



Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Mid Cap Sustainable Growth Portfolio
Managed Accounts
Fourth Quarter 2023 Review

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

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Firm Overview

As of December 31, 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	\$59.6 billion*
Number of Equity Investment Professionals	21
Average Investment Experience	16 Years

*Figures in USD.

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

Investment Philosophy

We believe 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*



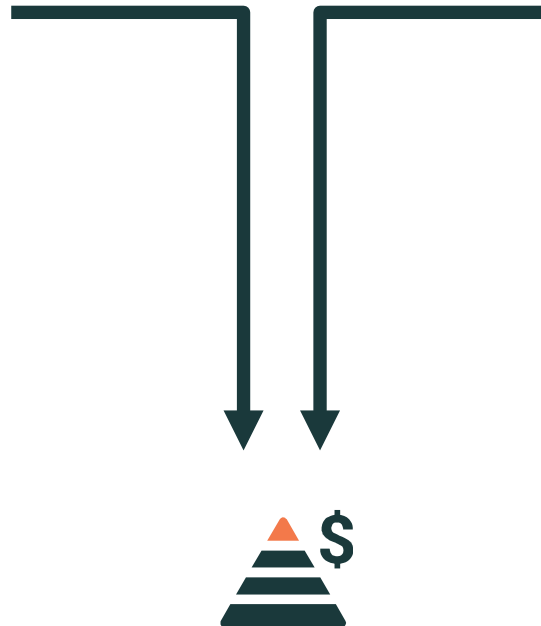
Competitive Protection

- 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 Start Date	KAR Start Date
Chris Armbruster, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Communication Services, Consumer Discretionary, Health Care and Information Technology	2005	2013
Noran Eid	Portfolio Manager and Senior Research Analyst Sector Coverage: Consumer Discretionary, Health Care and Information Technology	2012	2018
Douglas S. Foreman, CFA	Portfolio Manager	1986	2011
Richard Sherry, CFA	Senior Research Analyst Sector Coverage: Communication Services, Energy, Financials, Real Estate and Utilities	1998	1995
Katie Advena	Research Analyst Sector Coverage: Consumer Staples, Health Care, Industrials and Materials	2011	2015
Luke Longinotti	ESG Research Analyst	2020	2023
Clarissa Ali	Associate Research Analyst	2023	2018

Client Services	Responsibility	Industry Start Date	KAR Start Date
Jason Pomatto	Managing Director - Senior Client Portfolio Manager	1994	2021
Ben Falcone, CFA	Managing Director - Client Portfolio Manager	1996	2023
James May, CFA	Managing Director - Client Portfolio Manager	1989	2019
Ben Corser	Portfolio Specialist	2006	2018

Market Review

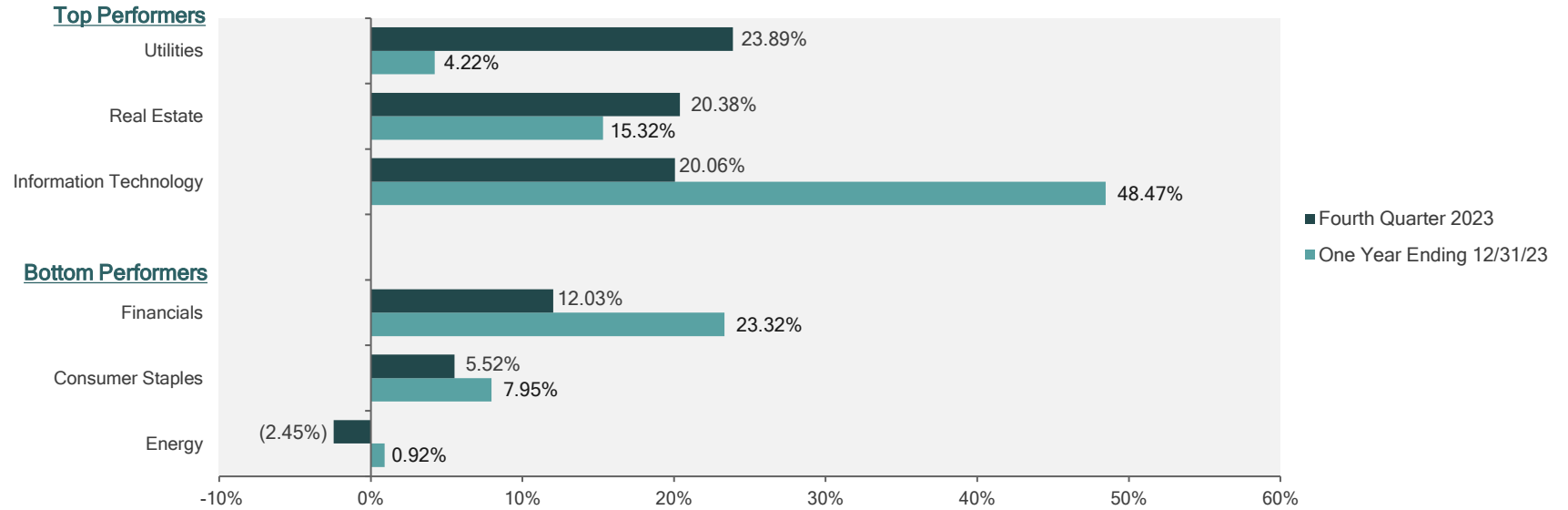
Performance by Sector and Style



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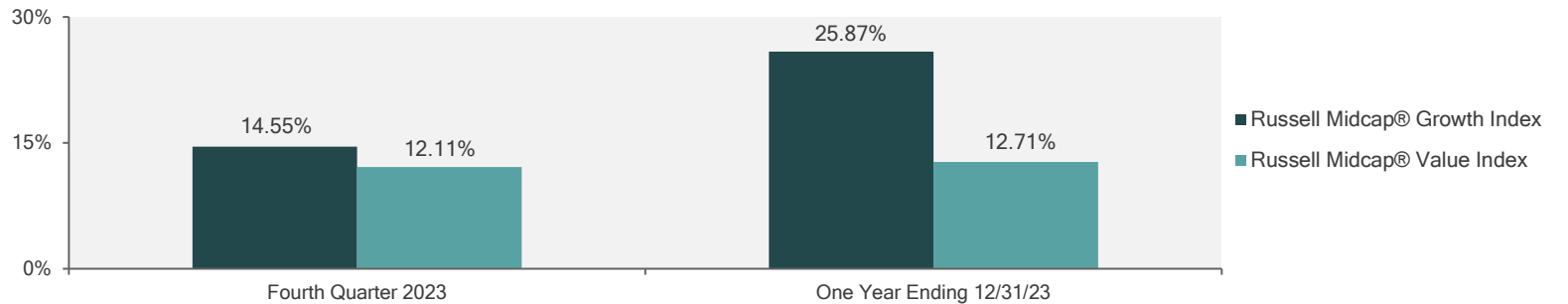
Sector Performance

