group. He has approximately nine years of equity research experience. Mr. Wright earned a B.S.E., concentration in Finance, from the Wharton School at the University of Pennsylvania and an M.B.A. from the University of California, Los Angeles where he was selected for the Student Investment Fund. Mr. Wright is a Chartered Financial Analyst charterholder.

Biographies

Small-Mid Cap Quality Value Team



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Sean Dixon

Research Analyst with primary research responsibilities for the small and mid-capitalization consumer discretionary and industrials sectors

Before joining Kayne Anderson Rudnick in 2018, Mr. Dixon worked as an analyst at Denver Investments, covering international small-cap stocks. Mr. Dixon has approximately 12 years of equity research experience. Mr. Dixon earned his bachelor's degree in finance from the University of Denver.



Adam Xiao, CFA

Research Analyst with primary research responsibilities for the small and mid-capitalization consumer staples, financials and industrials sectors

Before joining Kayne Anderson Rudnick in 2018, Mr. Xiao was with Diamond Hill Capital Management, where he was a senior associate covering telecommunications and networking equipment companies. He has approximately six years of equity research experience. Mr. Xiao earned his B.A. in operations research and management science from UC Berkeley and his MBA from Columbia Business School. Mr. Xiao is a Chartered Financial Analyst charterholder.



Jordan Greenhouse

Managing Director - Senior Client Portfolio Manager

Before joining Kayne Anderson Rudnick in 2016, Mr. Greenhouse worked at Fidelity Investments for approximately 17 years in a variety of roles, most recently as a Regional Vice President in their Private Client Group. He also served as the Chief Operating Officer at Rady Asset Management. He has approximately 24 years of investment experience. Mr. Greenhouse earned a B.S. in Psychology from the University of Utah and an M.B.A. from the Johnson Graduate School of Management at Cornell University.



James B. May, CFA

Managing Director - Client Portfolio Manager

Prior to joining Kayne Anderson Rudnick in 2019, Mr. May worked as a product specialist covering domestic and international equity strategies at Virtus Investment Partners and as a senior portfolio manager and ETF specialist in the Global Structured Products Group at SSgA. He has approximately 33 years of investment experience. Mr. May earned a B.A. in Finance from Bentley University and an M.B.A. from Boston College. Mr. May is a Chartered Financial Analyst charterholder.



Stephen A. Rigali, CFA

Executive Managing Director and Member of the Executive Management Committee

Mr. Rigali has approximately 40 years of experience in the investment management industry. Before joining Kayne Anderson Rudnick in 1991, Mr. Rigali was a Vice President at Shearson Lehman Brothers. Mr. Rigali earned a B.S. in Business and Economics from Loyola Marymount University. He is a Chartered Financial Analyst charterholder and a member of the CFA Society of Los Angeles, Inc.



Douglas S. Foreman, CFA

Chief Investment Officer and Member of the Executive Management Committee

Mr. Foreman has approximately 35 years of investment experience. Before joining Kayne Anderson Rudnick in 2011, Mr. Foreman was Director of Equities at HighMark Capital Management and before that he was Group Managing Director and Chief Investment Officer of U.S. equities at Trust Company of the West (TCW). He earned a B.S. in Marine Engineering from The U.S. Naval Academy and an M.B.A. from Harvard University. Mr. Foreman is a Chartered Financial Analyst charterholder.



Jeannine G. Vanian

Chief Operating Officer and Member of the Executive Management Committee

Ms. Vanian has approximately 34 years of experience in the investment management industry, including 32 years with Kayne Anderson Rudnick. Ms. Vanian attended The American University in Cairo, Egypt.

Disclosure

Small-Mid Cap Quality Value Portfolio



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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.

Kayne Anderson Rudnick Investment Management, LLC ("KAR"), 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. KAR 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 pure gross returns) and the benchmark for the 36-month period.