Kayne Anderson Rudnick
Investment Management

Mid Cap Core Portfolio
Managed Accounts
Second Quarter 2020 Review

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Firm Overview
As of June 30, 2020

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	$37.0 billion
Number of Equity Investment Professionals	16
Average Investment Experience	17 Years

Disciplined Investment Approach

Investment Philosophy & Objectives

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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

Kayne Anderson Rudnick Investment Management

Market Control

Ability to Develop, Nurture, Protect its Market/ Effective Competitive Differentiation

Management Excellence

Develop and Adhere to Core Competencies/ Disciplined Capital Allocation

High Quality

Balance Sheet Statement

Low Capital Intensity/ Low Debt Balance Sheet

Income Statement

Durable Earnings Growth/ High Return on Capital

Cash Flow Statement

High Free Cash Flow/ Self Financing

How Are We Different?

We Manage Risk and Generate Returns Differently

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	CLASSIC APPROACH*	KAR APPROACH
RISK	stock portfolio 75 1% to 2% positions No stock can help or hurt more than 2%	stock portfolio 25-35 3% to 10% positions in high-quality companies Minimal business risk Minimal balance sheet risk Minimal profit risk
RETURNS	Average companies producing average returns on capital	Exceptional companies producing exceptional returns on capital
	Buying cheap and selling dear required for above-average portfolio returns	Buy at attractive price and let exceptional returns on capital drive exceptional growth and income over extended period of time
	6 months average holding period	36 to 60 months average holding period, but often longer
	High frictional costs due to RAPID trading	Low frictional costs due to LESS trading
	Poor tax efficiency due to short holding periods	Inherent tax efficiency

** The Classic Approach is based upon competitors with 75 holdings or more. The observations are generalized and do not represent any specific competitor's investment approach.*

Past performance is no guarantee of future results.

Mid Cap Core Team

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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	34 Years	9 Years
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care	25 Years	19 Years
Craig Stone	Portfolio Manager and Senior Research Analyst Sector Coverage: Producer Durables	31 Years	20 Years
Todd Beiley, CFA	Senior Research Analyst Sector Coverage: Energy and Consumer Discretionary	21 Years	18 Years
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Technology	12 Years	7 Years
Julie Kutasov	Senior Research Analyst Sector Coverage: Materials and Processing	19 Years	19 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials	8 Years	8 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Producer Durables	11 Years	2 Years
Adam Xiao, CFA	Research Analyst Sector Coverage: Consumer Staples, Financials and Producer Durables	5 Years	2 Years
Jordan Greenhouse	Managing Director - Senior Portfolio Specialist and Relationship Manager	23 Years†	4 Years
James B. May, CFA	Managing Director - Portfolio Specialist	32 Years†	1 Year

†Represents years of industry experience.

Market Review

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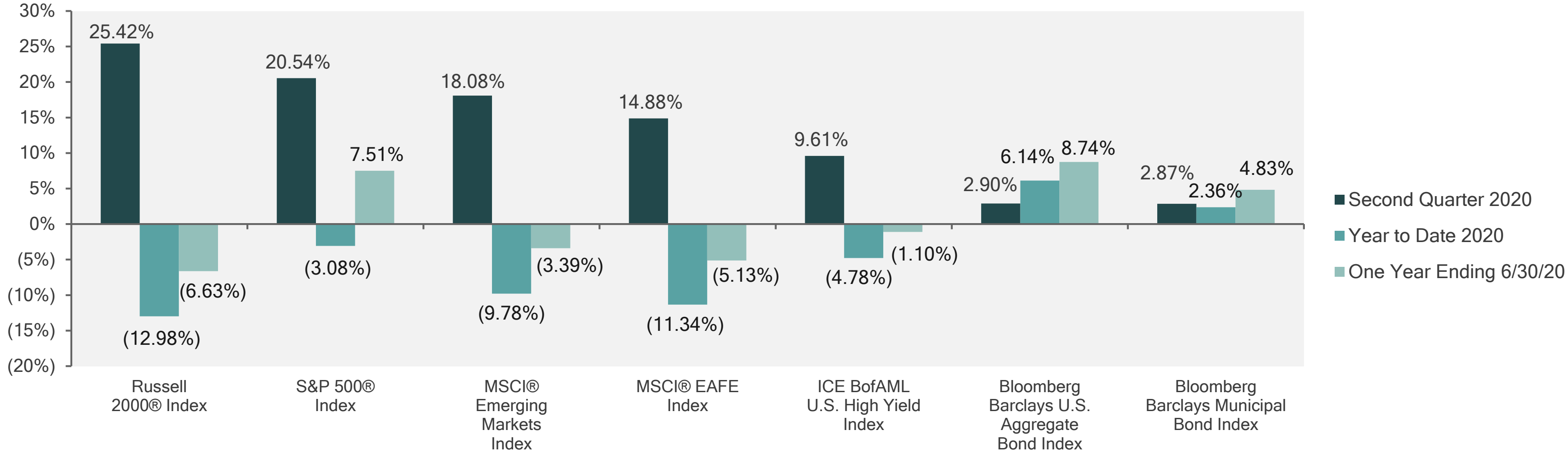
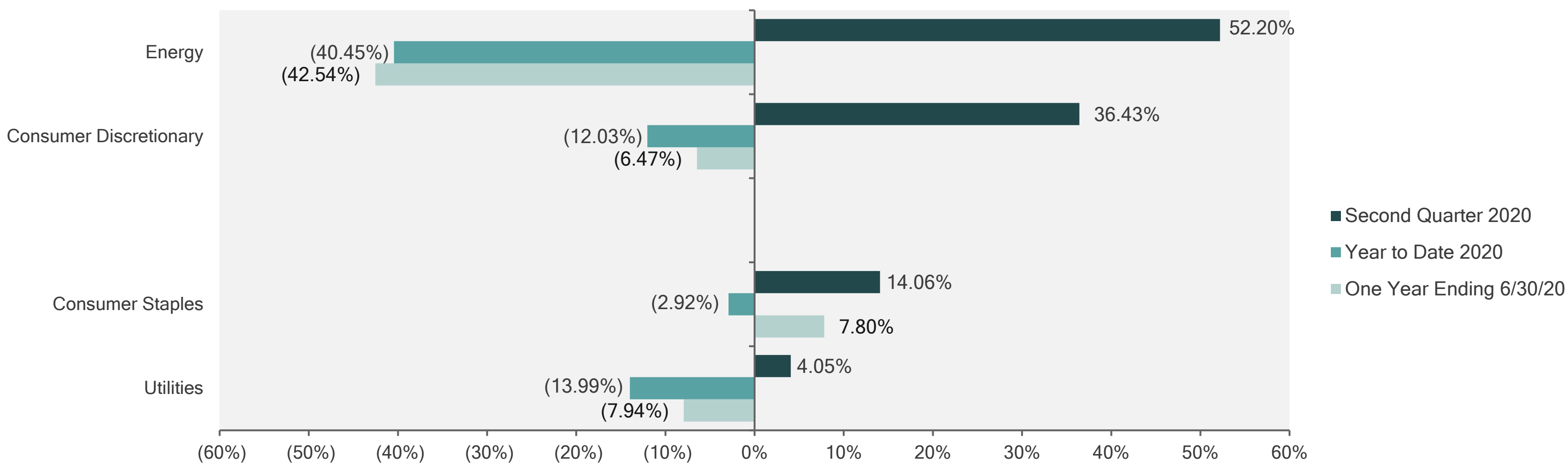
Index Performance