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

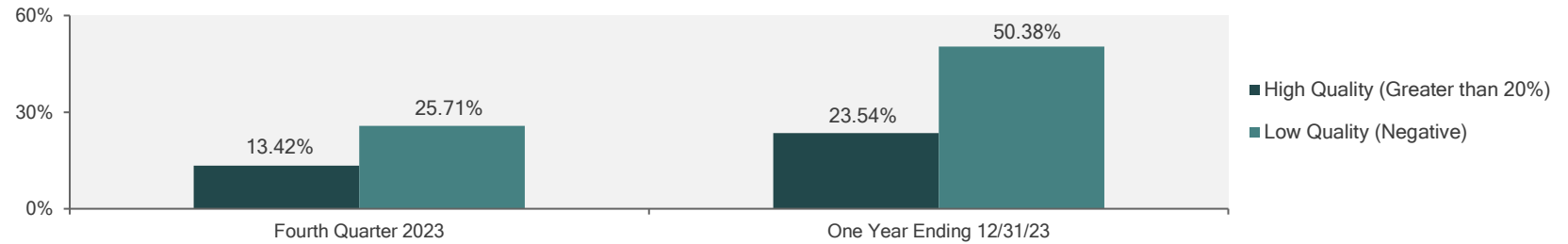
Performance by Financial Metric



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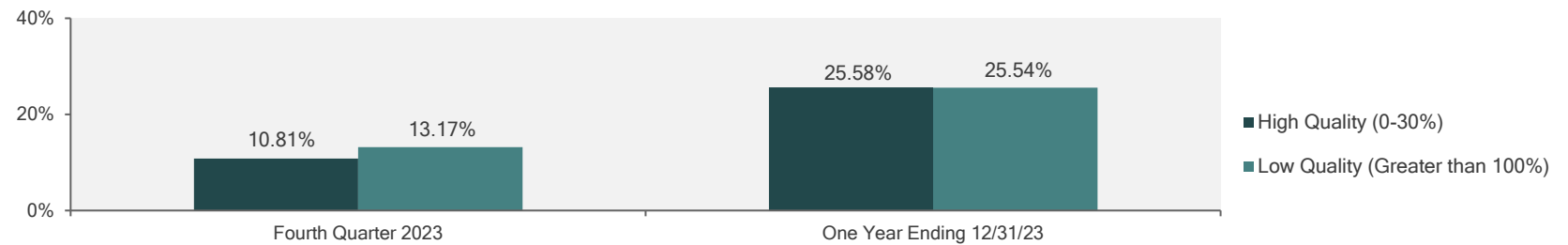
Performance by Return on Equity

Russell Midcap® Growth Index



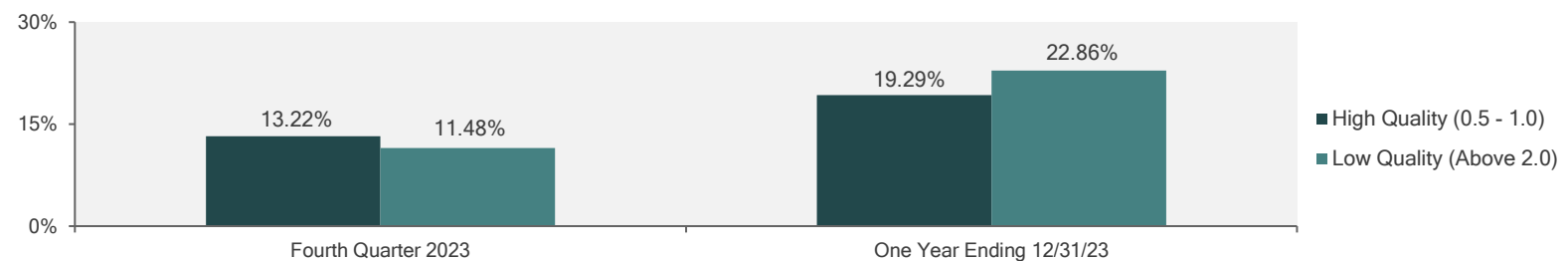
Performance by Debt/Capital Ratio

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 December 31, 2023



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Monthly and Quarterly Performance

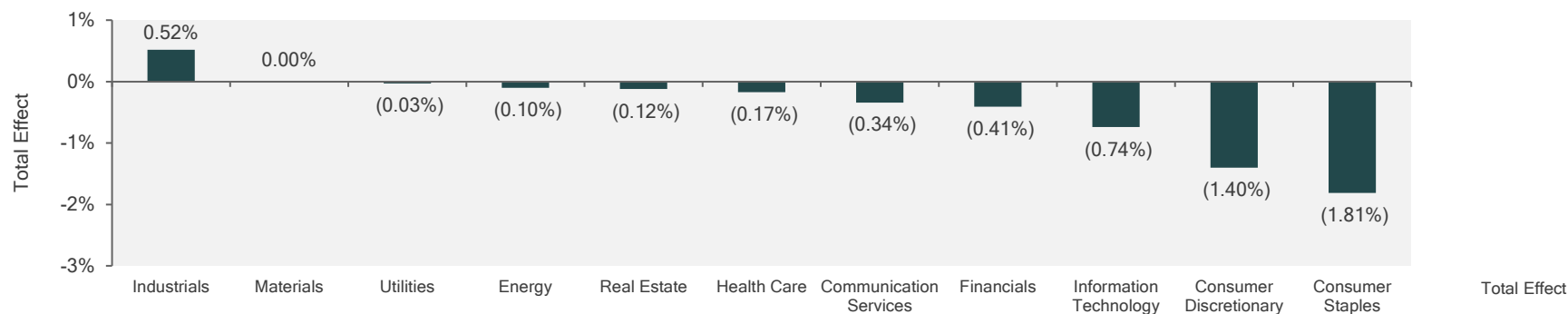
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
October	(7.14)	(7.39)	(5.10)	(229)
November	9.81	9.56	12.20	(264)
December	7.40	7.15	7.58	(43)
Fourth Quarter	9.52	8.72	14.55	(583)

