Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Mid Cap Sustainable Growth Portfolio
Managed Accounts
Second Quarter 2023 Review

kayne.com

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Firm Overview
As of June 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	$53.5 billion*
Number of Equity Investment Professionals	19
Average Investment Experience	17 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.

Disciplined Investment Approach

Investment Philosophy & Objectives

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Investment Philosophy

We believe businesses with sustainable competitive advantages can maintain above average growth and are better positioned to exceed consensus growth expectations which should lead to excess shareholder returns over a full market cycle

Investment Objectives

- To achieve a return meaningfully above that of the Russell Midcap® Growth Index
- To achieve this return objective with a portfolio that exhibits similar risk characteristics overall relative to the benchmark*

**There is no guarantee that the portfolio will meet its objective.*

Tenets of Quality

Our Qualitative Business Assessment

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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

Growth Equity Team

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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer and Portfolio Manager	37 Years	12 Years
Chris Armbruster, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Communication Services, Consumer Discretionary, Health Care and Information Technology	18 Years	10 Years
Richard Sherry, CFA	Senior Research Analyst Sector Coverage: Communication Services, Energy, Financials, Real Estate and Utilities	25 Years	28 Years
Ekaterina Advena	Research Analyst Sector Coverage: Consumer Staples, Health Care, Industrials and Materials	14 Years	8 Years
Noran Eid	Research Analyst Sector Coverage: Consumer Discretionary, Health Care and Information Technology	10 Years	5 Years
Clarissa Ali	Junior Research Analyst	<1 Year	5 Years
James B. May, CFA	Managing Director – Client Portfolio Manager	35 Years†	4 Years
Jason Pomatto	Managing Director – Client Portfolio Manager	29 Years†	1 Year

†Represents years of industry experience.

Market Review
Performance by Sector and Style

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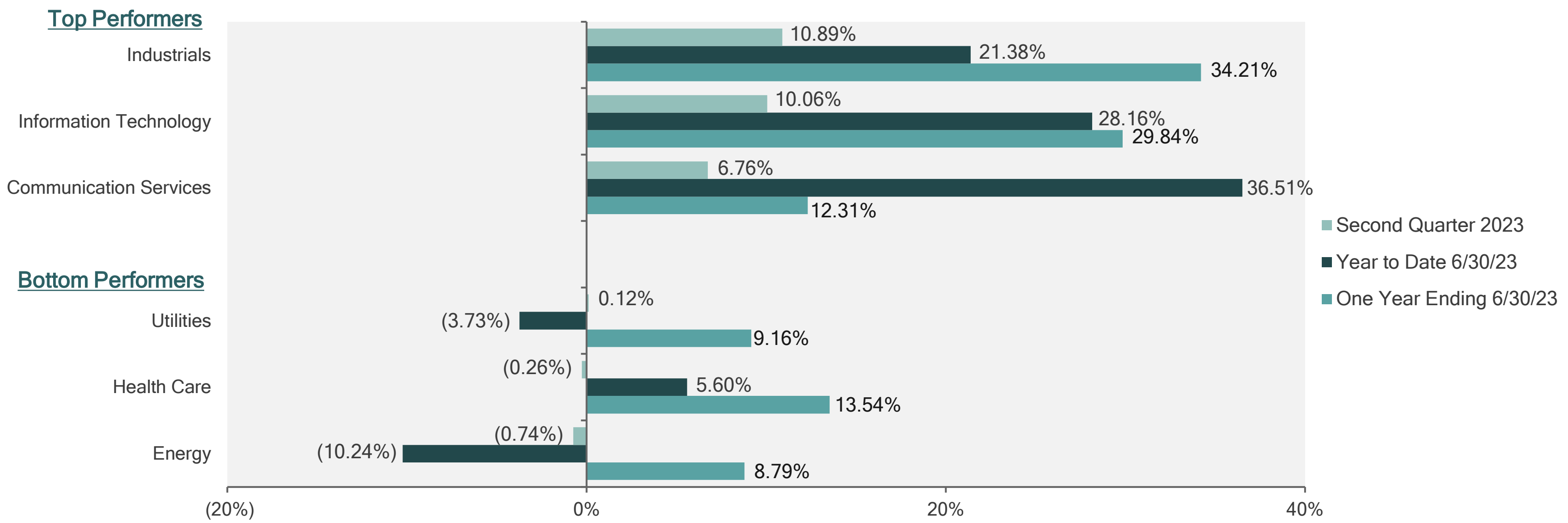
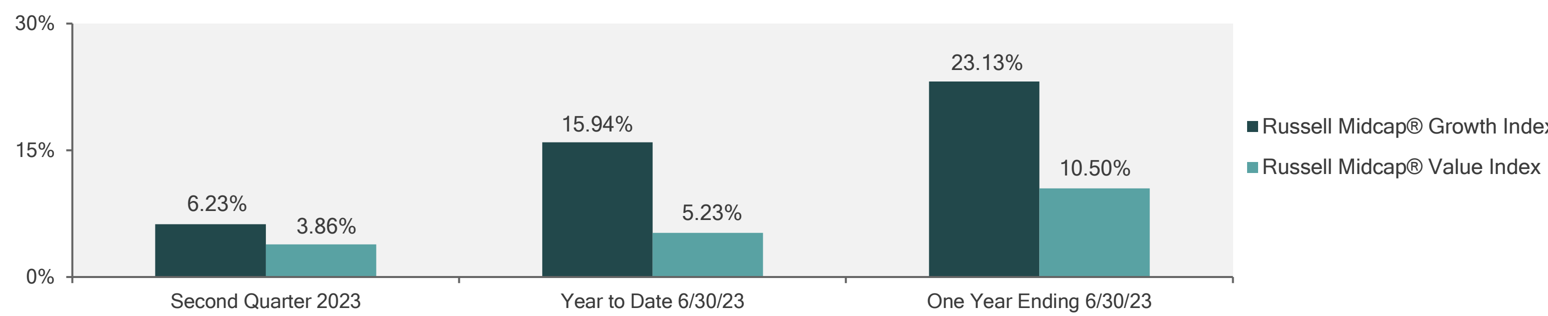
Sector Performance
Russell Midcap® Growth Index



Performance by Style
Russell Midcap® Growth Index vs. Russell Midcap® 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 Financial Metric

