Kayne Anderson Rudnick
Investment Management

Mid Cap Core Portfolio
Managed Accounts
First Quarter 2018 Review

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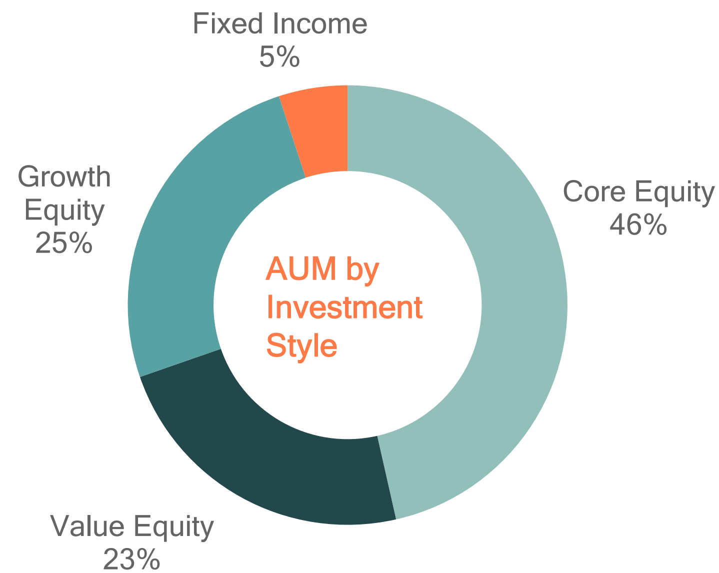
Firm Overview
As of March 31, 2018

Kayne Anderson Rudnick
Investment Management

Profile

- Originally established to manage founder capital
- Specialization in small and mid cap equity strategies with 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	$20.4 billion
Number of Investment Professionals	13
Average Investment Experience	18 Years



Numbers may not always add up due to rounding.

Disciplined Investment Approach

Investment Philosophy & Objectives

Kayne Anderson Rudnick Investment Management

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 Midcap® Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics

Tenets of Quality

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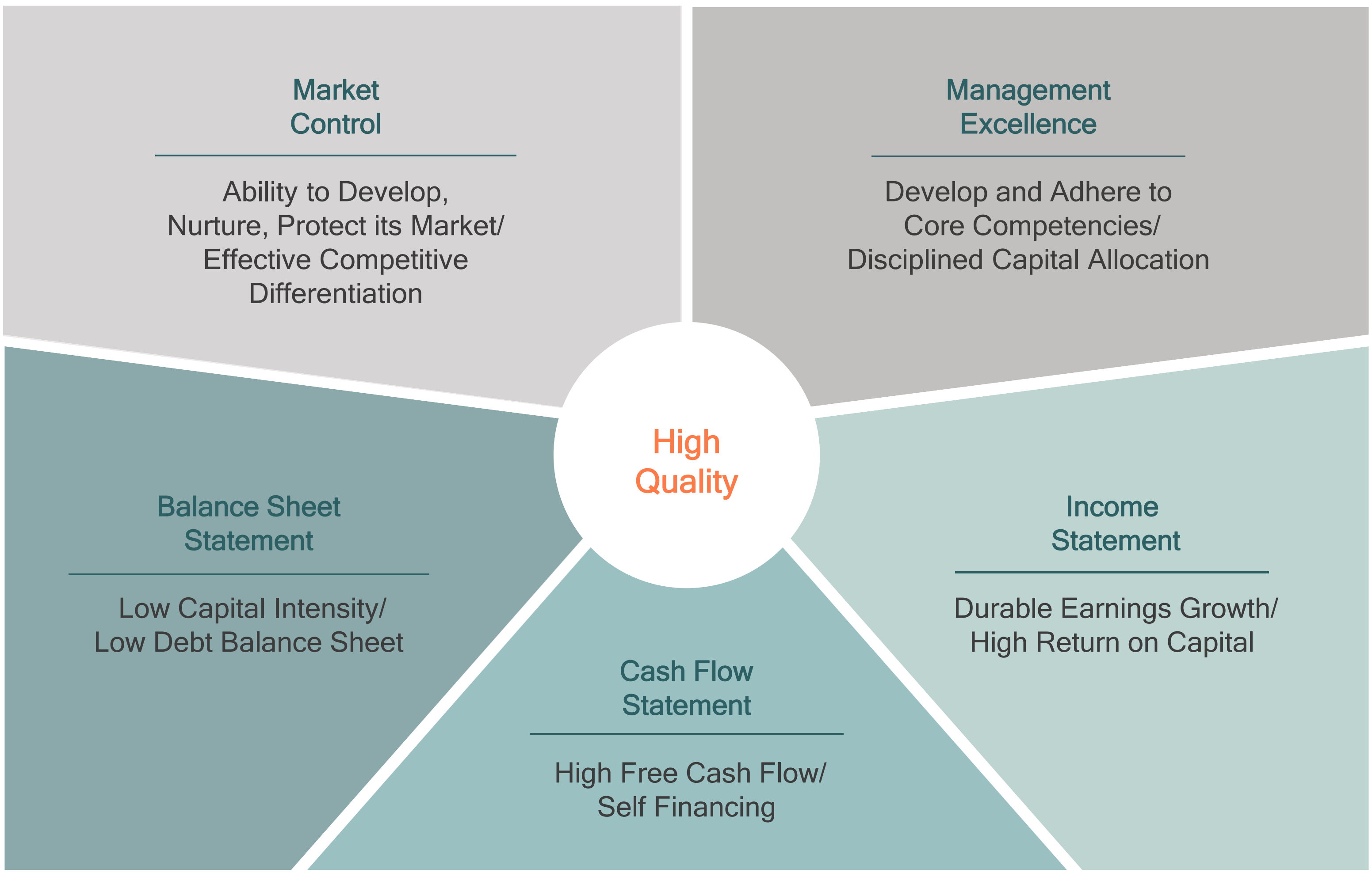

Mid Cap Core Team

Kayne Anderson Rudnick
Investment Management

Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	32 Years	7 Years
Jon Christensen, CFA	Portfolio Manager & Senior Research Analyst Sector Coverage: Health Care	23 Years	17 Years
Craig Stone	Portfolio Manager & Senior Research Analyst Sector Coverage: Producer Durables	29 Years	18 Years
Todd Beiley, CFA	Senior Research Analyst Sector Coverage: Financials and Producer Durables	19 Years	16 Years
Julie Kutasov	Senior Research Analyst Sector Coverage: Energy and Financials	17 Years	17 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Consumer Discretionary, Consumer Staples, and Financials	8 Years	6 Years
Julie Biel, CFA	Research Analyst Sector Coverage: Technology and Consumer Discretionary	10 Years	5 Years
Jordan Greenhouse	Portfolio Specialist	21 Years*	2 Years