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 Quality

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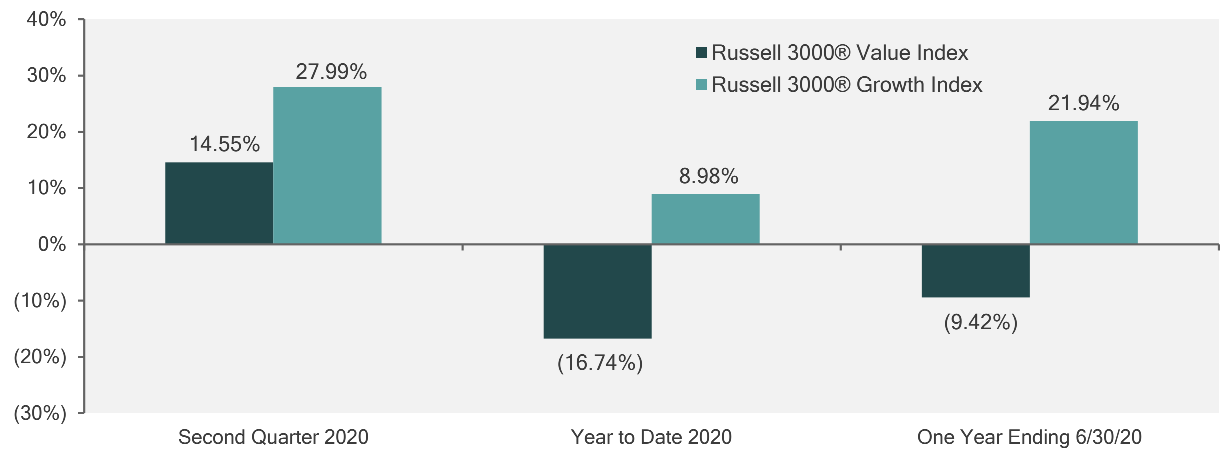
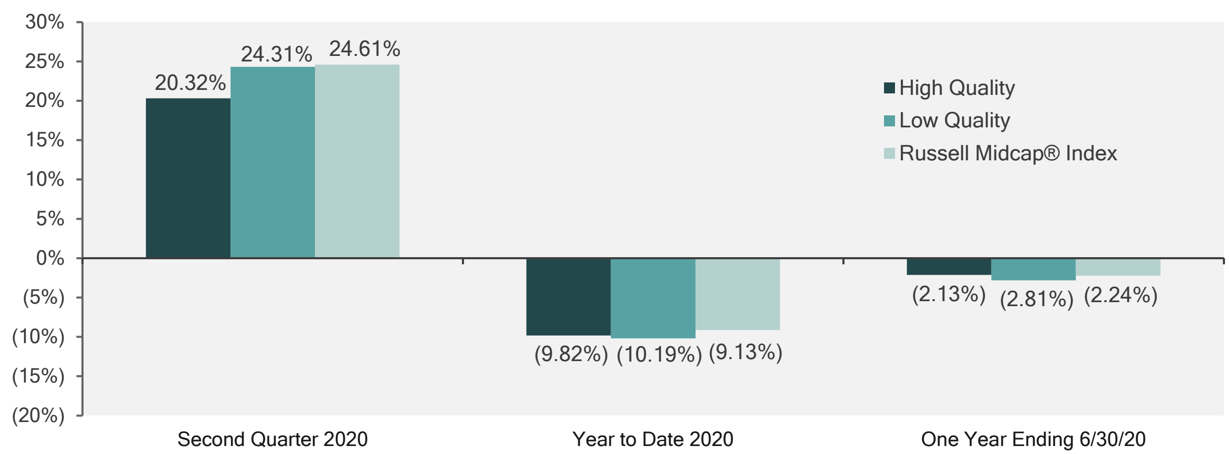
Performance by Style
Russell 3000® Value Index vs. Russell 3000® Growth Index



Performance by Quality
Russell Midcap® Index



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High Quality is defined as all stocks with an S&P Quality Ranking of B+ and above. Low Quality is defined as all stocks with an S&P Quality Ranking of B and below.
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Quarterly Performance Overview

Mid Cap Core Portfolio
Periods Ending June 30, 2020

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Monthly, Quarterly and Year to Date Performance