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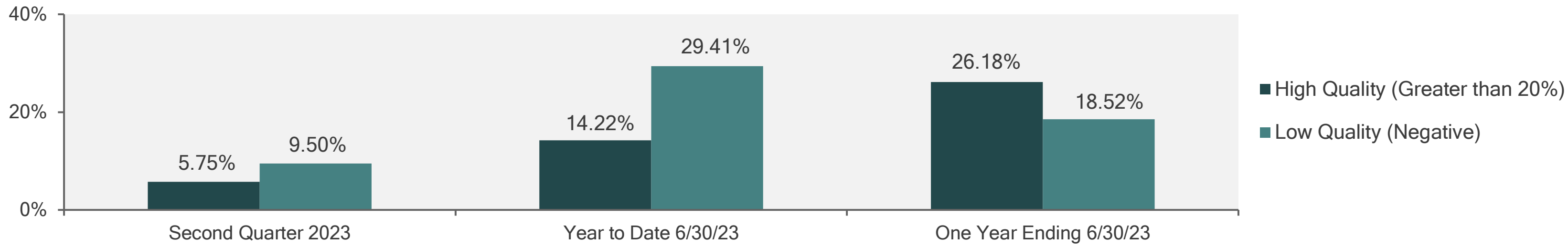
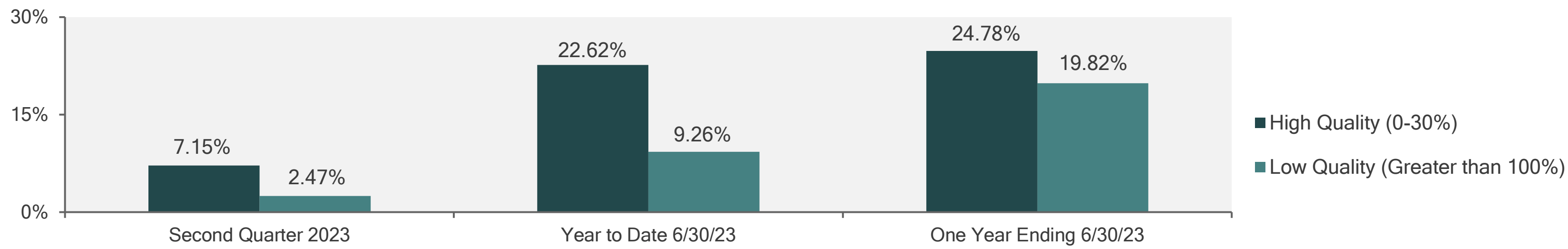
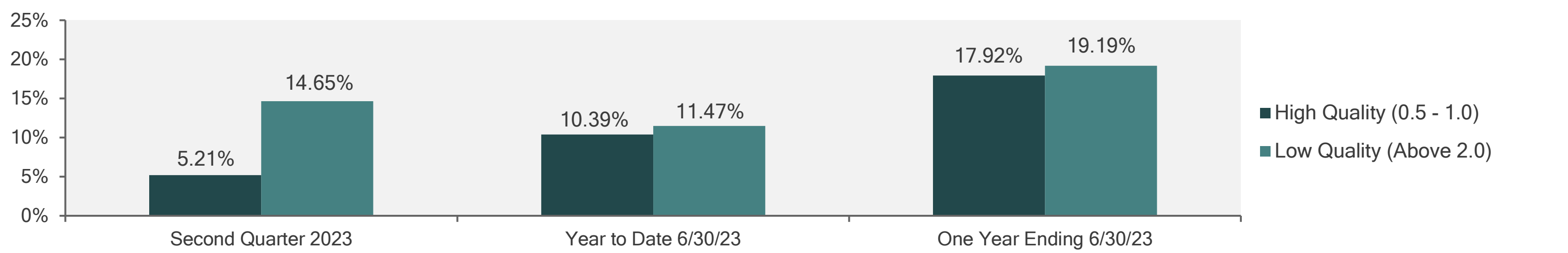
Performance by Return on Equity
Russell Midcap® Growth Index



Performance by Debt/Capital Ratio
Russell Midcap® Growth Index



Performance by Beta
Russell Midcap® Growth Index



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Quarterly Performance Overview

Mid Cap Sustainable Growth Portfolio
Periods Ending June 30, 2023

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Monthly, Quarterly, and Year to Date Performance

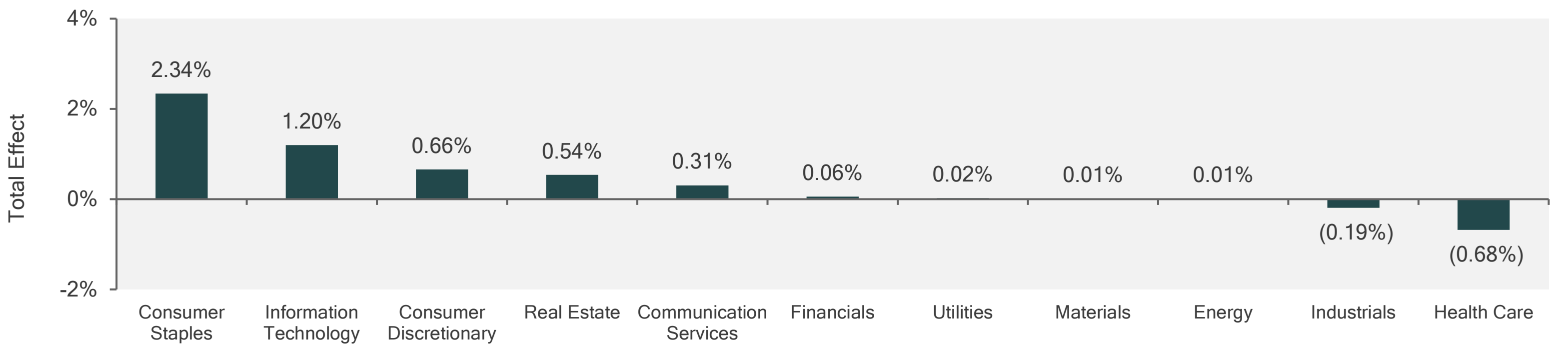
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
April	(0.34)	(0.59)	(1.45)	86
May	1.40	1.15	0.06	109
June	8.86	8.61	7.73	88
Second Quarter	10.02	9.22	6.23	299
Year to Date	15.37	13.69	15.94	(225)

Annualized Performance

Periods Ending 6/30/2023	Gross (%)	Net (%)	Index (%)
1 Year	22.72	19.14	23.13
5 Years	11.62	8.34	9.71
10 Years	13.93	10.59	11.53

Attribution by Sector

Quarter Ending June 30, 2023



	Consumer Staples	Information Technology	Consumer Discretionary	Real Estate	Communication Services	Financials	Utilities	Materials	Energy	Industrials	Health Care	Total Effect
KAR Selection Effect	2.78%	1.25%	0.64%	0.55%	0.31%	0.11%	0.00%	0.00%	0.03%	0.12%	(1.11%)	4.67%
KAR Allocation Effect	(0.44%)	(0.05%)	0.02%	(0.01%)	(0.01%)	(0.05%)	0.02%	0.01%	(0.02%)	(0.31%)	0.43%	(0.39%)

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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