**Represents years of industry experience.*

Market Review

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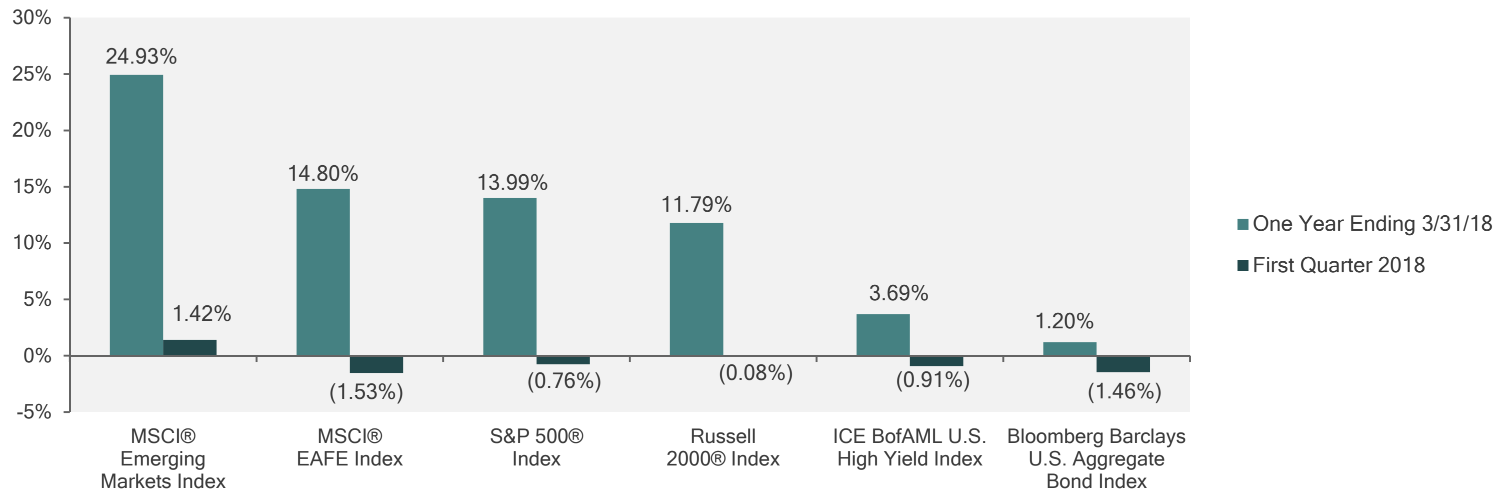
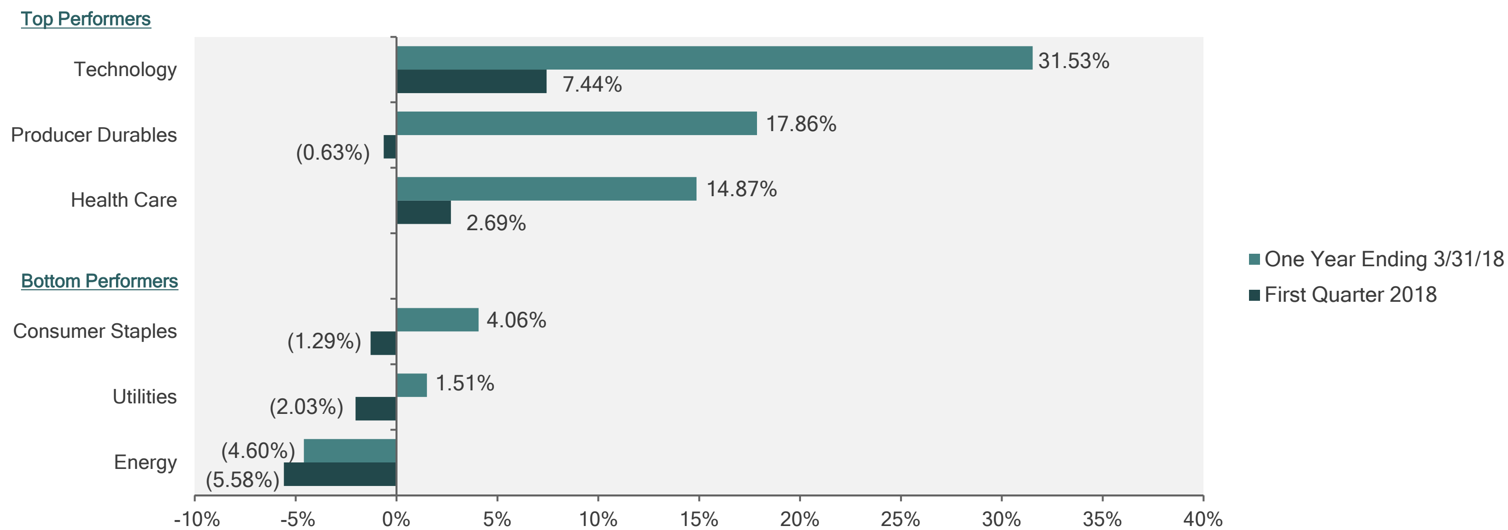
Index Performance