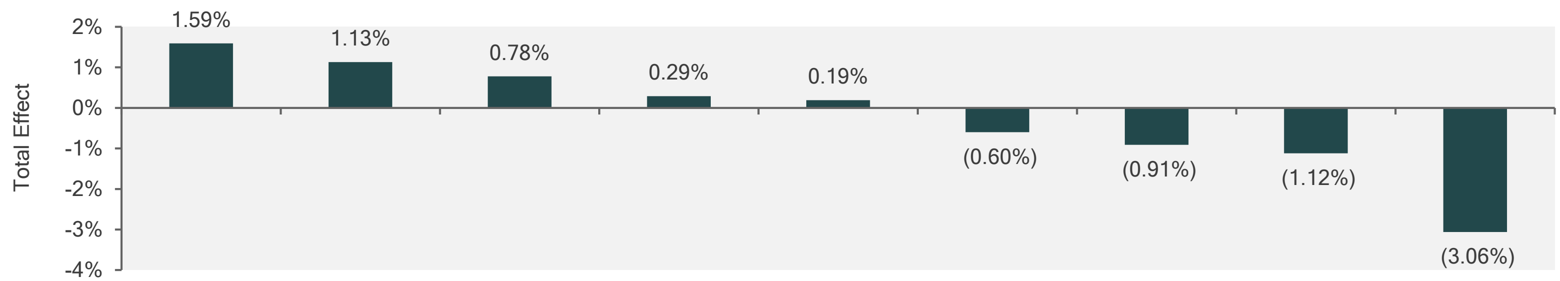
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
April	11.81	11.56	14.36	(255)
May	8.39	8.14	7.03	136
June	0.97	0.72	1.80	(84)
Second Quarter	22.36	21.50	24.61	(225)
Year to Date	(0.30)	(1.79)	(9.13)	883

Contributors

Highest	Contribution
West Pharmaceutical Services	+2.35%
SiteOne Landscape Supply	+2.13%
Brooks Automation	+1.74%
Nordson	+1.51%
Equifax	+1.37%
Lowest	**Contribution**
AMN Healthcare Services	(0.92%)
Elanco Animal Health	(0.19%)
Ross Stores	(0.02%)
Dolby Laboratories	0.00%
Graco	0.12%

Attribution by Sector

Quarter Ending June 30, 2020



	Utilities	Financial Services	Producer Durables	Consumer Staples	Materials & Processing	Energy	Technology	Consumer Discretionary	Health Care	Total Effect
Russell Midcap® Returns	4.05%	18.13%	24.02%	14.06%	23.36%	52.20%	32.46%	36.43%	27.96%	24.61%
KAR Returns	0.00%	22.19%	26.91%	12.43%	28.59%	0.00%	27.65%	27.52%	10.48%	22.36%
KAR Selection Effect	0.00%	0.70%	0.85%	(0.02%)	0.14%	0.00%	(0.54%)	(1.11%)	(3.43%)	(3.41%)
KAR Allocation Effect	1.59%	0.43%	(0.06%)	0.31%	0.05%	(0.60%)	(0.37%)	(0.01%)	0.36%	1.70%

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The attribution data provided herein is based upon a buy and hold methodology for a representative portfolio. Returns for the Kayne Anderson Rudnick composite are preliminary. All periods less than one year are total returns and are not annualized. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding. ***Past performance is no guarantee of future results.***

Annual Performance Overview

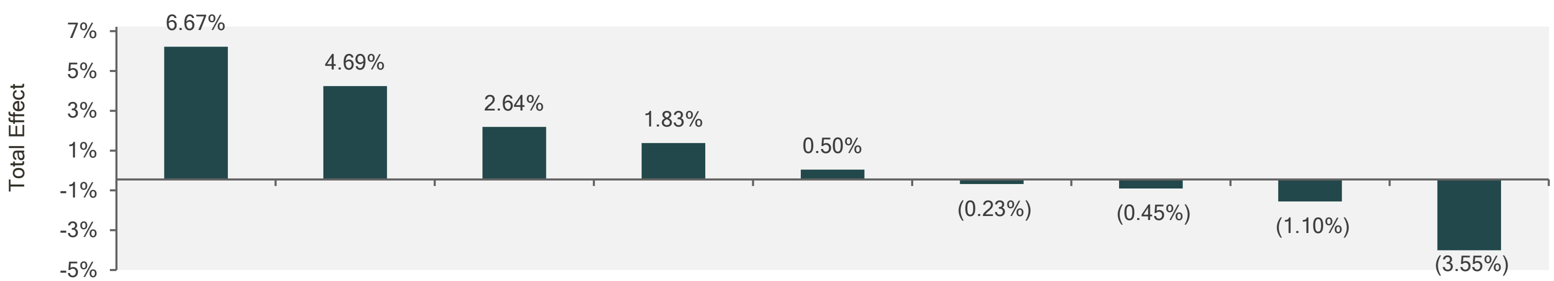
Mid Cap Core Portfolio
Periods Ending June 30, 2020

Kayne Anderson Rudnick Investment Management

Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
Third Quarter 2019	1.30	0.54	0.48	82
Fourth Quarter 2019	7.78	6.99	7.06	71
First Quarter 2020	(18.52)	(19.17)	(27.07)	856
Second Quarter 2020	22.36	21.50	24.61	(225)
1 Year Ending 6/30/20	8.85	5.65	(2.24)	1109

Attribution by Sector
One Year Ending June 30, 2020



	Producer Durables	Financial Services	Consumer Discretionary	Energy	Utilities	Consumer Staples	Health Care	Materials & Processing	Technology	Total Effect
Russell Midcap® Returns	(3.41%)	(11.77%)	(6.47%)	(42.54%)	(7.94%)	7.80%	14.22%	(3.39%)	20.56%	(2.24%)
KAR Returns	21.79%	9.32%	11.40%	0.00%	0.00%	2.14%	4.22%	(18.73%)	(0.80%)	8.85%
KAR Selection Effect	6.80%	3.90%	2.70%	0.00%	0.00%	(0.26%)	(2.01%)	(1.11%)	(2.59%)	7.43%
KAR Allocation Effect	(0.13%)	0.80%	(0.06%)	1.83%	0.50%	0.03%	1.56%	0.02%	(0.95%)	3.59%