Mid Cap Sustainable Growth Portfolio
Quarter Ending June 30, 2023

Kayne Anderson Rudnick
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Security	Contribution	Comments
Celsius Holdings	+2.90%	In the first quarter of 2023, Celsius Holdings reported it had spent heavily in conjunction with its distribution deal causing it to miss fourth quarter 2022 numbers. The company normalized its spending just one quarter later. Revenue growth was broad-based with older channels still growing and newer channels now contributing to revenue.
MongoDB	+1.26%	Since all artificial intelligence (AI) applications need data at their core in a format that is easy to access and manipulate, we believe MongoDB's document database is uniquely positioned to be a key beneficiary of the AI revolution. During the quarter, the company announced strong growth in customers and launched a suite of new enabling products.
SiteOne Landscape Supply	+1.03%	After fighting through an overhang from COVID-era spending, we believe SiteOne is poised to reaccelerate growth later in 2023 and expand margins. While still down due to a tough comp, volumes exceeded expectations in the most recent quarter on solid growth in all regions of the country not affected by unseasonable weather. Additionally, the company has continued to consolidate the market through acquisitions (a core tenant of our investment philosophy) at what we believe are attractive prices.
BILL Holdings	+0.76%	BILL reported stabilization of client spending patterns from the customer budget-pullbacks that began last quarter, providing better visibility of Total Payment Value (TPV) progression. Due to less uncertainty in TPV, shares performed well in the quarter.
The Trade Desk	+0.76%	The Trade Desk reported well-above expectations growth in the most recent quarter as advertisers are embracing the ad-spend ROI benefits of the company's broad platform. From open internet (targeting powered by UID 2.0) to connected TV to Shopper Marketing, we believe their platform optionality is truly differentiated. In our view, the CTV business in particular is robust as more streaming services are offering ad-supported viewing tiers in the race to grow subscribers.

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Lowest Contributors

Mid Cap Sustainable Growth Portfolio
Quarter Ending June 30, 2023

Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
MarketAxess	(0.68%)	MarketAxess has seen its market share in the core U.S. high-grade market continue to deteriorate, offsetting the success it is having in other credit products. It appears that a competitor that offers a broader platform for trading fixed income securities is successfully encroaching on MarketAxess market share.
Mettler-Toledo	(0.59%)	Mettler-Toledo declined in the quarter as constrained spending from its customers led to a miss in its Lab segment and the company moderated its guidance for the segment for the year. We remain optimistic about the company given its pricing power and burgeoning sources of demand for building and developing lithium-ion batteries and sustainable polymers.
MercadoLibre	(0.41%)	Despite some issues that cropped up in the most recent quarter, we believe MercardoLibre has executed well across all of its business lines over the last year. The company continued to benefit from competitor issues posting industry-leading GMV growth with increasing contribution from its high margin advertising business. Additionally, the company posted improvements in lending credit metrics while expanding the value of transactions completed on its payments network.
STAAR Surgical	(0.35%)	Unfortunately, growth stalled after the launch of EVO Visian lens in the U.S. owing to different market dynamics in the U.S. compared to China, which represents about half of revenue. In the U.S. most eye surgeons have individual practices, some of which have office-based surgical suites but some do not and require rental of an ambulatory surgical center. Not only is it time consuming but also can reduce the relative profitability of the procedure to the doctor versus laser alternatives. Based on work we have done it still appears eye surgeons want to use the STAA products in more procedures but the pace of adoption could be slower in the near term as those doctors work through surgical suite access and cost equations.
Silk Road Medical	(0.27%)	While Silk Road reported strong quarterly results, a sell-side report identified some shortcomings in its Total Addressable Market calculations. These calculations are based on third-party data for how many carotid procedures are done each year. The report contends that the market is smaller and Silk Road is more penetrated, leading to lower future revenue growth.

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Annual Performance Overview

Mid Cap Sustainable Growth Portfolio
Periods Ending June 30, 2023

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Quarterly and Annual Performance

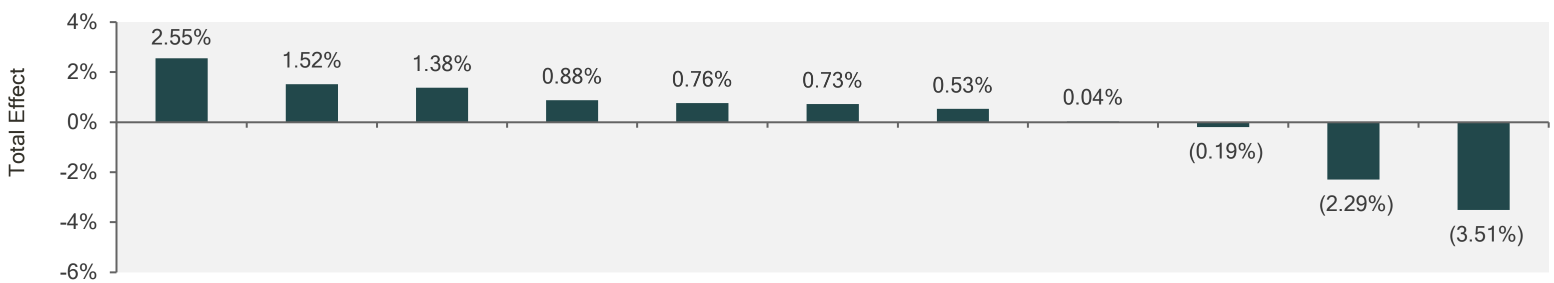
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Third Quarter 2022	2.00	1.24	(0.65)	189
Fourth Quarter 2022	4.29	3.51	6.90	(339)
First Quarter 2023	4.87	4.09	9.14	(504)
Second Quarter 2023	10.02	9.22	6.23	299
1 Year Ending 6/30/23	22.72	19.14	23.13	(399)

Annualized Performance

Periods Ending 6/30/2023	Gross (%)	Net (%)	Index (%)
1 Year	22.72	19.14	23.13
5 Years	11.62	8.34	9.71
10 Years	13.93	10.59	11.53

Attribution by Sector

One Year Ending June 30, 2023



	Consumer Staples	Consumer Discretionary	Communication Services	Information Technology	Industrials	Real Estate	Materials	Utilities	Energy	Health Care	Financials	Total Effect
KAR Selection Effect	3.54%	1.24%	1.61%	0.93%	1.40%	0.69%	0.00%	0.00%	0.14%	(2.79%)	(3.21%)	3.55%
KAR Allocation Effect	(0.99%)	0.27%	(0.22%)	(0.04%)	(0.64%)	0.04%	0.53%	0.04%	(0.33%)	0.50%	(0.30%)	(1.14%)