Annualized Performance

Periods Ending 12/31/2023	Gross (%)	Net (%)	Index (%)
1 Year	21.40	17.86	25.87
5 Years	15.48	12.09	13.81
10 Years	13.07	9.76	10.57

Attribution by Sector

Quarter Ending December 31, 2023



	Industrials	Materials	Utilities	Energy	Real Estate	Health Care	Communication Services	Financials	Information Technology	Consumer Discretionary	Consumer Staples	Total Effect
KAR Selection Effect	0.43%	0.00%	0.00%	(0.02%)	(0.17%)	(0.29%)	(0.31%)	(0.47%)	(0.85%)	(1.64%)	(0.93%)	(4.24%)
KAR Allocation Effect	0.09%	0.00%	(0.03%)	(0.07%)	0.05%	0.11%	(0.02%)	0.06%	0.10%	0.23%	(0.88%)	(0.36%)

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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. **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 December 31, 2023



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Fair Isaac	+2.09%	Mortgage originations were off dramatically in 2023 but FICO continues to put up strong growth metrics on the heels of ongoing price increases. Even a few years into its price-taking strategy, the FICO score, while critical to credit decisioning, only represents a few dollars of what it takes to close a mortgage. Outside of mortgage, FICO holds an even more dominant share. In 2024 FICO will also collapse volume-based pricing tiers equating to another price increase for its largest lending customers.
Gartner	+1.71%	About 25% of Gartner's total subscription contract value is sold to what they call "tech vendor clients." After decelerating for a number of quarters, tech-vendor growth stabilized in the low single digits and the company guided to a rebound to low-teens growth in 1Q24. Additionally, Gartner was in intense competition for talent with well funded start-ups for talent for years. Recently it has seen those pressures abate and has ramped its sales team significantly. We believe those new reps should start to ramp productivity next year adding to sales momentum.
MercadoLibre	+1.04%	The company continues to take share in Latin and South American eCommerce, hitting 44% in Brazil while every other major competitor lost share. Beyond strong execution it seems that rising funding costs have impacted competitors ability to grow and inflation is hurting unit economics. Overall profitability also continues to improve with notable gains made on the Fintech side of the business.
Equifax	+1.02%	Equifax's shares outperformed due to market optimism that interest rates have peaked as the Federal Reserve paused rate hikes in the beginning of November. Of the U.S. credit bureaus, Equifax has greater exposure to the mortgage markets which have been severely depressed due to the high interest rate environment, so the signaling of rate cuts drove a strong rally in shares through the quarter.
IDEXX Laboratories	+0.73%	During the pandemic pet acquisition growth that jumped to the 5%-6% range and then moderated to a still comparatively healthy 2% in 2022. While the underlying demand for pet ownership remains robust, the moderation did have a temporary impact on IDXX's growth rate which was exacerbated by issues attracting and retaining skilled labor in the veterinary field. In 2023, macro pressures began to weigh on the number of wellness visits despite the fact that pet owners have routinely shown that they only decrease spending on pets in the most dire of circumstances. Recently however, the company has reaccelerated growth on the heels of strong pricing power, innovation and international expansion.

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Lowest Contributors

Mid Cap Sustainable Growth Portfolio

Quarter Ending December 31, 2023



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Paycom Software	(1.33%)	Last quarter Paycom underperformed after it reported slowing sales due to an internal effort to prioritize upselling its self-service payroll tool BETI to customers. This quarter we saw the additional implications of Paycom's strategy as it missed revenue estimates and guided down for the year. Not only is the BETI focus hurting new sales, but it is negatively impacting Paycom's monetization potential in the near term. Over time, we believe Paycom should be able to effectively monetize BETI directly, but we trimmed our position due to the uncertainty of timing as well as the general weakness of its SMB customer base.
BILL Holdings	(0.73%)	In the company's FY24Q1 earnings release it reduced its guidance due to a various factors. First, reduced spend by the company's small-medium business customers is lowering Total Payment Volume, which BILL earns transaction fees on. Next, an election by suppliers on BILL's network to be paid via payment methods on which BILL earns lower transaction fees. Finally, management took proactive measures to reduce credit line exposure on credit card receivables, impacting revenue growth. Additionally, Intuit had announced the end of their commercial partnership with BILL, and introduced their own bill pay solution which has resulted in investors being sensitive to potential competitive encroachment by Intuit.
Celsius Holdings	(0.57%)	Celsius moved largely sideways in 4Q23 which was good enough to land it in the bottom performer list as the rest of the market rallied. In early November we saw some slight deceleration in tracked channels but the company reported significant sales growth a week later.
Lattice Semiconductor	(0.36%)	Most of the recent weakness in the stock can be traced to abnormal ebb and flow of demand rather than anything structural in the underlying business. A majority of Lattice's sales run through a distributor network. Distributors were carrying a slightly elevated level of Lattice inventory due to issues in past quarters obtaining enough supply. Higher interest rates and slowing macro, especially in Europe, led to distributor destocking and a delay in refilling inventory.
The Trade Desk	(0.31%)	Despite a strong quarter and progress on a number of key drivers, Trade Desk's share performance is perplexing. They launched their latest platform version of the platform featuring a data marketplace that allows companies to easily utilize 1P data to further optimize ad spend, while their retail media business continues to onboard landmark customers. There has been some chatter about the value of its UID2 identification engine with large publishers hesitant to adopt it in the same way the as tech vendors have but Google is sunsetting its cookie infrastructure at some point and in our view the industry needs some way to target customers.