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Highest Contributors

Mid Cap Core Portfolio
One Year Ending June 30, 2020

Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
West Pharmaceutical Services	+3.20%	West Pharmaceutical saw its shares rise in the last year despite COVID-19 issues as far fewer clinical trials have been cancelled and demand for the company's delivery products during this crisis created outperformance. The company also has low debt and solid free cash flow.
Old Dominion Freight Line	+2.45%	Over the prior 12 months, Old Dominion continued to negotiate rate increases in each quarter, despite periods of volume declines. Industry volumes are likely to be challenged mid-2020 due to COVID-19 pandemic-related declines in economic activity, but the company has a net cash balance sheet, positive free cash flow and high margins that should allow it to better weather the downturn than peers.
SiteOne Landscape Supply	+1.95%	In many states construction was deemed as an essential service and work continued despite the stay-at-home orders. This helped SiteOne continue to service its landscape contractor customers. Additionally, with the stay-at-home orders, many homeowners are increasingly spending or looking to spend on home improvement projects instead of taking vacations this year. With still only 12% of total industry market share, SiteOne still has plenty of runway for further consolidation and to increase its leverage over smaller distributors.
Nordson	+1.49%	Nordson recently experienced short-term volatility in order rates for its products, however, Nordson's products remain critical to its customers as the economy recovers from the COVID-19 pandemic. We continue to believe the competitive positioning of the company remains intact.
Moody's	+1.26%	Moody's shares performed well over the past 12 months as the company reported revenue and profit growth despite a decline in global debt issuance volumes. Moody's has done a good job over the years diversifying its business and increasing its recurring revenue so it is less focused on debt issuance volumes. While the emergence of COVID-19 caused an initial sell-off in the stock in the first quarter, shares recovered in the second quarter and were close to a 52-week high after the company reported another quarter of double-digit revenue growth and the capital markets remain conducive to increased debt issuance volumes.

Lowest Contributors

Mid Cap Core Portfolio
One Year Ending June 30, 2020

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Security	Contribution	Comments
Elanco Animal Health	(1.82%)	Elanco Animal Health saw its shares fall in the past year as the company announced the acquisition of Bayer's animal health division in August 2019. Also, the onset of COVID-19 has had a temporary impact on companion animal vet visits and demand for some of its pharmaceuticals.
AMN Healthcare Services	(1.24%)	AMN Healthcare has been struggling with a technology transition in Locum Tenens that has been hurting results for several quarters. Further, results suffered with demand for all practice lines halted (apart from travel nurses) due to COVID-19.
Lennox International	(0.95%)	Lennox International saw its commercial and refrigeration segments impacted by shut-downs and stay-at-home orders. The company was already looking into divesting its refrigeration business prior to the pandemic. When it does, its residential business will be approximately 85% of its total business. Residential business tends to be more resilient as it is driven by replacements rather than projects or upgrades.
Aspen Technology	(0.93%)	Although Aspen continues to report strong results, its exposure to the oil and gas markets has impacted the stock price. Oil prices can impact some incremental usage for Aspen products, however, the company's long-term contracts (5 to 6 years) as well as its exposure to chemicals should lessen the impact of lower oil prices. The company weathered the last downturn in oil prices with only a slowdown in growth and, in this cycle, it has the benefit of its new Asset Performance Management suite, which should further insulate the business.
Cooper Companies	(0.68%)	Cooper Companies' shares were down in the last year mostly driven by weakness in the first quarter due to the COVID-19 pandemic as eye clinics shut down and contact lens usage has been extended due to shelter-in-place. Most contact lens ordering involves a visit to a clinic and that has been impeded. We believe demand should return as health-care conditions improve. We also view the company's myopia product as another growth opportunity in the future.

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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.***

Purchases

Mid Cap Core Portfolio
Quarter Ending June 30, 2020

Kayne Anderson Rudnick
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Purchases	Descriptions/Reasons
Dolby Laboratories–Initiated Position	Dolby Laboratories designs high-quality audio and visual technology it implements in its own products as well as licenses to original equipment manufacturers, content producers, streaming services and cell phone manufacturers. Its technology optimizes both the visual and auditory experience for both consumer and business applications.
HEICO–Increased Position	Since our initial purchase, HEICO's shares weakened due to the COVID-19 pandemic. However, we believe demand should return at some point so we increased our position due to the attractive valuation.
Lamb Weston Holdings–Increased Position	Lamb Weston's shares weakened from the impact on food-services (particularly in-dining restaurants) as COVID-19 continues to imperil the global economy. However, the company has exposure to quick-service-restaurants as well as China. We believe that the oligopoly structure of this industry combined with structural barriers to entry and scale provide a positive set up when the economy recovers from the pandemic. Therefore, we increased our position in the company.
Ross Stores–Increased Position	Ross Stores' shares have been negatively impacted by store closures due to the COVID-19 pandemic. After a period where the entire store base was closed, re-openings have been occurring. However, a second wave of COVID outbreaks has led to some new short-term weakness. We believe that not only does Ross have the financial balance-sheet strength to withstand the current economic malaise, but should emerge stronger as closeouts become more plentiful and the brick and mortar retail landscape continues to see ongoing bankruptcies. We used the weakness to increase our position.

Dolby Laboratories (DLB)

- While Dolby's roots were in mandated audio standards that it licensed, the company has evolved to one with a much broader portfolio of solutions as well as end-markets. It leverages its leadership position and brand to expand into new platforms and applications.

- Over decades, Dolby has been able to establish a brand for excellence in the audio and eventually visual technology markets. It has done so by investing heavily in both marketing and R&D to stay relevant and in front of major changes in standards and technology. As such, original equipment manufacturers, phone manufacturers and streaming services have all come to expect a certain standard of excellence from Dolby with a brand name that is well-supported. In some cases, companies leverage the Dolby brand to differentiate their own technology from competitors.

- As a result of its scale, Dolby is able to invest heavily in technology development, particularly as its breadth of offerings has expanded. Thus it is able to spread R&D investment in audio technology across its diverse end-markets, such as the mobile phone, TVs, set-top-boxes, sound bars, video-conference, cinema and streaming applications. Because it can leverage technology across end-market applications, it has less risk in entering new product opportunities. The breadth of its offering and customer relationships would be hard to replicate.