Sector Performance

Russell Midcap® Index

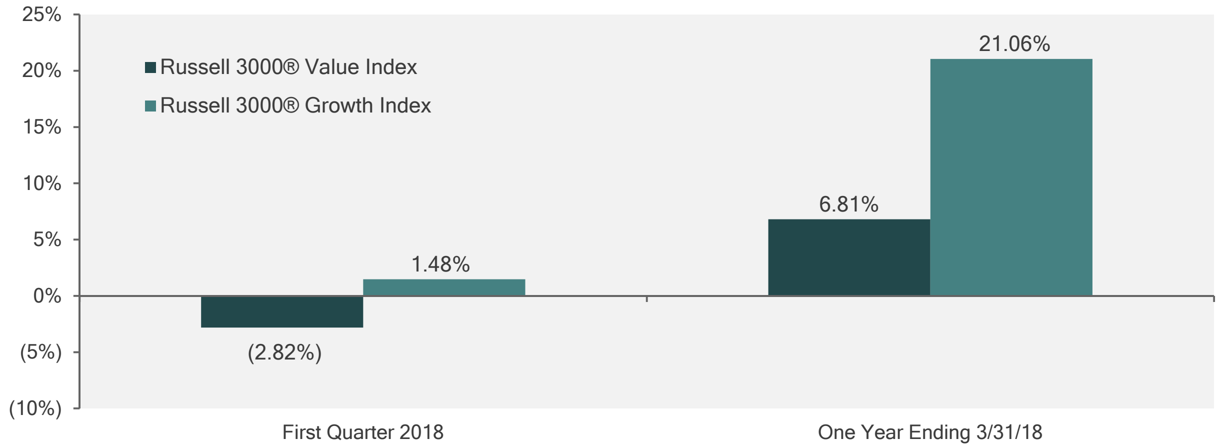


This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

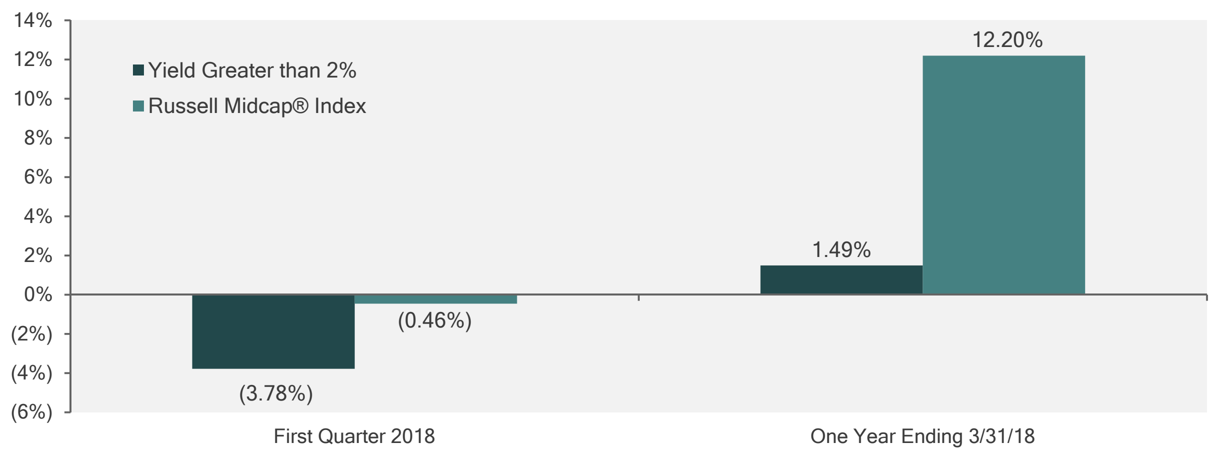
Data is obtained from FactSet Research Systems and is assumed to be reliable. Past performance is no guarantee of future results.

Market Review
Performance by Style and Yield

Performance by Style
Russell 3000® Value Index vs. Russell 3000® Growth Index



Performance by Yield
Underperformance of Bond Proxies



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Quarterly Performance Overview

Mid Cap Core Portfolio
Periods Ending March 31, 2018

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Monthly and Quarterly Performance

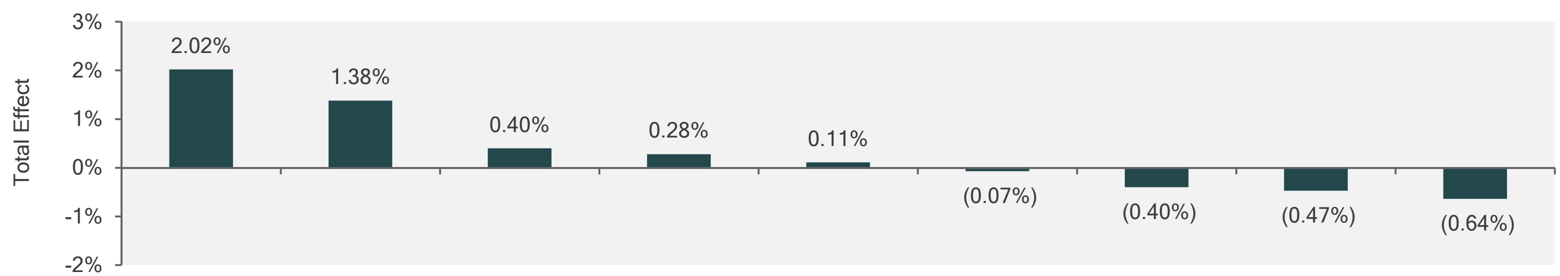
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
January	5.62	5.37	3.76	185
February	(3.34)	(3.59)	(4.13)	79
March	0.11	(0.14)	0.06	5
First Quarter	2.21	1.45	(0.46)	267

Contributors

Highest	Contribution
Globus Medical	+1.34%
Broadridge Financial Solutions	+0.78%
Aspen Technology	+0.72%
Lowest	**Contribution**
Tractor Supply Company	(0.71%)
Monster Beverage	(0.61%)
Manhattan Associates	(0.53%)

Attribution by Sector

Quarter Ending March 31, 2018



	Health Care	Financial Services	Producer Durables	Energy	Utilities	Materials & Processing	Consumer Staples	Technology	Consumer Discretionary	Total Effect
Russell Midcap® Returns	2.69%	(0.69%)	(0.63%)	(5.58%)	(2.03%)	(5.37%)	(1.29%)	7.44%	(2.80%)	(0.46%)
KAR Returns	12.87%	6.27%	1.98%	(0.76%)	0.00%	(6.49%)	(4.17%)	2.40%	(7.80%)	2.21%
KAR Selection Effect	1.83%	1.35%	0.39%	0.18%	0.00%	(0.14%)	(0.36%)	(0.78%)	(0.74%)	1.73%
KAR Allocation Effect	0.18%	0.04%	0.01%	0.10%	0.11%	0.06%	(0.03%)	0.31%	0.09%	0.88%

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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.

Annual Performance Overview

Mid Cap Core Portfolio
Periods Ending March 31, 2018

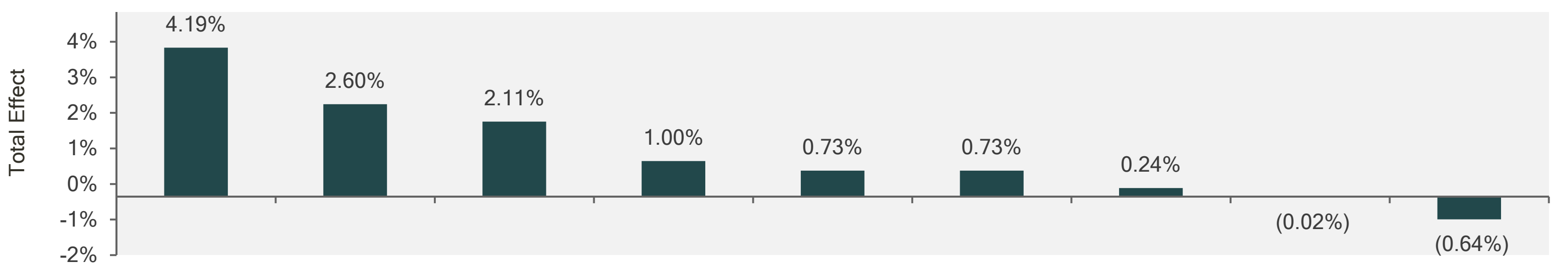
Kayne Anderson Rudnick Investment Management

Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
Second Quarter 2017	4.18	3.42	2.70	148
Third Quarter 2017	5.10	4.32	3.47	162
Fourth Quarter 2017	9.22	8.43	6.07	316
First Quarter 2018	2.21	1.45	(0.46)	267
1 Year Ending 3/31/18	22.23	18.67	12.20	1003

Attribution by Sector

One Year Ending March 31, 2018



	Health Care	Producer Durables	Consumer Discretionary	Consumer Staples	Energy	Utilities	Financial Services	Materials & Processing	Technology	Total Effect
Russell Midcap® Returns	14.87%	17.86%	6.87%	4.06%	(4.60%)	1.51%	12.10%	10.30%	31.53%	12.20%
KAR Returns	41.72%	34.41%	18.88%	22.44%	(5.50%)	0.00%	14.77%	7.77%	20.95%	22.23%
KAR Selection Effect	3.87%	2.37%	1.86%	1.35%	0.08%	0.00%	0.18%	(0.15%)	(1.47%)	8.09%
KAR Allocation Effect	0.32%	0.23%	0.25%	(0.35%)	0.65%	0.73%	0.06%	0.13%	0.82%	2.88%

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Highest Contributors

Mid Cap Core Portfolio
One Year Ending March 31, 2018

Kayne Anderson Rudnick
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Security	Contribution	Comments
Globus Medical	+3.36%	Globus Medical saw its shares rise in the past year as the company's sales force has strengthened in terms of numbers and effectiveness. The company continues to develop its robotic and trauma products that we believe offer longer-term revenue drivers. With a solid balance sheet that has no debt, we continue to be shareholders.
Zoetis	+2.25%	Zoetis had a solid year, with sales driven by its APOQUEL and Simparica products for companion animals. Its livestock business was also strong, driven by swine and cattle.
AMETEK	+2.11%	The AMETEK stock outperformed over the past 12 months due to improving energy and industrial end markets. Because of a differentiated technical product portfolio and superior capital allocation, we remain confident AMETEK will generate superior returns over time.

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

Lowest Contributors

Mid Cap Core Portfolio
One Year Ending March 31, 2018

Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Bank of the Ozarks	(0.38%)	Bank of the Ozarks has a low-cost operating model and a focus on originating construction and other hard-to-do commercial real estate loans. Because these are non-standard projects, competition is low, allowing Bank of the Ozarks to dictate terms and be highly selective. The company reported strong organic loan growth in absolute terms in 2017, but it was still a slowdown from previous results, which pressured shares. While slower loan growth may have disappointed some investors, we remain focused on the bank's credit metrics and profitability, both of which remained better than those of its peers.
Signature Bank	(0.32%)	Signature shares underperformed over the past year, driven by a flattening of the yield curve that pressured margins and by write-downs in its taxi medallion portfolio due to competition from ride-sharing companies. Despite these near-term headwinds, Signature remains one of the most efficient banks in the U.S. with loan growth and profitability metrics that are still well above those of its peers. We believe current headwinds are temporary and that Signature should remain an outlier among U.S. banks. Financial results should show meaningful improvement in 2018, so we remain owners of the business
Dentsply Sirona *(Sold Q3 2017)*	(0.28%)	Shares of Dentsply Sirona fell in the year as sales were hurt by the de-stocking at Patterson in line with the end of the exclusive distribution deal. While consumables have grown, the technology part of the business appears to be seeing increased competition. In addition, it was announced that the chairman and CEO were leaving the company. This uncertainty led us to sell our shares in this strategy.

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Purchases

Mid Cap Core Portfolio
Quarter Ending March 31, 2018

Kayne Anderson Rudnick
Investment Management

Purchases	Descriptions/Reasons
AMN Healthcare Services–Initiated Position	Founded in 1985, AMN Healthcare Services provides health care workforce solutions and staffing services in the U.S. The company operates through three segments: Nurse and Allied Solutions, Locum Tenens Solutions, and Other Workforce Solutions.
Lamb Weston Holdings–Initiated Position	Lamb Weston is the biggest U.S. producer of frozen potato products and second-largest globally. It sells to multinational chain restaurants, food distributors and retailers, among other channels. Lamb Weston benefits from scale advantages in its purchasing and processing of potatoes, and enjoys a certain level of barrier to entry the industry affords
Verisk Analytics–Initiated Position	Verisk Analytics provides data analytics to help customers manage risk and increase revenue. These services are enabled through the company's vast amount of historical data and advanced data-gathering capabilities. Verisk operates in three segments: Insurance (73% of revenue), Energy & Specialized (21% of revenue), and Financial Services (6% of revenue).
Cooper Companies–Increased Position	The shares have performed in-line with the Russell Mid Cap Index since our last increase. The shares have recently been negatively impacted by slowing US contact lens market growth versus its peer group. However, the company has had very difficult comparison growth versus last year ago to overcome and the Surgical segment is seeing strengthening in the business. New CEO Al White will take over for retiring Robert Weiss - which I view as a net positive given what Mr. White has done with the Surgical business. With the stock selling off and our fundamental thesis intact, we are slightly taking up our weight.

AMN Healthcare Services (AMN)

- AMN is an established leader in the $16 billion health care staffing services market that provides clients with access to a vast network of talented professionals. Demand for these positions is being driven by the aging population, an increased shortage of clinicians and physicians, increased access to health care services, and emergence of new clinical roles.

- AMN's Workforce Solutions allows customers to leverage their cost structure and improve operational efficiencies. Labor usually accounts for about half of hospital budgets, and these solutions can help improve those metrics over time. AMN's organic and bolt-on M&A strategy should allow them to further differentiate versus peers.

- AMN operational effectiveness and strategic growth vision have positioned the company to gain share in the massive, highly fragmented health care staffing market. We believe the company's evolution from a traditional staffing business to a health care workforce solutions leader should drive long-term value creation for their clients and shareholders.

New Position

Mid Cap Core Portfolio
Quarter Ending March 31, 2018

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Lamb Weston Holdings (LW)

- As the largest producer in North America, LW benefits from scale advantages in the purchasing and processing of potatoes, which we expect will be sustainable over time.

- French fries are the most profitable food item on a restaurant menu, and for some customers, like McDonald's, the quality of fries is a key part of their brand identity. The fragile nature of processing and shipping frozen potatoes means multi-national quick-service restaurants are reluctant to switch volumes away from known suppliers. Without the demand from QSRs, it would be extremely difficult for a new entrant to generate the volume needed to achieve the scale advantages described above.

- LW has grown sales and earnings before interest and taxes at a steady rate over the past four years. The proportion of capital expenditures to revenue increased recently in line with investments in new capacity, and we expect the level of cap-ex spending to normalize over coming years.

Verisk Analytics (VRSK)

- Verisk's core insurance business is excellent as its proprietary data set, voluntarily provided by customers, allows the company to provide a product that is required for successful underwriting. Without Verisk's robust loss and risk assessment data, an insurance company would be at an immediate disadvantage.