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Annual Performance Overview

Mid Cap Sustainable Growth Portfolio

Periods Ending December 31, 2023



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Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
First Quarter 2023	4.87	4.09	9.14	(504)
Second Quarter 2023	10.02	9.22	6.23	299
Third Quarter 2023	(3.92)	(4.65)	(5.22)	58
Fourth Quarter 2023	9.52	8.72	14.55	(583)
1 Year Ending 12/31/23	21.40	17.86	25.87	(801)

Annualized Performance

Periods Ending 12/31/2023	Gross (%)	Net (%)	Index (%)
1 Year	21.40	17.86	25.87
5 Years	15.48	12.09	13.81
10 Years	13.07	9.76	10.57

Attribution by Sector

One Year Ending December 31, 2023



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Highest Contributors

Mid Cap Sustainable Growth Portfolio
One Year Ending December 31, 2023



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Fair Isaac	+3.98%	Mortgage originations were off dramatically in 2023 but FICO continues to put up strong growth metrics on the heels of ongoing price increases. Even a few years into its price-taking strategy, the FICO score, while critical to credit decisioning, only represents a few dollars of what it takes to close a mortgage. Outside of mortgage, FICO holds an even more dominant share. In 2024 FICO will also collapse volume-based pricing tiers equating to another price increase for its largest lending customers.
Celsius Holdings	+2.99%	Celsius shares grew significantly over the last year driven by expanding distribution and consumption as well as the bankruptcy of a notable competitor. The biggest highlight was probably the landmark distribution deal with a beverage giant that took an ownership stake and a Board seat. Not only does Celsius have room to grow in the U.S., but they are also starting to expand distribution internationally, which adds to its growth runway.
MercadoLibre	+2.42%	The company continues to take share in Latin and South American eCommerce, hitting 44% in Brazil while every other major competitor lost share. Beyond strong execution it seems that rising funding costs have impacted competitors ability to grow and inflation is hurting unit economics. Overall profitability also continues to improve with notable gains made on the Fintech side of the business.
Goosehead Insurance	+1.94%	Despite a very challenged mortgage market, Goosehead had a strong year. We believe it started with work the company did rightsizing the sales team and focusing on more productive reps. In addition, robust, double digit insurance premium price increases by the insurance carriers dropped through to the company at the broker level. As a result, the company's growth has held up and outperformed the decline in mortgage originations.
Gartner	+1.77%	About 25% of Gartner's total subscription contract value is sold to what they call "tech vendor clients." After decelerating for a number of quarters, tech-vendor growth stabilized in the low single digits and the company guided to a rebound in 1Q24. Additionally, Gartner was in intense competition for talent with well funded start-ups for talent for years. Recently it has seen those pressures abate and has ramped its sales team significantly. We believe those new reps should start to ramp productivity next year adding to sales momentum.

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Lowest Contributors

Mid Cap Sustainable Growth Portfolio
One Year Ending December 31, 2023



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Investment Management

Security	Contribution	Comments
Signature Bank	(2.19%)	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.
Paycom Software	(2.02%)	Last quarter Paycom underperformed after it reported slowing sales due to an internal effort to prioritize upselling its self-service payroll tool BETI to customers. This quarter we saw the additional implications of Paycom's strategy as it missed revenue estimates and guided down for the year. Not only is the BETI focus hurting new sales, but it is negatively impacting Paycom's monetization potential in the near term. Over time, we believe Paycom should be able to effectively monetize BETI directly, but we trimmed our position due to the uncertainty of timing as well as the general weakness of its SMB customer base.
Silk Road Medical	(1.29%)	Silk Road Medical reported weak numbers in the third quarter, confirming fears that the business was seeing increased competition from other methods, as well as stubbornly low adoption among trained physicians. Its CEO stepped down and we decided to exit the position as the company's competitive position was not as strong as hoped.
BILL Holdings	(0.68%)	In the company's FY24Q1 earnings release it reduced its guidance due to a various factors. First, reduced spend by the company's small-medium business customers is lowering Total Payment Volume, which BILL earns transaction fees on. Next, an election by suppliers on BILL's network to be paid via payment methods on which BILL earns lower transaction fees. Finally, management took proactive measures to reduce credit line exposure on credit card receivables, impacting revenue growth. Additionally, Intuit had announced the end of their commercial partnership with BILL, and introduced their own bill pay solution which has resulted in investors being sensitive to potential competitive encroachment by Intuit.
Mettler-Toledo	(0.59%)	Mettler-Toledo had a number of challenges in 2023, all of which were industry-related rather than company specific. First, the overall demand from its customers was weak. Years of robust ordering left customers with unused utilization and the funding environment for research in general became more difficult extending replacement cycles and dampening order rates. Additionally, the company's sizable business in China reported accelerating sales declines.

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Purchases

Mid Cap Sustainable Growth Portfolio
Quarter Ending December 31, 2023



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Purchases	Descriptions/Reasons
Ulta Beauty—Initiated Position	Ulta is the largest specialty beauty retailer in the U.S. With 42 million active loyalty program members, a retail base of approximately 1,355 stores, 20% of revenues being derived from ecommerce, and a shop-in-shop partnership with Target, Ulta is an attractive partner for beauty brands across prestige and mass segments. As beauty brands contend with the decline of department stores and mall traffic as well as the difficulty of scaling a beauty brand purely online, we believe Ulta offers the opportunity to expand exposure to a brand while maintaining its control over its brand image and pricing. As a result, Ulta's share of U.S. specialty beauty has grown from 13% to 30% over the past 10 years. Going forward, we believe that Ulta will continue to benefit from an improved assortment as brands seek visibility and distribution and as consumers seek newness and discovery.

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Sales

Mid Cap Sustainable Growth Portfolio Quarter Ending December 31, 2023



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Sales	Reasons
Las Vegas Sands—Sold Entire Position	While we continue to believe that Las Vegas Sands' resorts in Macau are positioned to see strong revenue growth after China's removal of COVID-19 restrictions, we sold our position as macroeconomic concerns in China led to uncertainty around the timing and magnitude of this recovery over the medium-term.
Waters—Sold Entire Position	We sold Waters as we believe that the business model is more exposed to macroeconomic events than its peers and the additional exposure in China has meant downward revisions to its organic growth.