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Highest Contributors

Mid Cap Sustainable Growth Portfolio
One Year Ending June 30, 2023

Kayne Anderson Rudnick
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Security	Contribution	Comments
Celsius Holdings	+4.33%	The last year has been tremendous for Celsius underlined by its landmark distribution deal. Under the agreement, ACV (a measure of distribution) has already increased and given the company a runway to launch overseas in 2024. Older channels continue healthy growth and newer channels have increased revenue after being non-existent a year ago.
Fair Isaac	+3.56%	Fair Isaac continues to have pricing power in abundance across all of its verticals driving strong results in the face of notable weakness in the mortgage market. Over the last 12 months growth of the company's decisioning software business continued to accelerate reaching double digits in the most recent quarter with strong margin expansion due to deemphasis of professional services.
SiteOne Landscape Supply	+1.91%	SiteOne Landscape Supply experienced organic daily sales growth despite the tough comparisons for the previous two years. This helped the stock outperform.
Gartner	+1.82%	After a multi-year turnaround of its CEB acquisition, Gartner’s overall business is on much firmer footing with robust levels of sales rep productivity in the research and consulting business. As new technologies are introduced and adopted rapidly, customers increasingly rely on Gartner to assist them with adoption and implementation. Momentum continued in the Conferences business as people returned to in-person events post pandemic.
MercadoLibre	+1.76%	Despite some issues that cropped up in the most recent quarter, we believe MercardoLibre has executed well across all of its business lines over the last year. The company continued to benefit from competitor issues posting industry-leading GMV growth with increasing contribution from its high margin advertising business. Additionally the company posted improvements in lending credit metrics while expanding the value of transactions completed on its payments network.

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Lowest Contributors

Mid Cap Sustainable Growth Portfolio
One Year Ending June 30, 2023

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Security	Contribution	Comments
Signature Bank	(3.10%)	Signature Bank's largely uninsured deposit base that had some concentration with the venture capital and digital asset communities left it in a precarious position after the collapse of Silicon Valley Bank. Preemptively regulators shut down the banks and orchestrated a sale of most of the deposits to New York Community Bank which left the equity with no intrinsic value.
Definitive Healthcare	(0.77%)	Demand in Definitive Healthcare's core life sciences market has been sluggish for some time as sales cycles have elongated with upsells particularly hard to land as customers were not getting budget approval for expansions. In the most recent quarter the company onboarded a new dataset that was margin dilutive in the near term and hinted at more M&A needed for the platform. A continuous level of data acquisition may be required to maintain differentiation and that the company may look to invest some of its operating margin into accelerating growth.
STAAR Surgical	(0.63%)	Unfortunately, growth stalled after the launch of EVO Visian lens in the U.S. owing to different market dynamics in the U.S. compared to China, which represents about half of revenue. In the U.S. most eye surgeons have individual practices, some of which have office-based surgical suites but some do not and require rental of an ambulatory surgical center. Not only is it time consuming but also can reduce the relative profitability of the procedure to the doctor versus laser alternatives. Based on work we have done it still appears eye surgeons want to use the STAA products in more procedures but the pace of adoption could be slower in the near term as those doctors work through surgical suite access and cost equations.
nCino	(0.48%)	nCino sells its cloud-based operating system to banks. Once installed, the software is very sticky, so while the business won't fall apart, growth might be hard to come by in coming quarters. Recent turmoil in the sector from the collapse of SVB, SBNY and CS could pause or slowdown cloud transformations or increase bank consolidation which could result in customer churn. Finally banks are likely to reign in lending in the near term and be more reluctant to chase yield in securities portfolios which will pressure discretionary spending on things like NCNO software. We exited the position in 1Q23.
Domino's Pizza	(0.26%)	Domino's is working through a tough period in the company's history. Its technology advantage garnered from a homegrown tech stack has eroded, its value proposition has been challenged by inflation and its delivery business has heightened competition from 3rd party providers offering food from other restaurants with the same delivery experience and siphoning off drivers. The company self-identified as a "work in progress brand" as innovation has been lacking as well.

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Purchases

Mid Cap Sustainable Growth Portfolio
Quarter Ending June 30, 2023

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Purchases	Descriptions/Reasons
Cloudflare–Initiated Position	Cloudflare is on a long-term trajectory of displacing on-premise networking hardware through a unique, scaled architecture of distributed hardware that can be repurposed real-time to run any of the company's software offerings for customers as a service. Customers use Cloudflare to deliver upwards of 20% of all internet traffic and increasingly are using it as a zero trust network to deliver secure intra-company network connectivity. Artificial intelligence (AI) presents a new leg of growth as Cloudflare's network reduces the latency of running and delivering large language models.
Murphy USA–Initiated Position	Murphy USA runs over 1,700 gas stations and convenience stores in 27 states. Its unique cost advantages are very hard for mom-and-pop competitors to replicate which gives it a pricing advantage and allows it to generate significant free cash flow. Murphy USA owns almost 80% of stores which reduces rent expense and has co-located nearly two-thirds of them near a Walmart which provides high levels of traffic. It purchases gasoline directly from the fuel terminals offering the lowest prices which is particularly helpful during times of volatile fuel prices. Finally, Murphy is one of the largest buyers and retailers of tobacco in the country that it sells at attractive prices to generate foot traffic.

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Sales

Mid Cap Sustainable Growth Portfolio
Quarter Ending June 30, 2023

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Sales	Reasons
Definitive Healthcare–Sold Entire Position	Demand in Definitive Healthcare's core life sciences market has been sluggish for some time as sales cycles have elongated. In the most recent quarter, the company onboarded a new dataset that was margin dilutive in the near term and hinted at more M&A needed for the platform. We were worried that a continuous level of data acquisition is required to maintain differentiation and that the company may look to invest some of its operating margin into accelerating growth. Therefore, we sold our position in the quarter.
DocuSign–Sold Entire Position	In addition to difficult COVID-era comparisons, DocuSign has outsized exposure to the mortgage market so the rise in interest rates has had a significant impact on sales. We also believe that digital signatures are becoming commoditized. With these headwinds, we sold our position in the quarter.
National Beverage–Sold Entire Position	We sold National Beverage as we have been concerned about the elasticity of demand in the sparkling water segment for some time. The company kept raising prices to combat inflation but volumes continued to decrease. In the most recent quarter, the market share declines that National Beverage was experiencing accelerated and we sold our position.

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Portfolio Characteristics

Mid Cap Sustainable Growth Portfolio

As of June 30, 2023

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	KAR Mid Cap Sustainable Growth	Russell Midcap® Growth Index
Quality		
Return on Equity–Past 5 Years	21.4%	21.4%
Debt/EBITDA*	1.4 x	1.5 x
Earnings Variability–Past 10 Years	62.7%	64.4%
Growth		
Sales Per Share Growth–Past 5 Years	14.8%	14.5%
Earnings Per Share Growth–Past 5 Years	20.3%	16.0%
Earnings Per Share Growth–Past 10 Years	16.5%	14.4%
Value		
P/E Ratio–Trailing 12 Months	51.0 x	48.8 x
P/E Ratio–1-Year Forecast FY EPS	32.0 x	23.9 x
Free Cash Flow Yield†	2.3%	2.7%
Market Characteristics		
$ Weighted Average Market Cap	$25.0 B	$25.4 B
Largest Market Cap	$79.7 B	$50.6 B

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 March 31, 2023. Prices are as of June 30, 2023. Excludes financials.