- Over the past few years, management has diluted the outstanding core business with poor capital investment and ill-timed M&A. Recently, Verisk hired a new CFO, Lee Shavel, who has a reputable track record and has publicly discussed a desire to enhance capital allocation efforts.

- Verisk generates solid margins and earnings, with gross margins consistently above 50%. Its margins for earnings before interest and taxes have also been strong, within a range of 37% to 40%, over the past eight years.

Sales

Mid Cap Core Portfolio
Quarter Ending March 31, 2018

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Sales	Reasons
Axalta Coating Systems–Sold Entire Position	We sold our position in in Axalta as our confidence in management diminished after the company engaged in two different merger talks that it ended up terminating. There is a lot of work to get the business back on track, and with our smaller-than-normal weight in the portfolio, combined with the lack of conviction in adding to our holdings, we sold our position.
Intuit–Sold Entire Position	Intuit generated double-digit annual returns over the past 13 years that we've held the stock. However, with this success comes a price, in terms of market-cap size, and we sold our position based on the large market cap of the company.
Globus Medical–Trimmed Position	We trimmed our position slightly to provide funds for an increase in another security in the portfolio.
Wynn Resorts–Trimmed Position	Since our in Wynn over a year and a half ago, Wynn shares have handsomely outperformed the Russell 2500 Index. The recent allegations of sexual misconduct against Chairman and CEO Steve Wynn have created many new and unique uncertainties regarding the direction of the company. The uncertainty comes as new developments in Macau, Boston, and Las Vegas are in the pipeline over the next several years. We believe this weakness in the stock has nothing to do with the structural strength of the business, and we are confident that Wynn has a solid bench behind him running the operations. But given the difficulty of assessing how the uncertainties will play out, we trimmed our weight in this position.

Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Mid Cap Core Portfolio – As of March 31, 2018

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	KAR Mid Cap Core	Russell Midcap® Index
Quality		
Return on Equity–Past 5 Years	27.3%	14.5%
Total Debt/EBITDA	1.8 x	4.1 x
Earnings Variability–Past 10 Years	31.7%	59.0%
Growth		
Earnings Per Share Growth–Past 5 Years	13.9%	8.3%
Earnings Per Share Growth–Past 10 Years	16.0%	9.1%
Dividend Per Share Growth–Past 5 Years	15.6%	9.9%
Dividend Per Share Growth–Past 10 Years	15.0%	8.4%
Capital Generation–{ROE x (1-Payout)}	22.2%	9.7%
Value		
P/E Ratio–Trailing 12 Months	28.1 x	24.9 x
Dividend Yield	0.8%	1.7%
Free Cash Flow Yield†	3.5%	3.6%
Market Characteristics		
$ Weighted Average Market Cap–3-Year Average	$12.0 B	$13.3 B
Largest Market Cap–3-Year Average	$32.2 B	$37.2 B
Annualized Standard Deviation–Since Inception*	14.1%	18.2%

In a market of average businesses, we 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 own companies producing self-funded strong, consistent growth sustainable into the future.

And we are able to achieve this high quality and strong growth at a discount valuation to the market.

**January 1, 2000*

†Free cash flow data is as of December 31, 2017. Prices are as of March 31, 2018. Excludes financials.

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Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. Past performance is no guarantee of future results.

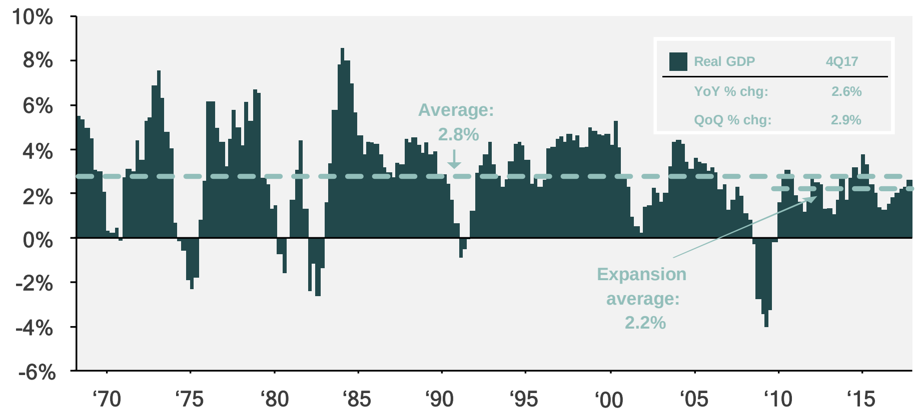
Market Outlook
U.S. Economy

Kayne Anderson Rudnick Investment Management

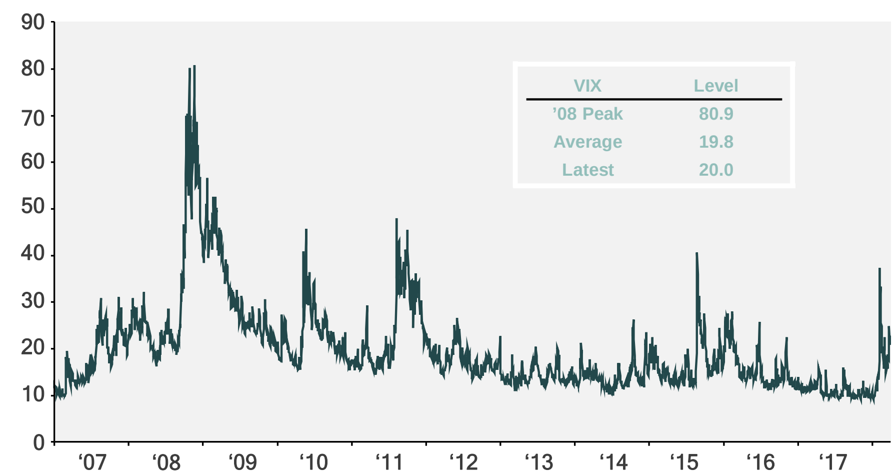
The U.S. economy should accelerate modestly. International economies have finally started to accelerate, improving the outlook for global economic growth rates.

- Corporate earnings and revenue continue to grow in constant currency and companies are maintaining historically high operating margins. 2017 earnings per share (EPS) for the S&P 500 was up double-digits. S&P 500 EPS should continue to grow in the mid-to-high single-digit growth range over the next 12-to-18 months. Additionally, international and emerging markets reported earnings are improving.
- U.S. GDP should improve to the 2.5% to 3.5% range over the next two years due to tax reform. The stock market has already discounted some of these benefits.
- Corporate cash is at all-time highs and improving, leading to share buybacks, dividend increases and acquisitions. Companies have become more disciplined about their capital allocation. M&A should pick up in 2018 due to repatriation, and IPO activity should increase as well.
- Stock market volatility will likely increase from very low levels in 2017.
- Household net wealth continues to hit a new high. Consumer confidence is back to 2007 levels. The labor market continues to improve meaningfully. Wage growth should pick up given the very low levels of unemployment. Small business optimism has substantially improved since the election.
- Many energy-related businesses are quickly recovering from recession conditions. Sustainability of the price of energy is an important issue over the next couple of years.
- Innovation is alive and well with the U.S. creating many investment opportunities in industries such as technology, health care and industrials.
- Despite the back up in Q1 yields, mortgage rates have continued to stay fairly low by historical standards, which has helped real estate markets continue to recover.