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Portfolio Characteristics

Mid Cap Sustainable Growth Portfolio

As of December 31, 2023



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	KAR Mid Cap Sustainable Growth	Russell Midcap® Growth Index
Quality		
Return on Equity—Past 5 Years	21.1%	21.4%
Debt/EBITDA*	1.2 x	1.4 x
Earnings Variability—Past 10 Years	51.7%	60.7%
Growth		
Sales Per Share Growth—Past 5 Years	14.3%	14.5%
Earnings Per Share Growth—Past 5 Years	21.6%	16.6%
Earnings Per Share Growth—Past 10 Years	15.0%	15.0%
Value		
P/E Ratio—Trailing 12 Months	48.7 x	39.1 x
P/E Ratio—1-Year Forecast FY EPS	31.5 x	24.7 x
Free Cash Flow Yield†	2.4%	3.2%
Market Characteristics		
\$ Weighted Average Market Cap	\$28.9 B	\$28.4 B
Largest Market Cap	\$91.3 B	\$73.3 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 September 30, 2023. Prices are as of December 31, 2023. Excludes financials.

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Market Commentary

Inflation and the Yield Curve



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- We believe there is a greater likelihood of a soft landing as inflation has declined materially.
- The inverted yield curve and weak Purchasing Managers' Index (PMI) are still headwinds for the U.S. economy. However, strength in employment has surprised to the upside, supporting growth.
- Commentary from the Federal Reserve in the fourth quarter ignited a material rally that pushed the 10-year U.S. Treasury up more than 100 basis points, though we ended the year flat.
- We expect continued progress to lead short-term interest rates to decline and reset the yield curve.

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

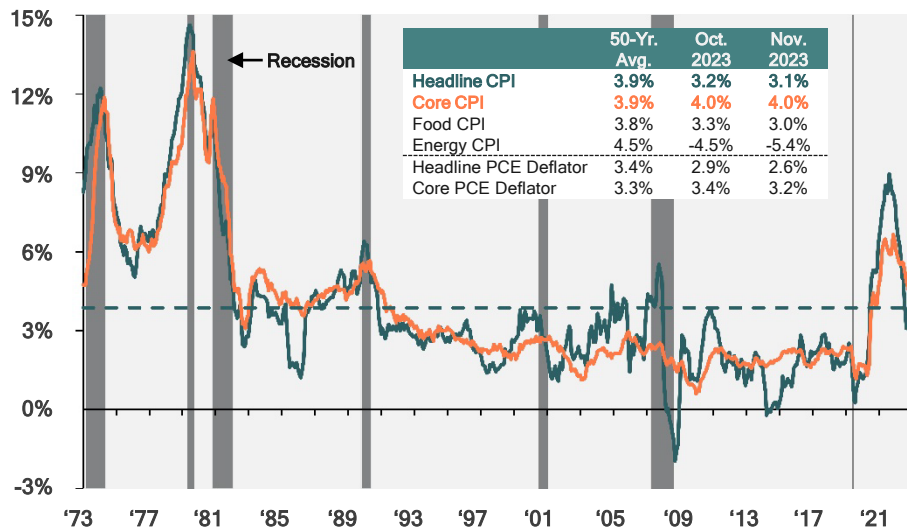
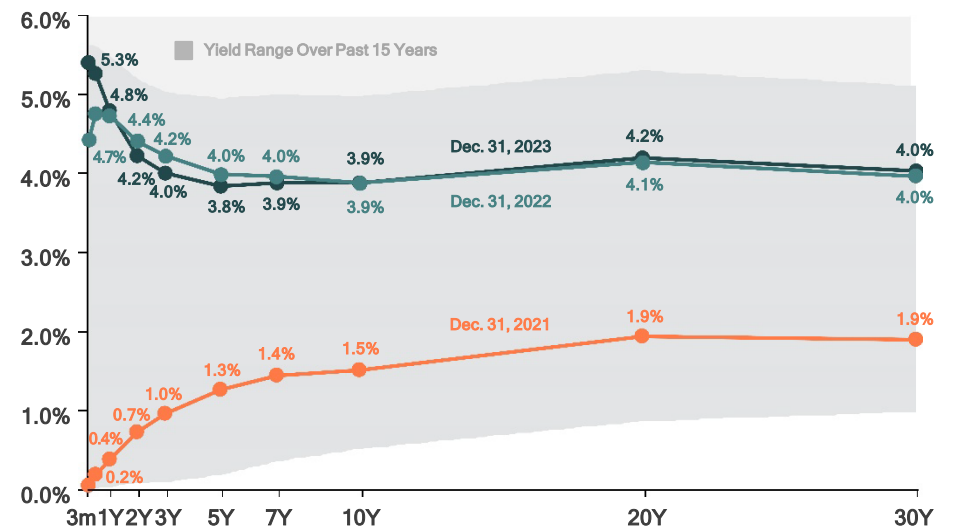


Figure 2: Yield Curve
U.S. Treasury Yield Curve



Data as of December 31, 2023. The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. Figure 1 data is obtained from BLS, 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. Figure 2 data is obtained from FactSet, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. **Past performance is no guarantee of future results.** 17

Market Commentary

Expectations for 2024



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- We view the outlook for 2024 as mostly positive with outside exogenous factors supporting economic growth.
- As it is an election year, our expectation is that the Administration will continue to find opportunities to support U.S. output.
- We believe there have been early signs of the market broadening and any continuation of that is supportive of a more positive outlook.