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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

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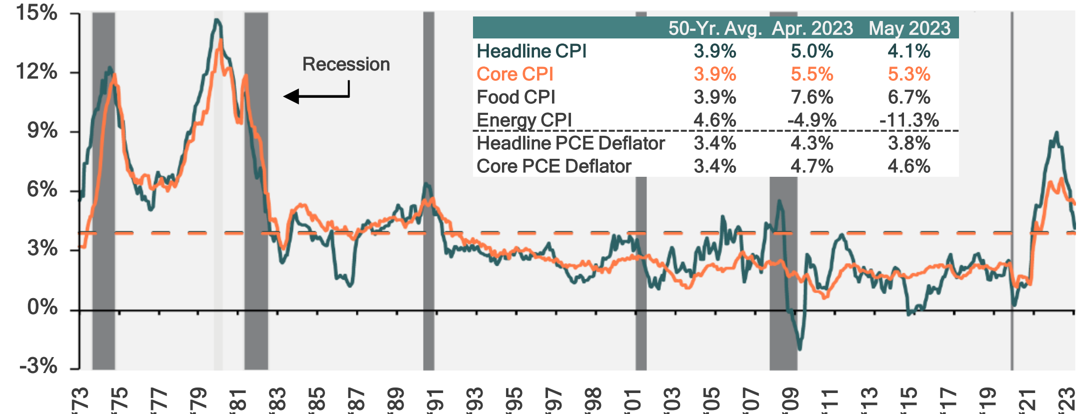
We believe the economy will continue to slow in 2023. Hawkish monetary policy in response to unacceptable levels of inflation is slowing economic growth already and threatens to engineer a mild recession over the next 12 months.

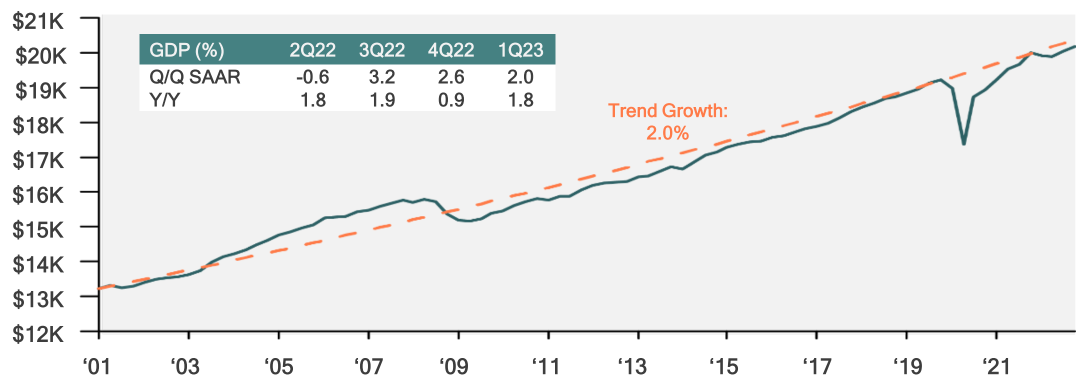
- We believe corporate profit growth will moderate in 2023 but will remain slightly positive. However, recession risks, due to inflation, are growing and threatening earnings per share growth over the next year. We believe recession concerns have become the dominant investor concern replacing inflation.
- 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.
- Hawkish monetary policy is already slowing sectors, such as autos, housing, raw materials, used car prices, and even rents. Market interest rates are already well below the Federal Funds rate.
- 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 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.

Figure 1: CPI and Core CPI
% Change vs. Prior Year, Seasonally Adjusted



	50-Yr. Avg.	Apr. 2023	May 2023
Headline CPI	3.9%	5.0%	4.1%
Core CPI	3.9%	5.5%	5.3%
Food CPI	3.9%	7.6%	6.7%
Energy CPI	4.6%	-4.9%	-11.3%
Headline PCE Deflator	3.4%	4.3%	3.8%
Core PCE Deflator	3.4%	4.7%	4.6%

Figure 2: Real GDP
Trillions of Chained (2012) Dollars, Seasonally Adjusted at Annual Rates



GDP (%)	2Q22	3Q22	4Q22	1Q23
Q/Q SAAR	-0.6	3.2	2.6	2.0
Y/Y	1.8	1.9	0.9	1.8

Data as of June 30, 2023. Figure 1 data is obtained from BLS, FactSet and J.P. Morgan Asset Management and is assumed to be reliable. Figure 2 data is obtained from BEA, FactSet and J.P. Morgan Asset Management and is assumed to be reliable. CPI used is CPI-U and values shown are change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations. Values may not sum to 100% due to rounding. Trend growth is measured as the average annual growth rate from business cycle peak 1Q01 to business cycle peak 4Q19. ***Past performance is no guarantee of future results.***

Market Commentary

International Economy

Kayne Anderson Rudnick
Investment Management

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

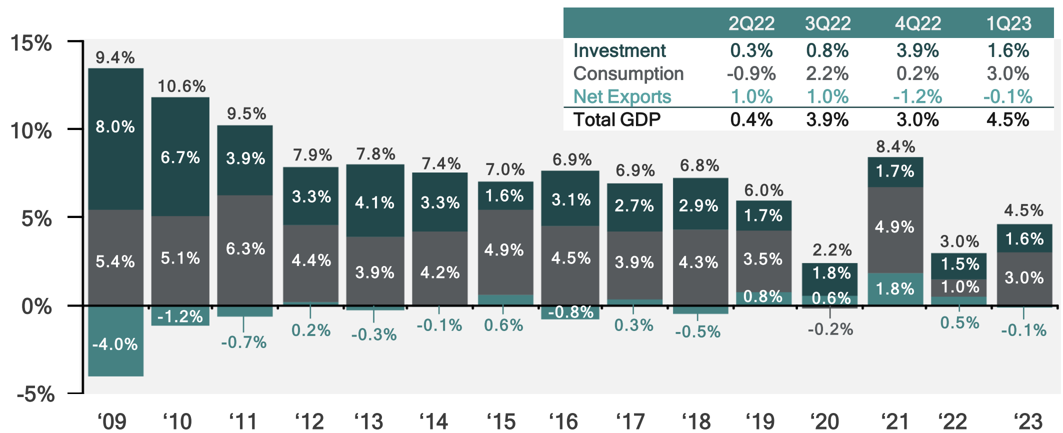
- Global inflation expectations have risen along with the U.S., particularly in Asia where numerous city and country shutdowns have continued to contribute to the supply/demand shortfall globally. Supply chain issues finally appear to be disappearing.
- The U.S. has continued to produce significant returns 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.
- The invasion of Ukraine has negative implications for European economic growth. The longer the conflict lasts, the more likely Europe will slip into a deeper 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 PMI Suppliers' Delivery Times Index*