Real GDP
Year-over-year % change



CBOE Market Volatility Index (VIX)
Index Level



Data as of March 31, 2018.

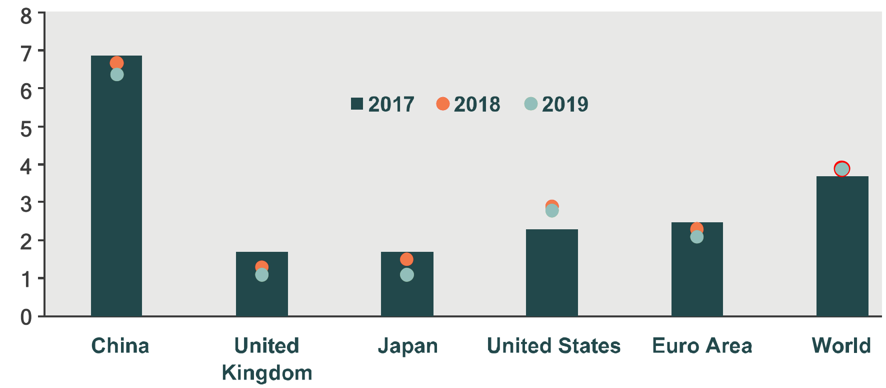
Quarter-over-quarter percent changes are at an annualized rate. Average represents the annualized growth rate for the full period. Expansion average refers to the period starting in the third quarter of 2009. Stock market returns are based on calendar year peak to trough declines experienced during VIX spike. Average is based on the period shown from 12/31/2006-3/31/2018. Data is obtained from FactSet Research Systems, J.P. Morgan Asset Management, BEA and CBOE and is assumed to be reliable. Past performance is no guarantee of future results.

Market Outlook
International Economy

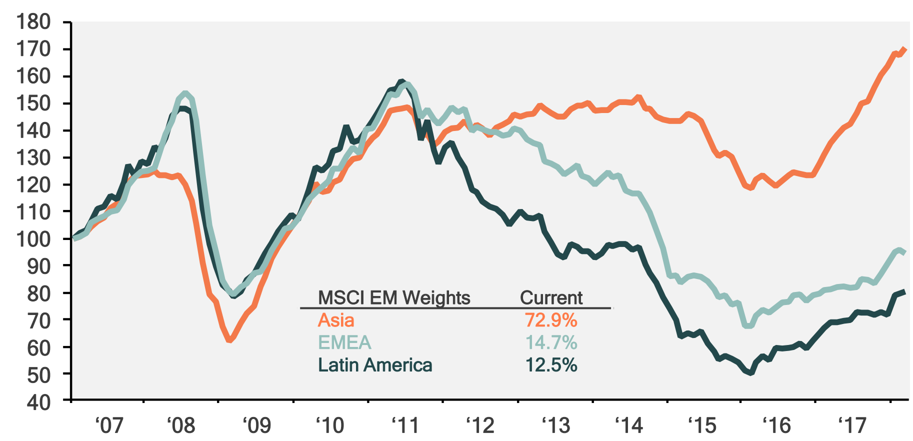
Global growth prospects are solid through year end, providing support for risk-based assets globally.

- We don't believe a global trade war will occur. Negotiations will take time with China, but a trade war is in no country's interest.
- At a 2.7% yield on the U.S. 10-year bond, a higher initial yield combined with a fairly stable U.S. dollar makes the U.S. bond market very attractive to foreign investors.
- European sovereign debt rates continue to be fairly stable, business activity has improved, and European banks have started to recover due to a steepening yield curve. Italy is finally addressing some of their banking problems.
- European inflation is very benign but is getting closer to its targets. Yields have risen this quarter, lifting many European countries out of a negative interest rate environment.
- Chinese economic growth rates have stabilized in 2017, albeit at lower rates than historically. The transition to a consumption-led economy will take time, but is clearly occurring.
- Emerging market growth rates and currencies are showing signs of improvement over the last year. Uncertainty about U.S. trade policies may slow down the recovery in progress, but initial negotiations appear much better than expected with NAFTA still a risk.

OECD Economic Projections
Annual GDP Growth



EM Earnings by Region
EPS for Next 12-Month Consensus, U.S. Dollar, Rebased to 100



Data as of March 31, 2018.

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Market Outlook

Kayne Anderson Rudnick
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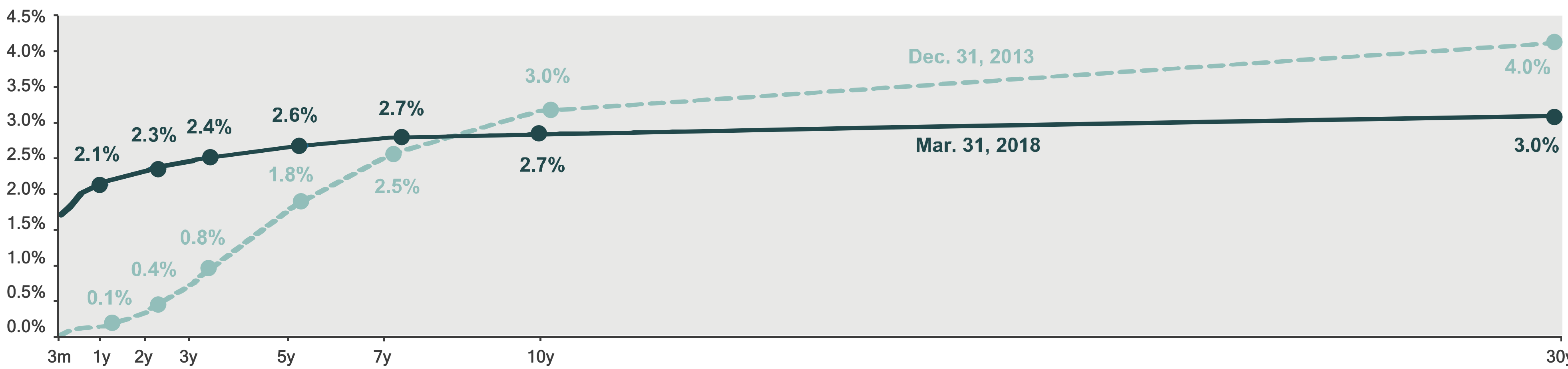
Potential Economic Risks:

- How will the long end of the bond market continue to react to the Fed's desire to raise short-term rates three times in 2018 and unwind the balance sheet?
- Significant increases in energy prices and wage gains could lead to a surge in the inflation outlook.
- A hard landing in China could slow global GDP materially. Although receding, it is still a risk due to debt levels.
- Does the European Central Bank pull back prematurely on QE as Europe is recovering?
- Global deflation, not inflation, continues to be principal risk, but inflation expectations are finally rising somewhat, although still short of targets.
- Continued uncertainty surrounding global trade, travel and immigration policy in the U.S.
- Does government over-regulate the technology industry?