Figure 3: S&P 500® Index Relative to the Magnificent 7

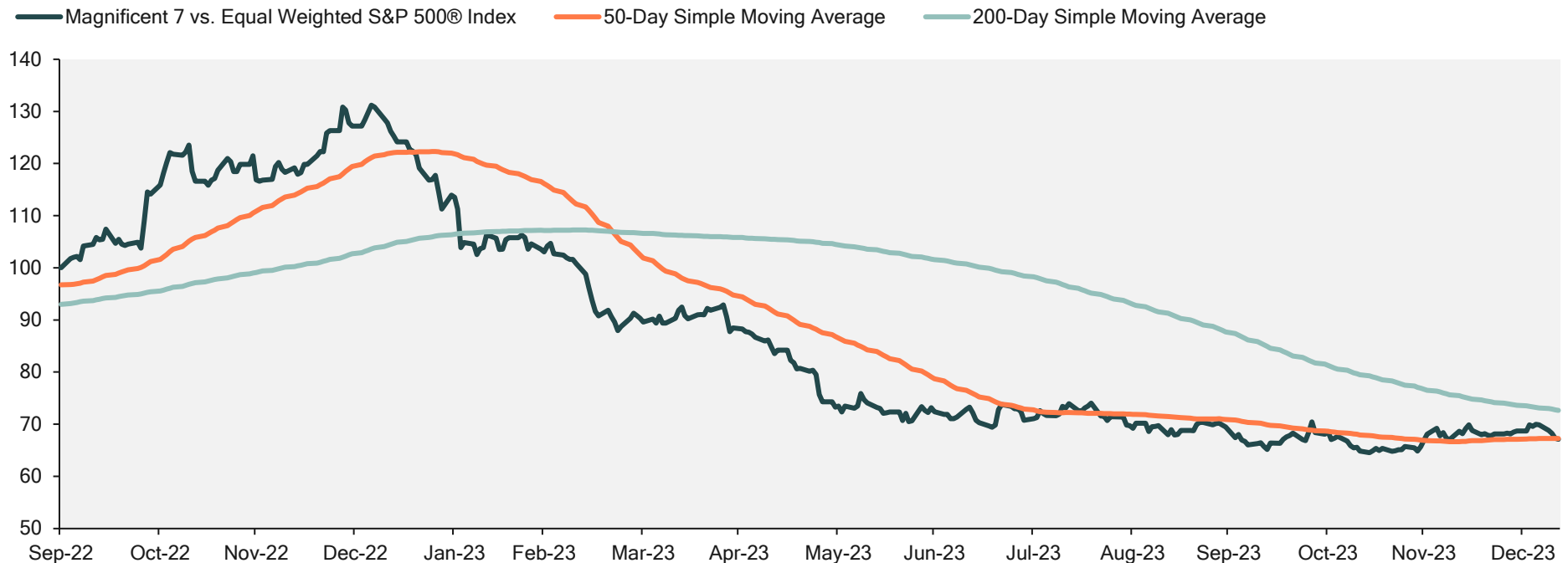


Figure 3 data is as of January 11, 2024, is obtained from Strategas and is assumed to be reliable. This information is being provided by Kayne Anderson Rudnick Investment Management, LLC (“KAR”) for illustrative purposes only. This Information is not intended by KAR to be interpreted as investment advice, a recommendation or solicitation to purchase securities, or a recommendation of a particular course of action and has not been updated since the date listed, and KAR does not undertake to update the information presented. KAR makes no warranty as to the accuracy or reliability of the information contained herein. The Magnificent 7 is comprised of Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla. The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment. A simple moving average (SMA) is an arithmetic moving average calculated by adding recent prices and then dividing that figure by the number of time periods in the calculation average. **Past performance is no guarantee of future results.**

- Overall, we believe equity valuations appear fair, but there is greater divergence by style and by size.
- The breadth of quality within small and mid-cap companies is wide and we believe active management is important in these asset classes.

Figure 4: P/E Relative to Past 25 Years
Large Cap Expensive, Mid and Small Caps Attractive

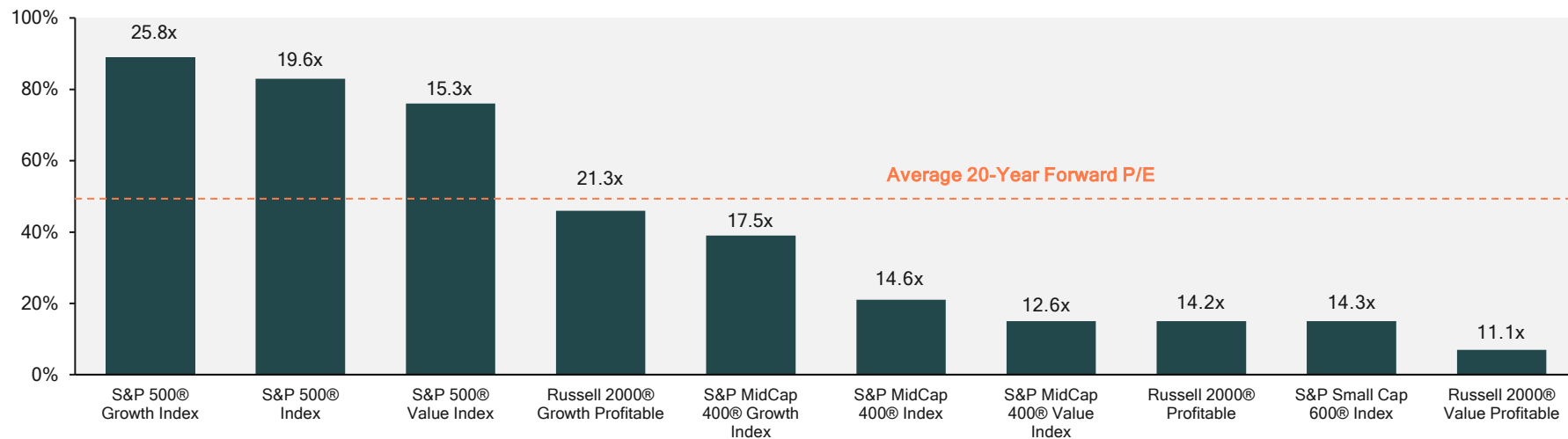


Figure 4 data as of January 12, 2024. Data is obtained from systems believed by KAR to be reliable. Russell indexes use TTM P/E and exclude negative earners. Forward price-to-earnings (forward P/E) is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation. The price-to-earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS). The information provided in this chart is for illustrative purposes only. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer, or solicitation to buy or sell any securities or to adopt any investment strategy. KAR does not undertake to update the information presented. The S&P 500® Growth Index measures growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum. S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. Constituents are drawn from the S&P 500® Index. The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The S&P 500® Value Index measures value stocks using three factors: the ratios of book value, earnings, and sales to price. S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. Constituents are drawn from the S&P 500® Index. The Russell 2000® Index is a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The Russell 2000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. "Profitable" indices use trailing 12-months P/E and exclude negative earners. The S&P Mid Cap 400® Growth Index measures growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum. S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. Constituents are drawn from the S&P Mid Cap 400® Value Index. The S&P Mid Cap 400® provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment. The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. The indices are calculated on a total return basis with dividends reinvested. The indices are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

Past performance is no guarantee of future results.