Sales

Mid Cap Core Portfolio
Quarter Ending June 30, 2020

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Sales	Reasons
Graco–Sold Entire Position	We sold Graco to fund a new portfolio investment. The shares held up well during the COVID-19 downturn and subsequent recovery.
Amphenol–Trimmed Position	We trimmed our position in Amphenol to help fund an increase in another position in the portfolio.
Nordson–Trimmed Position	We trimmed our position in Nordson to help fund a potential new investment in the portfolio.
Old Dominion Freight Line–Trimmed Position	We trimmed our position in Old Dominion to help fund an increase in another position in the portfolio.
Primerica–Trimmed Position	We trimmed our position in Primerica to help fund another position in the portfolio.
West Pharmaceutical Services–Trimmed Position	We trimmed our position in West Pharmaceutical to help fund an increase in another position in the portfolio.

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Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Mid Cap Core Portfolio – As of June 30, 2020

Kayne Anderson Rudnick Investment Management

	KAR Mid Cap Core	Russell Midcap® Index
Quality		
Return on Equity–Past 5 Years	22.4%	14.8%
Total Debt/EBITDA	1.9 x	7.4 x
Earnings Variability–Past 10 Years	33.7%	55.2%
Growth		
Earnings Per Share Growth–Past 5 Years	14.4%	9.9%
Earnings Per Share Growth–Past 10 Years	11.7%	9.9%
Dividend Per Share Growth–Past 5 Years	14.6%	8.9%
Dividend Per Share Growth–Past 10 Years	16.5%	12.1%
Capital Generation–{ROE x (1-Payout)}	16.9%	10.1%
Value		
P/E Ratio–Trailing 12 Months	31.6 x	29.6 x
Dividend Yield	0.7%	1.7%
Free Cash Flow Yield†	3.0%	3.5%
Market Characteristics		
$ Weighted Average Market Cap–3-Year Average	$13.2 B	$15.3 B
Largest Market Cap–3-Year Average	$41.4 B	$49.8 B
Annualized Standard Deviation–Since Inception*	15.5%	19.7%

In a market of average businesses, we seek to own protected proprietary businesses that generate exceptional returns on shareholders' capital without employing significant debt.

In a market of cyclical businesses requiring growth capital from fickle markets, we seek to own companies producing self-funded strong, consistent growth sustainable into the future.

And we have historically been able to achieve this high quality and strong growth at a comparable valuation to the market.

**January 1, 2000*

†Free cash flow data is as of March 31, 2020. Prices are as of June 30, 2020. Excludes financials.

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

Market Outlook
U.S. Economy

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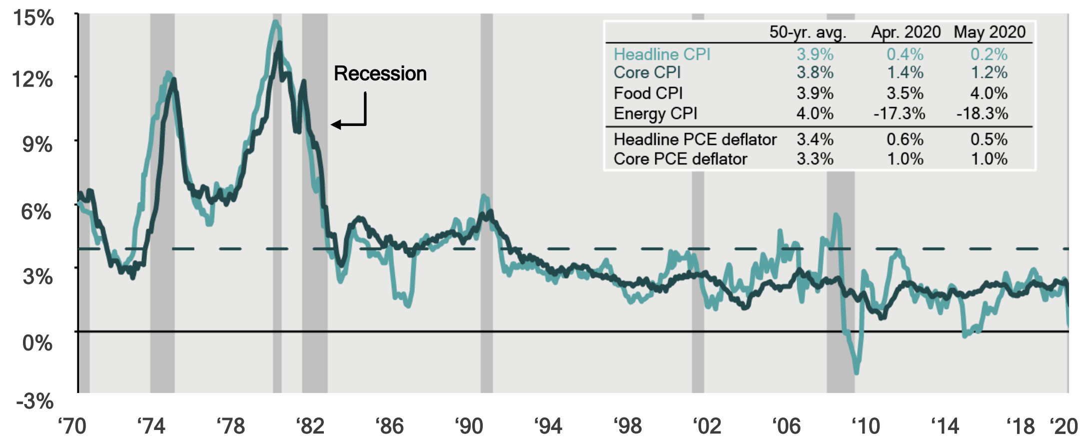
The U.S. and global economies are in a recession due to the COVID-19 health crisis, but have started to resume some normal activity.

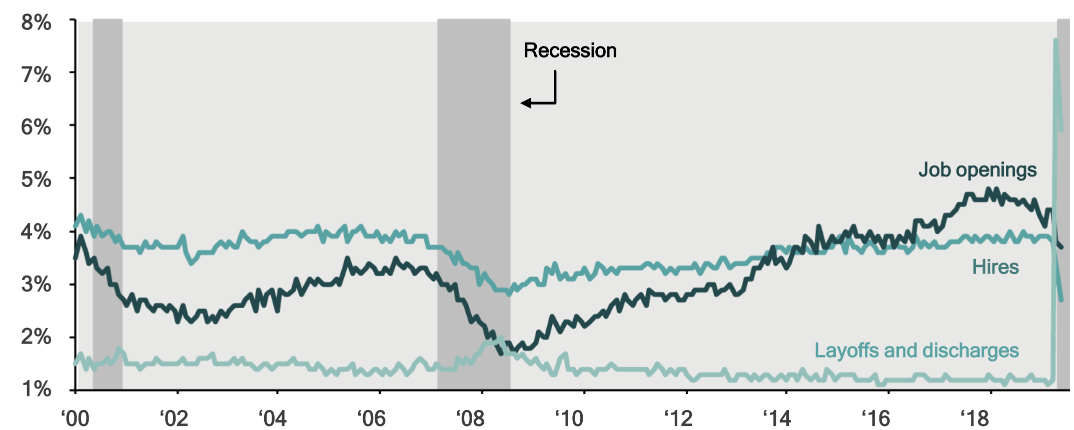
- We believe U.S. 2020 growth will decline slightly with a major decline felt in Q2 2020. We expect there will be a slow, but steady recovery from here through year end 2021.
- Consumer behavior is more likely to change longer-term since the virus is still a threat.
- Corporate earnings are going to suffer significantly in the near future due to the shutdown. Visibility on earnings is very low and many companies have withdrawn guidance for the year.
- The yield curve is still fairly flat despite the Fed pushing short-term rates to effectively zero. The Fed may be on hold for an extended period. Low-to-no inflation has given the Fed even more room to lower rates.
- The strength of the consumer had been supporting the global economy, but unemployment has soared in the near-term hurting confidence. Fiscal policy is attempting to bridge the gap between the shutdown and resumption of normal activity.
- Volatility is likely to decline from here as the health crisis peaks out globally and business conditions slowly return to normal, assuming no major second wave of infections globally.
- Innovation and disruption is continuing at a breathtaking pace in the U.S. in a variety of industries, creating clear winners and losers in many industries. Stock picking is key particularly in this environment.