Price of Oil
Brent Crude, Nominal Prices, USD/Barrel

Yield Curve
U.S. Treasury Yield Curve



Data as of March 31, 2018.

Brent crude prices are monthly averages in USD using global spot ICE prices. Data is obtained from FactSet Research Systems, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Past performance is no guarantee of future results.

Market Outlook

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

- As consumer confidence stays strong, there is potential for P/E ratios to improve slightly. Retail investors still are not fully engaged in the equity market.
- Equity valuations remain reasonable by historic measures, both at absolute levels but particularly relative to interest rates.
- Foreign markets are finally supporting U.S. EPS growth rates, particularly for large multinationals.
- With favorable corporate cash flow, investors are being rewarded with increased share buybacks, dividends and occasional acquisitions.
- Corporate profit margins are still being maintained at very high historical levels.
- Due to tax reform, we believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets which will pass on these savings to their customers eventually.
- Investors should expect more modest equity returns going forward (6% to 8% range over time) based on the maturity of this economy and business cycle. Volatility will likely pick up, but we believe the longer term outlook is still favorable.

S&P 500® Index: Forward P/E Ratio

Data as of March 31, 2018.

Price to earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since December 1989, and FactSet for March 31, 2018. Average P/E and standard deviations are calculated using 25 years of FactSet history. Data is obtained from FactSet Research Systems, FRB, Thomas Reuters, Robert Shiller, Standard and Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Past performance is no guarantee of future results.

Appendix

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Investment Management

- Portfolio Data
- Disclosure

Sector Weights

Mid Cap Core Portfolio
As of March 31, 2018

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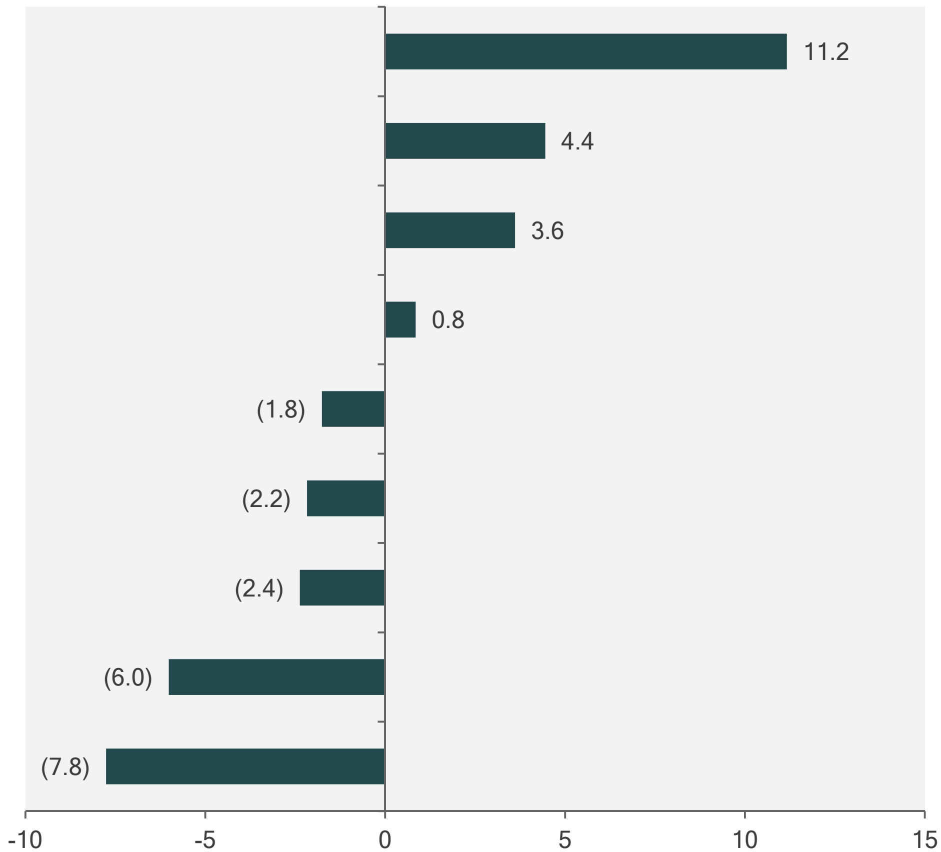
Sectors	KAR Mid Cap Core (%)	Russell Midcap® Index (%)
Health Care	20.2	9.1
Consumer Staples	8.4	3.9
Producer Durables	17.0	13.4
Technology	13.8	13.0
Materials & Processing	5.2	6.9
Consumer Discretionary	12.5	14.7
Energy	3.3	5.7
Utilities	--	6.0
Financial Services	19.6	27.3

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 Russell 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

Mid Cap Core Portfolio
As of March 31, 2018

Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	Russell Sector	% of Portfolio
Globus Medical	Health Care	5.6
AMETEK	Producer Durables	5.6
Monster Beverage	Consumer Staples	5.2
Zoetis	Health Care	5.1
Aspen Technology	Technology	4.6
Broadridge Financial Solutions	Financial Services	4.4
Bank of the Ozarks	Financial Services	4.2
Tractor Supply Company	Consumer Discretionary	4.1
Cooper Companies	Health Care	4.1
Amphenol	Technology	4.1
Total		**46.8**

Research confidence leads to large active weights

	KAR Mid Cap Core	Russell Midcap® Index
# of Holdings	29	777
Average Position Size (%)	3.4	0.1
Weight of Top Ten Holdings (%)	46.8	4.8
Active Share (%)	95.8	–

The strategy benefits from diversification while still taking significant active positions