Market Commentary

Valuations of High Quality vs. Low Quality Stocks



Kayne Anderson Rudnick
Investment Management

- High quality stocks do not appear to be receiving the typical premium they enjoy and in our view many quality names appear reasonably priced.
- We believe higher quality names that are not dependent on capital markets for funding are better positioned to protect for unforeseen risks.

Figure 5: High Quality vs. Low Quality Price to Earnings Ratio
Russell 1000® Index vs. Russell 2000® Index

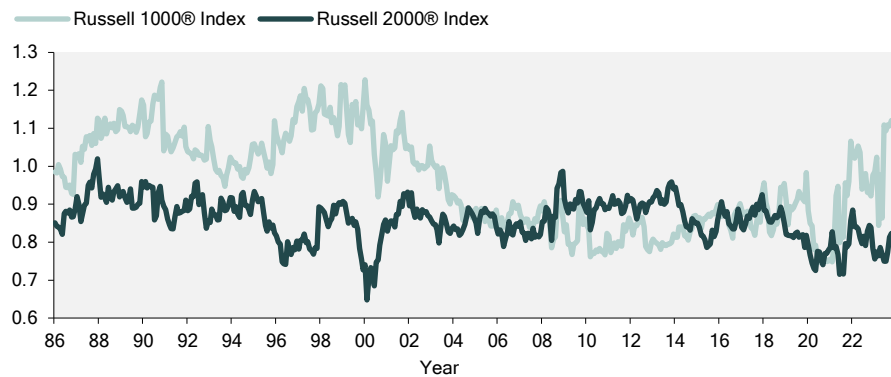


Figure 6: High Quality vs. Low Quality Price to Book Ratio
Russell 1000® Index vs. Russell 2000® Index

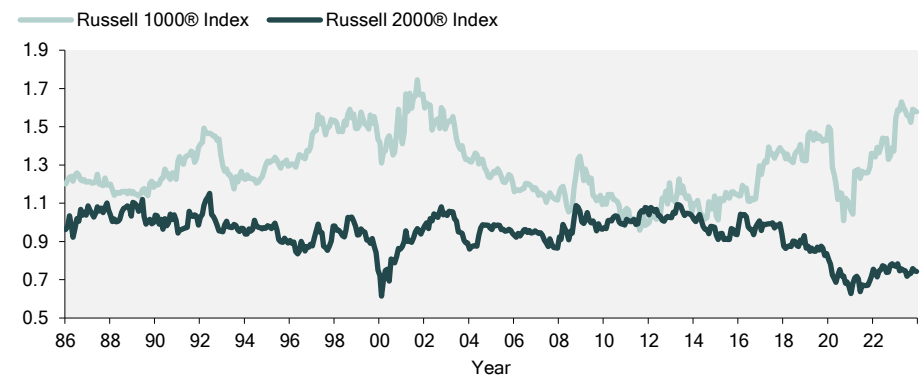
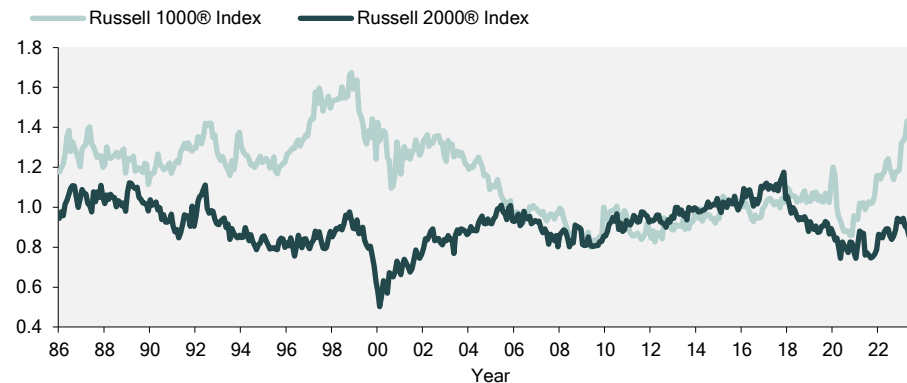


Figure 7: High Quality vs. Low Quality Price to Sales Ratio
Russell 1000® Index vs. Russell 2000® Index



Data as of December 31, 2023, is obtained from FactSet and is assumed to be reliable. High Quality is defined as stocks with a quality ranking of B+ or higher. Low Quality is defined as stocks with a quality ranking of B or less. The Russell 1000® Index measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The indices are calculated on a total return basis with dividends reinvested. The indices are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

Past performance is no guarantee of future results.

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

Sector Weights

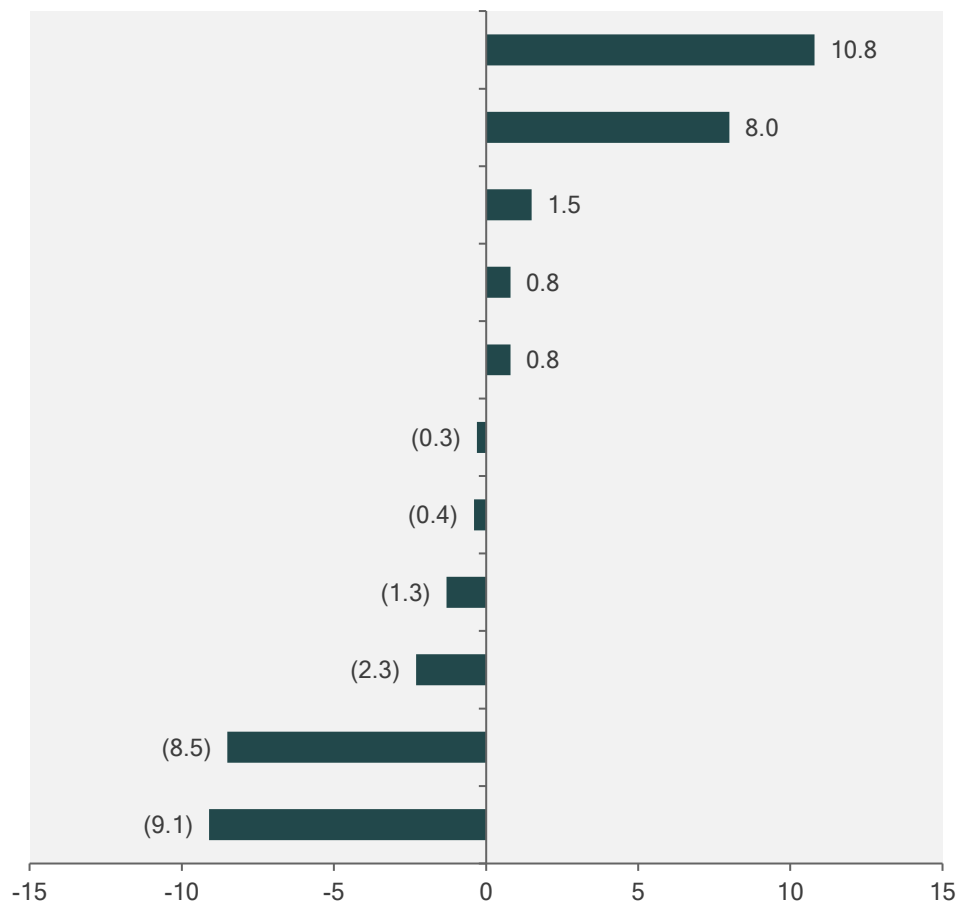
Mid Cap Sustainable Growth Portfolio
As of December 31, 2023