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



	50-yr. avg.	Apr. 2020	May 2020
Headline CPI	3.9%	0.4%	0.2%
Core CPI	3.8%	1.4%	1.2%
Food CPI	3.9%	3.5%	4.0%
Energy CPI	4.0%	-17.3%	-18.3%
Headline PCE deflator	3.4%	0.6%	0.5%
Core PCE deflator	3.3%	1.0%	1.0%

Hires, Job Openings and Layoffs and Discharges
Share of Total Nonfarm Employment, Seasonally Adjusted, Percent



Data as of June 30, 2020.

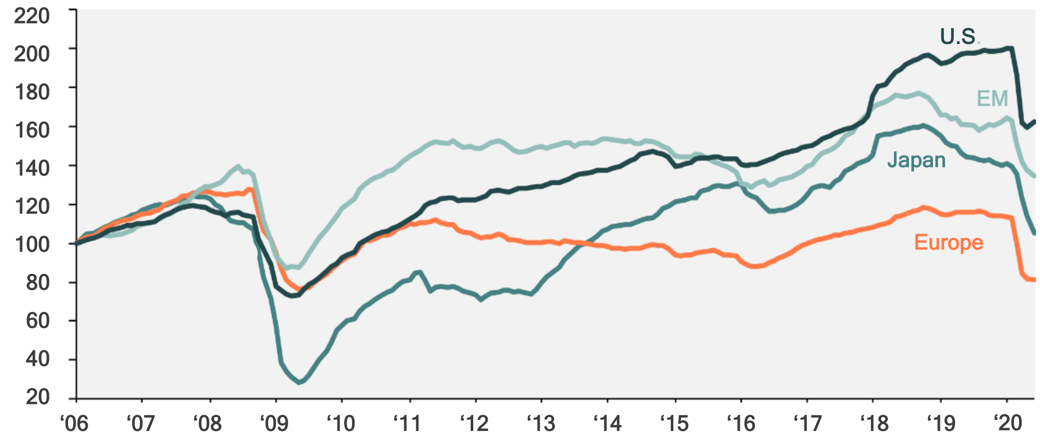
Data is obtained from BLS, FactSet, Bureau of Labor Statistics and J.P. Morgan Asset Management and is assumed to be reliable. CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed weight basket used in CPI calculations. ***Past performance is no guarantee of future results.***

Global growth prospects were already weak before the health crisis. The global economy has not escaped a recession either.

- Europe and emerging market economies weakened in early 2019 due to trade disputes with China. COVID-19 has weakened these markets further in 2020. Recession has set in.
- Despite the negative impact to emerging markets and international growth rates due to the trade disputes and COVID-19, Asia has done an excellent job of containing the virus and is already starting to see improving business conditions in China.
- Global inflation expectations are still very benign and this gives central banks the opportunity to keep low short-term rates for an extended timeframe. Global competition, oil prices and modest wage growth are the key drivers behind this longer-term. Global deflation is still the principal threat to developed nations.

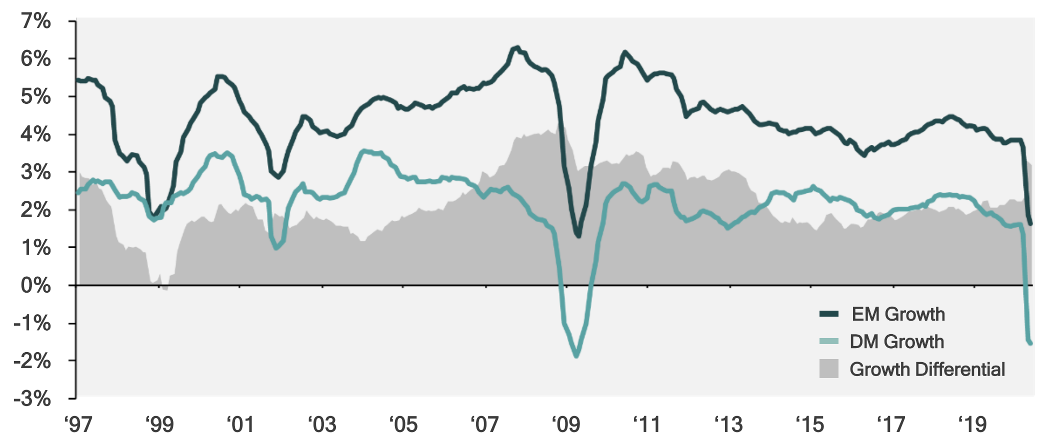
Global Earnings

EPS, Local Currency, Next 12 Months, Jan. 2006 = 100



Emerging Markets vs. Developed Markets Growth

Monthly, Consensus Expectations for GDP Growth in 12 Months



Data as of June 30, 2020.

Data is obtained from Consensus Economics, FactSet, MSCI, Standard & Poor's, Thomson Reuters and J.P. Morgan Asset Management and is assumed to be reliable.
The Global Earnings chart uses MSCI indices for all regions/countries, except for the U.S., which is the S&P 500. All indices use IBES aggregate earnings estimates. MSCI Europe includes the eurozone as well as countries not in the currency bloc, such as Norway, Sweden, Switzerland and the UK (which collectively make up 45% of the overall index). "Growth differential" is consensus estimates for EM growth in the next 12 months minus consensus estimates for DM growth in the next 12 months, provided by Consensus Economics.. ***Past performance is no guarantee of future results.***