100 - Global PMI Suppliers' Delivery Times Index

Figure 4: China Real GDP Contribution

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



	2Q22	3Q22	4Q22	1Q23
Investment	0.3%	0.8%	3.9%	1.6%
Consumption	-0.9%	2.2%	0.2%	3.0%
Net Exports	1.0%	1.0%	-1.2%	-0.1%
Total GDP	0.4%	3.9%	3.0%	4.5%

*Figure 3 data is as of March 31, 2023 and is obtained from Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Figure 4 data is as of June 30, 2023 and is obtained from FactSet, CEIC and J.P. Morgan Asset Management and is assumed to be reliable. *Participants in Standard & Poor's PMI business surveys, conducted in 44 countries, are asked: "Are your suppliers' delivery time slower, faster or unchanged on average than one month ago?". Index includes the manufacturing and construction sectors. PMI score reflected above is 100-PMI report by Standard & Poor's. A reading of 50 = no change, <50 = faster delivery time, >50 = slower delivery time.* ***Past performance is no guarantee of future results.***

Market Commentary

Kayne Anderson Rudnick
Investment Management

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

- Monetary policy should continue to slow the economy into 2023. 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.
- Corporate profit margins have declined due to high input costs, transportation bottlenecks, and supply constraints although these factors are clearly reversing now.
- 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 appear to have peaked 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

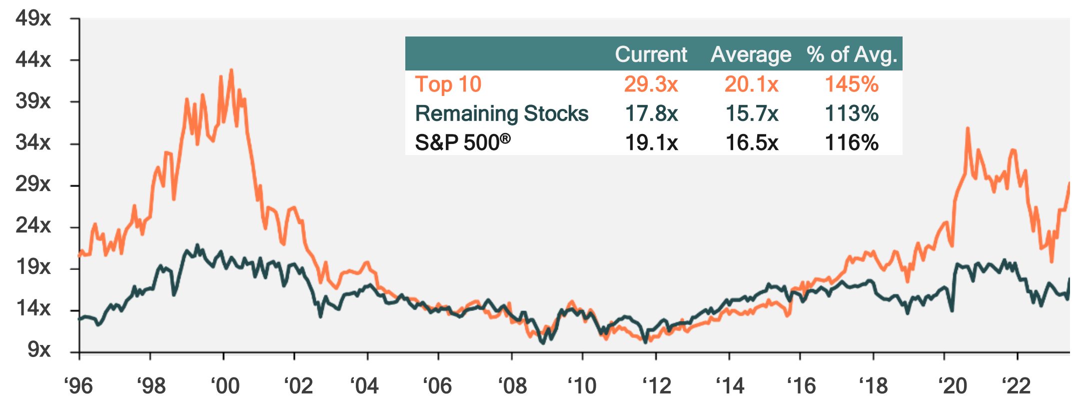
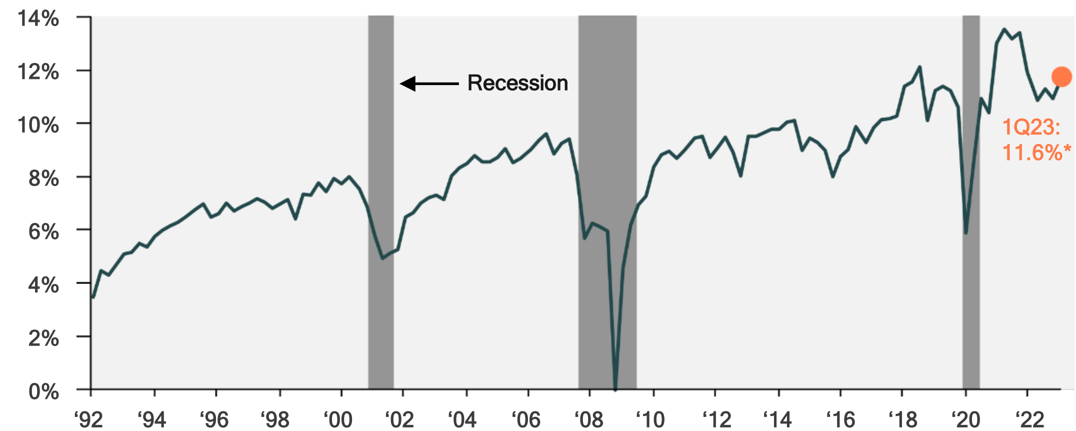


Figure 6: S&P 500® Profit Margins
Quarterly Operating Earnings/Sales



*Data as of June 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 May 31, 2023, the top 10 companies in the index were AAPL (7.5%), MSFT (7.0%), AMZN (3.1%), NVDA (2.7%), GOOGL (2.1%), GOOG (1.8%), Meta (1.7%), BRK.B (1.7%), TLSA (1.6%), UNH (1.3%) and XOM (1.2%). The remaining stocks represent the rest of the 494 companies in the S&P 500. *Current 1Q23 profit margin is a preliminary estimate.* ***Past performance is no guarantee of future results.***