Kayne Anderson Rudnick
Investment Management

Sectors	KAR Mid Cap Sustainable Growth (%)	Russell Midcap® Growth Index (%)
Consumer Staples	13.6	2.8
Consumer Discretionary	21.8	13.8
Information Technology	24.2	22.7
Energy	4.7	3.8
Real Estate	2.5	1.7
Communication Services	4.0	4.2
Utilities	—	0.4
Materials	—	1.3
Financials	8.8	11.1
Industrials	10.9	19.4
Health Care	9.6	18.7

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 December 31, 2023



Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
Celsius Holdings	Consumer Staples	6.9
Fair Isaac	Industrials	6.5
Gartner	Information Technology	5.7
MercadoLibre	Consumer Discretionary	4.0
Amphenol	Information Technology	3.7
SiteOne Landscape Supply	Consumer Discretionary	3.3
Equifax	Industrials	3.3
Goosehead Insurance	Financials	3.1
IDEXX Laboratories	Health Care	2.9
POOLCORP	Consumer Discretionary	2.9
Total		42.5

Research confidence leads to large active weights

	KAR Mid Cap Sustainable Growth	Russell Midcap® Growth Index
# of Holdings	44	333
Average Position Size (%)	2.3	0.3
Weight of Top Ten Holdings (%)	42.5	14.4
Active Share (%)	82.2	—

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 12/31/23	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
Fourth Quarter	9.52	8.72	14.55	(583)
1 Year	21.40	17.86	25.87	(801)
3 Years	(5.29)	(8.11)	1.31	(942)
5 Years	15.48	12.09	13.81	(172)
7 Years	17.15	13.72	12.49	124
10 Years	13.07	9.76	10.57	(81)
Since Inception*	14.21	10.86	12.91	(205)

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
2023	21.40	17.86	25.87	(801)
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, medium, or large-sized companies may enhance that risk. **Technology Concentration:** Because the portfolio is presently heavily weighted in the technology sector, it will be impacted by that sector's performance more than a portfolio with broader sector diversification. **Limited Number of Investments:** Because the portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a portfolio with a greater number of securities. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended.

Risk-Return Analysis

Mid Cap Sustainable Growth Portfolio

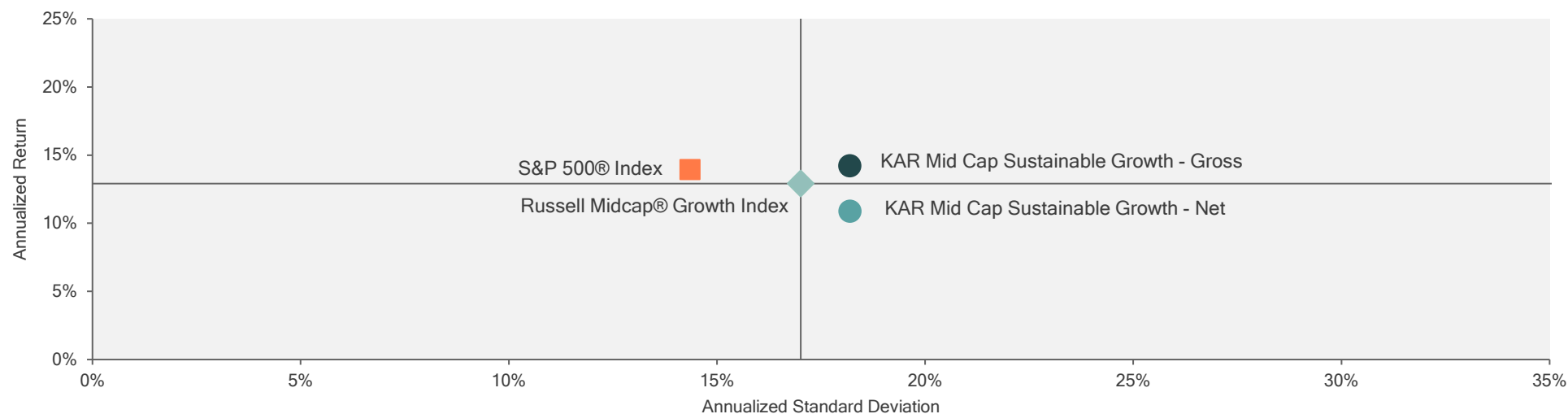
Inception* to December 31, 2023



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	14.21	1.37	0.72	0.20	6.46	18.20	1.00	102.76	105.72
KAR Mid Cap Sustainable Growth - Net	10.86	(1.63)	0.54	(0.32)	6.46	18.20	1.00	109.70	99.30
Russell Midcap® Growth Index	12.91	0.00	0.70	N/A	N/A	17.01	1.00	100.00	100.00

* January 1, 2012

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Peer Comparison

Mid Cap Sustainable Growth Portfolio

Annualized Returns Ending December 31, 2023



Kayne Anderson Rudnick
Investment Management



KAR Mid Cap Sustainable Growth
 Russell Midcap® Growth Index
 U.S. Mid Cap Growth Equity Universe

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

*The eVestment Mid Cap Growth Universe includes 92 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 (Wrap) Composite



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.