Market Outlook

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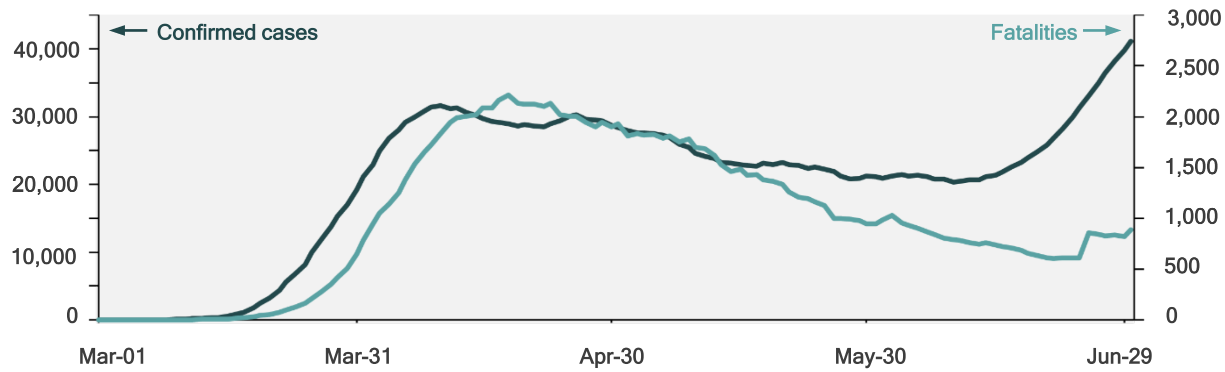
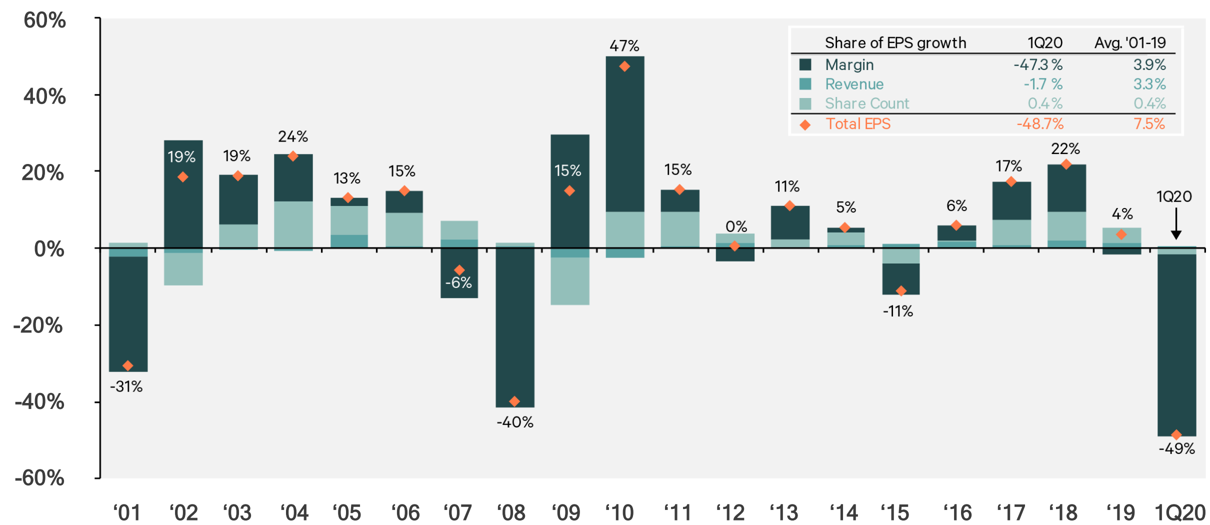
We continue to believe that the risk/reward ratio for equities over the long-term is favorable on an absolute basis and particularly relative to fixed income.

- Business is improving as states reopen, but we are a long way from normal activity. A second wave of infections is threatening reopening plans already. It will take time to fully restore consumer confidence.
- Equity valuations remain reasonable by historic measures on absolute levels, but particularly relative to interest rates.
- Foreign markets should recover gradually, particularly China and Asia since the health crisis is fading there. Europe has also been relatively successful at containing the virus.
- Cash is king right now and investors are solidly focused on debt and balance sheets during this health crisis. Many buybacks have been suspended.
- Corporate profit margins will contract dramatically near-term due to declining revenue and still significant employee costs.
- We believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets.
- We believe that the outlook for the equity markets continues to be favorable going forward. Volatility will likely decline and we believe the longer term outlook is still favorable.

Change in Confirmed Cases and Fatalities in the U.S.
7-Day Moving Average



S&P 500 Year-Over-Year Operating EPS Growth
Annual Growth Broken into Revenue, Changes in Profit Margin & Changes in Share Count



Data as of June 30, 2020.

Data is obtained from Compustat, FactSet, Johns Hopkins CSSE, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. EPS levels are based on annual operating earnings per share. Percentages may not sum due to rounding. ***Past performance is no guarantee of future results.***