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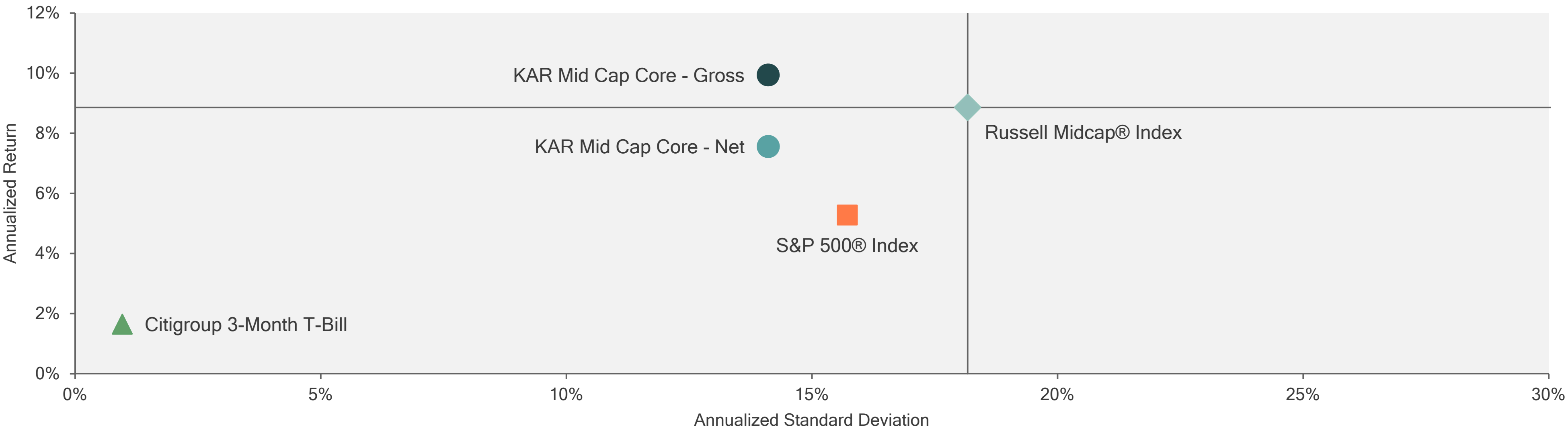
Strong Risk-Adjusted Returns

Mid Cap Core Portfolio
Inception* to March 31, 2018

Kayne Anderson Rudnick Investment Management

Meaningful Excess Return with Lower Volatility
Annualized Since Inception*



Strong Risk-Adjusted Performance Metrics
Annualized Since Inception*

	Alpha	Sharpe Ratio	Standard Deviation	Semi-Standard Deviation	Beta	Tracking Error
KAR Mid Cap Core	2.83	0.59	14.11	11.22	0.71	7.61
Russell Midcap® Index	0.00	0.40	18.17	14.03	1.00	0.00

**January 1, 2000*

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

Returns for the Kayne Anderson Rudnick composite are preliminary and are gross of fees unless otherwise specified. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. Past performance is no guarantee of future results.

Returns

Mid Cap Core Portfolio

KAR
Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 3/31/18	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
First Quarter	2.21	1.45	(0.46)	267
1 Year	22.23	18.67	12.20	1003
3 Years	12.14	9.37	8.01	414
5 Years	15.60	13.41	12.09	352
7 Years	14.39	12.38	11.51	288
10 Years	11.76	9.83	10.21	155
Since Inception*	9.94	7.57	8.86	109

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
2017	26.60	22.92	18.52	808
2016	12.24	8.95	13.80	(156)
2015	3.87	2.73	(2.44)	631
2014	17.88	16.68	13.22	466
2013	28.48	27.15	34.76	(629)
2012	16.27	14.45	17.28	(101)
2011	4.29	2.95	(1.55)	584
2010	19.46	17.99	25.48	(602)
2009	21.47	19.16	40.48	(1901)
2008	(28.78)	(30.29)	(41.46)	1268
2007	6.19	4.20	5.60	59
2006	13.10	10.91	15.26	(217)
2005	8.79	5.56	12.65	(386)
2004	15.29	11.86	20.22	(493)
2003	26.67	23.03	40.06	(1339)
2002	(12.62)	(15.26)	(16.19)	357
2001	(2.76)	(5.59)	(5.62)	286
2000	21.54	17.94	8.25	1329

January 1, 2000

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

Returns for the Kayne Anderson Rudnick composite are preliminary. 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 fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.*

Disclosure

Mid Cap Core Portfolio

Kayne Anderson Rudnick
Investment Management

Kayne Anderson Rudnick Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Kayne Anderson Rudnick Investment Management, LLC has been independently verified for the period from January 1, 1999 through December 31, 2016.

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. The Mid Cap Core Wrap Composite has been examined for the period from January 1, 2000 through December 31, 2016. The verification and performance examination reports are available upon request.

Kayne Anderson Rudnick Investment Management, LLC, 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. Kayne Anderson Rudnick Investment Management, LLC manages a variety of equity and fixed-income strategies focusing exclusively on securities the firm defines as high quality.

The composite includes all discretionary Mid Cap Core Wrap Portfolios. Mid Cap Core Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell Midcap® 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® Index. The Russell Midcap® Index is a market capitalization-weighted index 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 composite was created in July 2003. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Beginning on January 1, 2006, sub-advisory wrap fee portfolios are also included in composite results. Each sub-advisory relationship is included in the composite as one account. Prior to January 1, 2011, accounts that experienced a significant cash flow, defined as aggregate flows that exceeded 25% of the account's beginning of period market value, were temporarily removed from the composite. Prior to December 31, 2010, the composite minimum was $100,000.

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. Prior to December 31, 2005, net annual returns are calculated by deducting 1/4 of an assumed maximum annual wrap fee of 3% on a quarterly basis. Beginning January 1, 2006, net annual returns are calculated using actual fees incurred. If no fee data is provided by wrap sponsors, the maximum annual wrap fee of 3% is used to calculate net of fee performance. 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 gross returns) and the benchmark for the 36-month period is presented starting December 31, 2012, because prior to January 1, 2010, the composite return was calculated quarterly and 36 monthly returns are not available.

	3-Yr Annualized Standard Deviation (%)	
December 31	Composite	Benchmark
2012	15.34	17.44
2013	12.48	14.23
2014	10.27	10.29
2015	11.94	11.00
2016	12.33	11.72

Year	Total Firm Assets ($ millions)	Total Composite Assets ($ millions)	Wrap Accounts as % of Composite Assets	Accounts at Year End	Pure Gross Annual Return (%)*	Net Annual Return (%)	Russell Midcap® Index Annual Return (%)	Internal Dispersion
2007	5,392	25	100%	7	6.19	4.20	5.60	0.06
2008	3,445	18	100%	9	(28.78)	(30.29)	(41.46)	0.15
2009	4,010	23	100%	8	21.47	19.16	40.48	0.35
2010	4,729	28	100%	8	19.46	17.99	25.48	0.87
2011	5,232	25	100%	6	4.29	2.95	(1.55)	0.70
2012	6,545	34	100%	7	16.27	14.45	17.28	0.16
2013	7,841	12	100%	6	28.48	27.15	34.76	0.28
2014	7,989	7	100%	5	17.88	16.68	13.22	0.16
2015	8,095	7	100%	5	3.87	2.73	(2.44)	N/A
2016	9,989	9	100%	5	12.24	8.95	13.80	0.14

**Pure gross returns are supplemental to net returns.*