Appendix

- Portfolio Data
- Disclosure

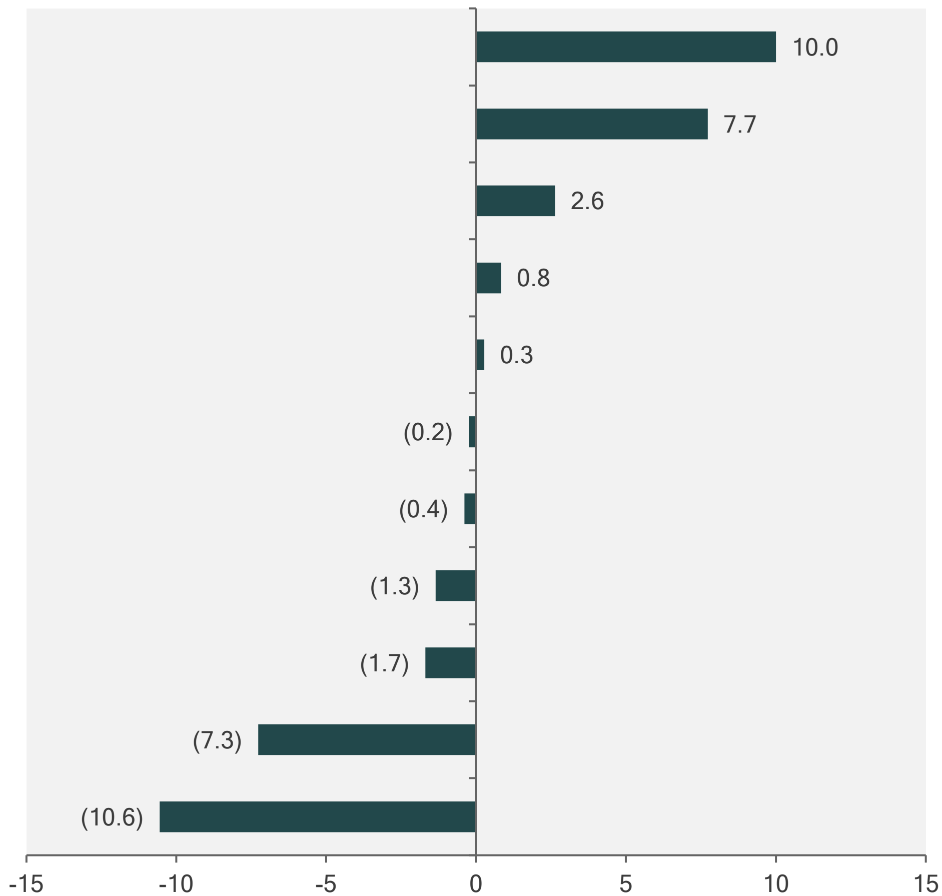
Sector Weights

Mid Cap Sustainable Growth Portfolio
As of June 30, 2023

Kayne Anderson Rudnick
Investment Management

Sectors	KAR Mid Cap Sustainable Growth (%)	Russell Midcap® Growth Index (%)
Consumer Staples	13.1	3.1
Consumer Discretionary	20.9	13.2
Information Technology	23.6	21.0
Real Estate	2.6	1.7
Energy	3.9	3.6
Communication Services	4.1	4.3
Utilities	–	0.4
Materials	–	1.3
Financials	8.7	10.3
Industrials	11.8	19.0
Health Care	11.4	21.9

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

Mid Cap Sustainable Growth Portfolio
As of June 30, 2023

Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
Celsius Holdings	Consumer Staples	6.6
Fair Isaac	Industrials	4.8
SiteOne Landscape Supply	Consumer Discretionary	4.7
Gartner	Information Technology	4.4
Paycom Software	Industrials	3.8
Amphenol	Information Technology	3.5
Equifax	Industrials	3.1
MercadoLibre	Consumer Discretionary	3.1
The Trade Desk	Communication Services	3.1
Mettler-Toledo	Health Care	2.9
Total		**40.0**

Research confidence leads to large active weights

	KAR Mid Cap Sustainable Growth	Russell Midcap® Growth Index
# of Holdings	45	334
Average Position Size (%)	2.2	0.3
Weight of Top Ten Holdings (%)	40.0	13.4
Active Share (%)	82.8	–

The strategy benefits from diversification while still taking significant active positions

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Returns

Mid Cap Sustainable Growth Portfolio

Kayne Anderson Rudnick Investment Management

Annualized Performance

Periods Ending 6/30/23	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
Second Quarter	10.02	9.22	6.23	299
Year to Date	15.37	13.69	15.94	(225)
1 Year	22.72	19.14	23.13	(399)
3 Years	2.02	(1.00)	7.63	(863)
5 Years	11.62	8.34	9.71	(138)
7 Years	16.56	13.15	11.96	118
10 Years	13.93	10.59	11.53	(93)
Since Inception*	14.36	11.01	12.70	(169)

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
2022	(30.96)	(33.07)	(26.72)	(635)
2021	1.35	(1.65)	12.73	(1,438)
2020	67.52	62.76	35.59	2,717
2019	44.29	40.15	35.47	468
2018	9.04	5.83	(4.75)	1,058
2017	35.26	31.36	25.27	609
2016	3.27	0.22	7.33	(710)
2015	4.06	0.99	(0.20)	119
2014	4.98	1.89	11.90	(1,001)
2013	26.46	22.78	35.74	(1,296)
2012	13.97	10.63	15.81	(517)

**January 1, 2012*

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. 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.*

*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**: 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. Price changes may be short- or long-term. Local, regional, or global events such as war or military conflict (e.g., Russia's invasion of Ukraine), acts of terrorism, the spread of infectious illness (e.g., COVID-19 pandemic) 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's manager(s) to invest the portfolio's assets as intended.*

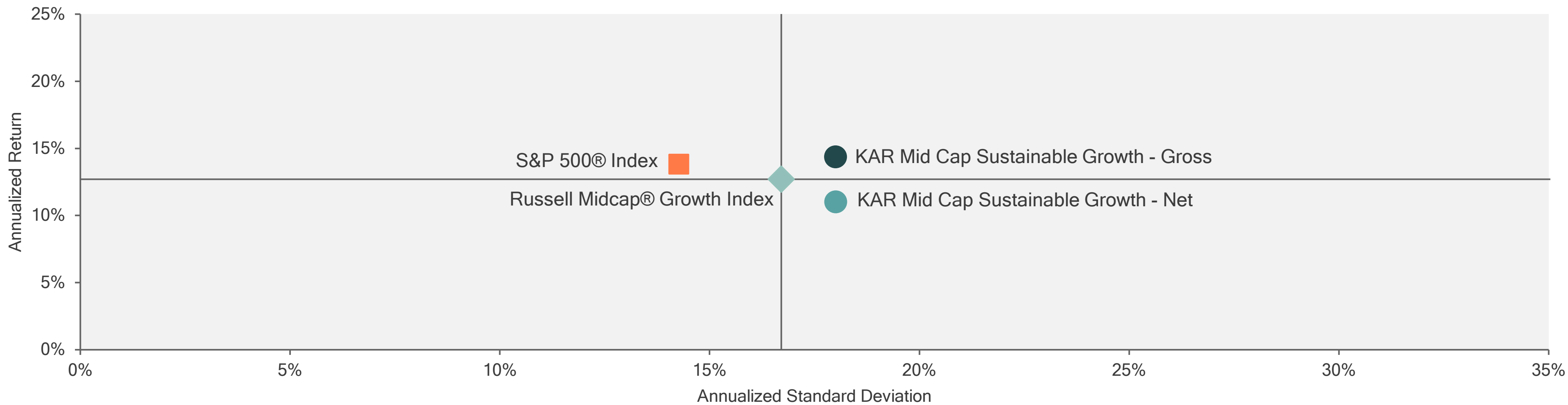
Risk-Return Analysis

Mid Cap Sustainable Growth Portfolio
Inception* to June 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 (%)	Upside Capture (%)
KAR Mid Cap Sustainable Growth - Gross	14.36	1.65	0.75	0.26	6.48	18.01	1.01	102.31	106.71
KAR Mid Cap Sustainable Growth - Net	11.01	(1.35)	0.56	(0.26)	6.48	18.01	1.01	109.35	100.07
Russell Midcap® Growth Index	12.70	0.00	0.71	N/A	N/A	16.71	1.00	100.00	100.00