Appendix

Kayne Anderson Rudnick
Investment Management

- Portfolio Data
- Disclosure

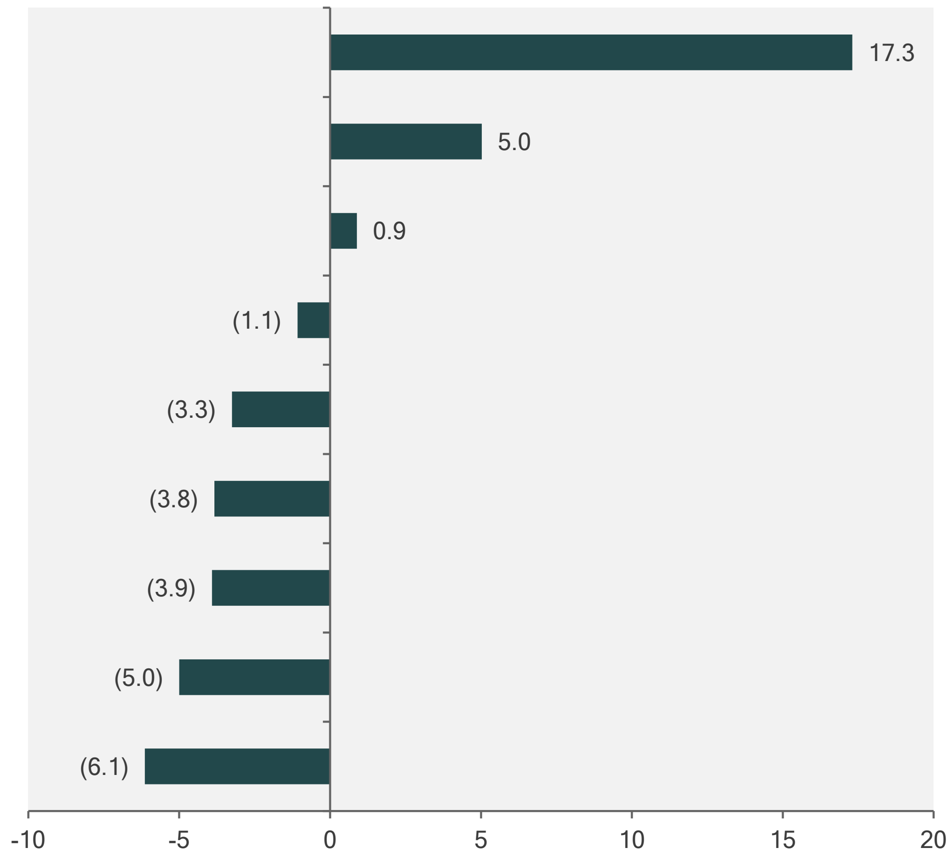
Sector Weights

Mid Cap Core Portfolio
As of June 30, 2020

Kayne Anderson Rudnick Investment Management

Sectors	KAR Mid Cap Core (%)	Russell Midcap® Index (%)
Producer Durables	31.0	13.7
Health Care	17.3	12.3
Consumer Discretionary	15.3	14.4
Consumer Staples	3.9	5.0
Energy	–	3.3
Materials & Processing	2.8	6.7
Financial Services	16.7	20.6
Technology	13.0	18.0
Utilities	–	6.1

Underweight/Overweight (%)



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

A complete list of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. The sector information represented above is based on 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 June 30, 2020

Kayne Anderson Rudnick Investment Management

Top 10 Holdings	Russell Sector	% of Portfolio
West Pharmaceutical Services	Health Care	5.6
SiteOne Landscape Supply	Consumer Discretionary	5.4
AMETEK	Producer Durables	5.2
Brooks Automation	Technology	4.7
Globus Medical	Health Care	4.4
Old Dominion Freight Line	Producer Durables	4.3
Ross Stores	Consumer Discretionary	4.0
Broadridge Financial Solutions	Financial Services	3.9
Lamb Weston Holdings	Consumer Staples	3.9
Equifax	Producer Durables	3.9
Total		**45.3**

Research confidence leads to large active weights

	KAR Mid Cap Core	Russell Midcap® Index
# of Holdings	30	811
Average Position Size (%)	3.3	0.1
Weight of Top Ten Holdings (%)	45.3	4.3
Active Share (%)	96.4	–

The strategy benefits from diversification while still taking significant active positions

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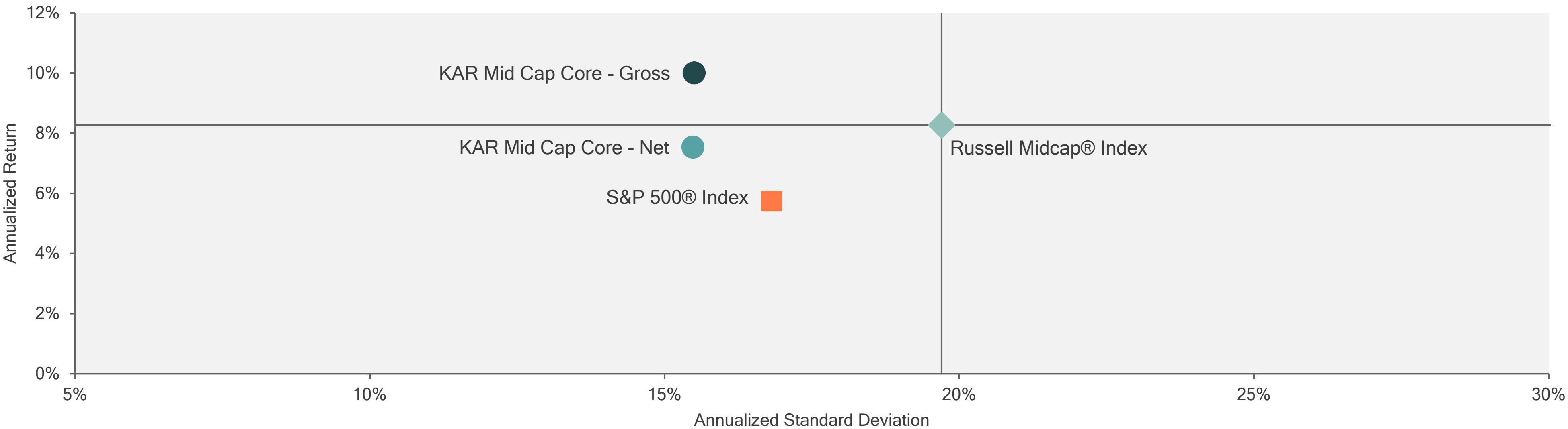
Strong Risk-Adjusted Returns

Mid Cap Core Portfolio
Inception* to June 30, 2020

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	**3.07**	**0.54**	**15.50**	**12.18**	**0.74**	**7.49**
Russell Midcap® Index	0.00	0.34	19.70	15.24	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

Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 6/30/20	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
Second Quarter	22.36	21.50	24.61	(225)
Year to Date	(0.30)	(1.79)	(9.13)	883
1 Year	8.85	5.65	(2.24)	1109
3 Years	13.69	10.36	5.79	790
5 Years	12.24	9.14	6.76	548
7 Years	14.43	11.85	9.40	503
10 Years	15.54	13.25	12.35	319
Since Inception*	10.01	7.54	8.27	173

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
2019	32.71	28.87	30.54	217
2018	(3.24)	(6.11)	(9.06)	582
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, 2018.

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, 2018. 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. 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
2017	10.79	10.51
2018	11.37	12.15

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
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
2017	14,609	9	100%	<5	26.60	22.92	18.52	N/A
2018	17,840	15	100%	6	(3.24)	(6.11)	(9.06)	N/A

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

The Russell Midcap® Index and Russell 1000® Index are trademarks/service marks of Frank Russell Company. Russell® is a trademark of Frank Russell Company.