** January 1, 2012*

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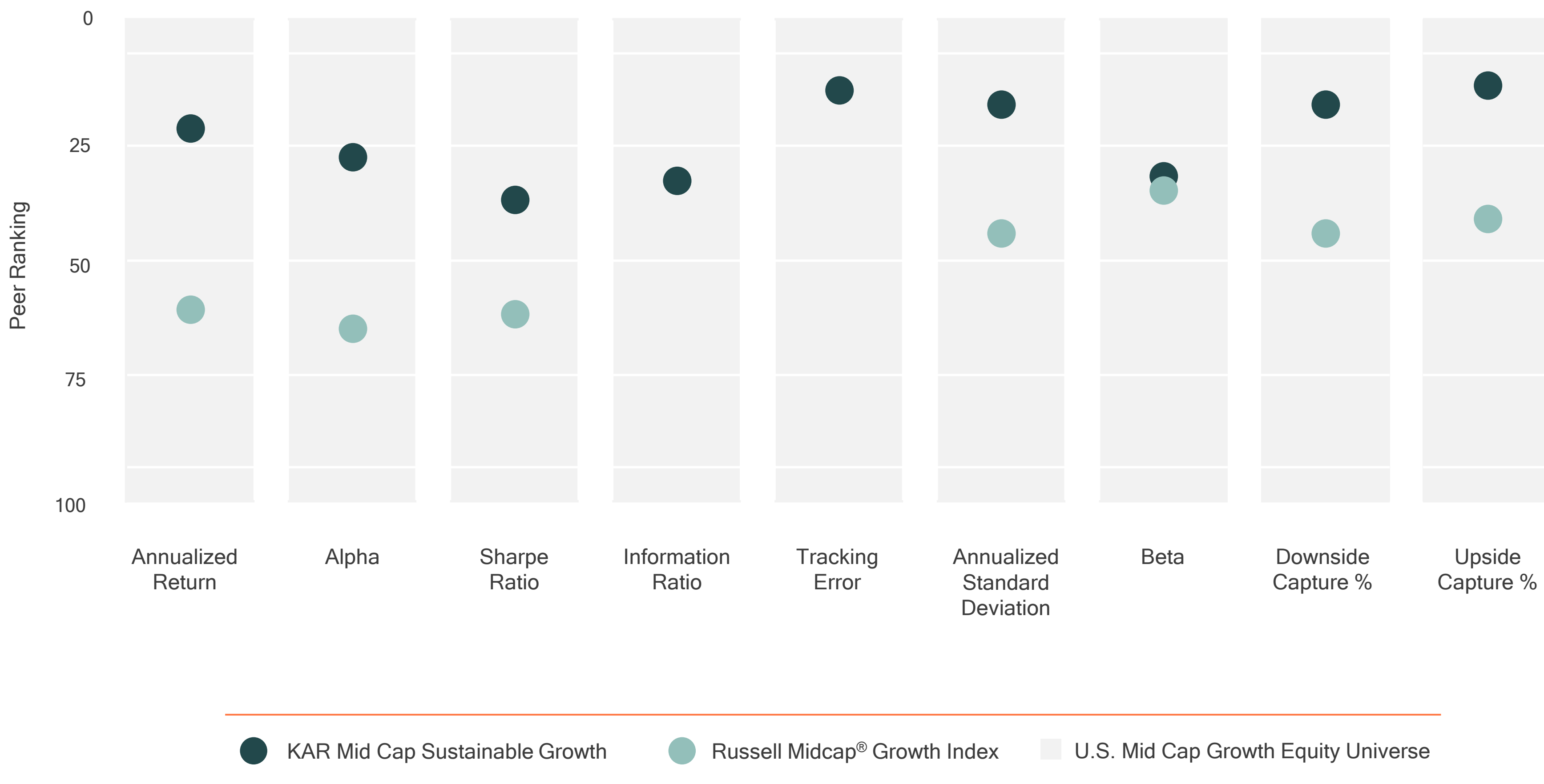
Peer Comparison

Mid Cap Sustainable Growth Portfolio
Annualized Returns Ending June 30, 2023



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

The eVestment Mid Cap Growth Universe includes 84 managers categorized in the mid cap growth asset class by eVestment. KAR does not pay any fees to be included in the eVestment Mid Cap Growth Universe or for the ranking itself. KAR does pay fees for the use of certain products and services provided by eVestment. eVestment rankings are based on gross of fee returns. Gross of fee returns will be reduced by investment management fees and other expenses that may be incurred in the management of the account. Management fees are described in KAR's Form ADV Part 2A, which is available upon request and can also be found at https://kayne.com/ wp-content/uploads/ADV-Part-2A.pdf. Returns could be reduced or losses incurred due to currency fluctuations. ***Past performance is no guarantee of future results.***

Disclosure

Mid Cap Sustainable Growth Portfolio

Kayne Anderson Rudnick
Investment Management

Year	Composite Pure Gross Return (%)	Composite Net Return (%)	Russell Midcap® Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets ($ Millions)	Firm Assets ($ Millions)
2013	26.46	22.78	35.74	N/A	N/A	< 5	N/A	93	7,841
2014	4.98	1.89	11.90	11.25	11.02	< 5	N/A	90	7,989
2015	4.06	0.99	(0.20)	13.28	11.47	< 5	N/A	88	8,095
2016	3.27	0.22	7.33	14.38	12.35	< 5	N/A	83	9,989
2017	35.26	31.36	25.27	13.14	11.04	< 5	N/A	98	14,609
2018	9.04	5.83	(4.75)	14.52	13.00	7	N/A	172	17,840
2019	44.29	40.15	35.47	15.87	14.07	38	N/A	688	25,685
2020	67.52	62.76	35.59	22.29	21.75	203	N/A	3,513	39,582
2021	1.35	(1.65)	12.73	21.74	20.47	9	N/A	28	47,269
2022	(30.96)	(33.07)	(26.72)	26.01	24.87	11	0.37	3	33,531

**Pure gross returns are supplemental to net returns.*
The Russell Midcap® Growth Index and Russell 1000® Index are a trademarks/service marks 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 Mid Cap Sustainable Growth Wrap Portfolios. Mid Cap Sustainable Growth Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell Midcap® Growth 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 Midcap® Growth Index. The Russell Midcap® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 800 smallest companies in the Russell 1000® Index, which comprises the 1,000 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 2012. The composite was created in June 2021. 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 from January 2012 through April 2021, the composite calculations have been linked to the firm’s Mid Cap Sustainable Growth actual historical non-wrap fee composite performance. All portfolios included in this composite after April 2021 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, which measures the variability of the composite (using pure gross returns) and the benchmark for the 36-month period, is not presented for periods prior to 2014 because 36 monthly composite returns are not available.