



Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Small Cap Core Portfolio
Managed Accounts
First Quarter 2024 Review

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

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Firm Overview

As of March 31, 2024



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	\$65.3 billion*
Number of Equity Investment Professionals	22
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 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 2000® Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics*



Competitive Protection

- Brand/Reputation
- Network Effect
- Scale/Cost Advantage
- Benchmarking Standard
- High Customer Switching Costs
- Barriers to Entry/Unique Asset
- Low Obsolescence Risk



Owner-Oriented Management

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



HIGH QUALITY BUSINESS

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

Small Cap Core Team



Kayne Anderson Rudnick
Investment Management

Portfolio Manager/Analysts	Responsibility	Research Start Date	KAR Start Date
Todd Bailey, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Financials (Insurance Industry) and Information Technology	1999	2002
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care and Industrials	1995	2001
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Information Technology and Health Care	2004	2013
Julie Kutasov	Senior Research Analyst Sector Coverage: Materials, Industrials and Utilities	2001	2001
Craig Stone	Senior Research Analyst Sector Coverage: Real Estate and Consumer Staples	1990	2000
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials, Information Technology, Energy and Industrials	2012	2012
Adam Xiao, CFA	Senior Research Analyst Sector Coverage: Financials, Consumer Discretionary, Information Technology and Industrials	2013	2018
Tyler Cantarano	Research Analyst Sector Coverage: Information Technology, Consumer Discretionary and Communication Services	2017	2024
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Industrials	2008	2018
Luke Longinotti, CFA	ESG Research Analyst	2020	2023
Arthur Su, CFA	Research Analyst Sector Coverage: Information Technology and Industrials	2015	2022
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

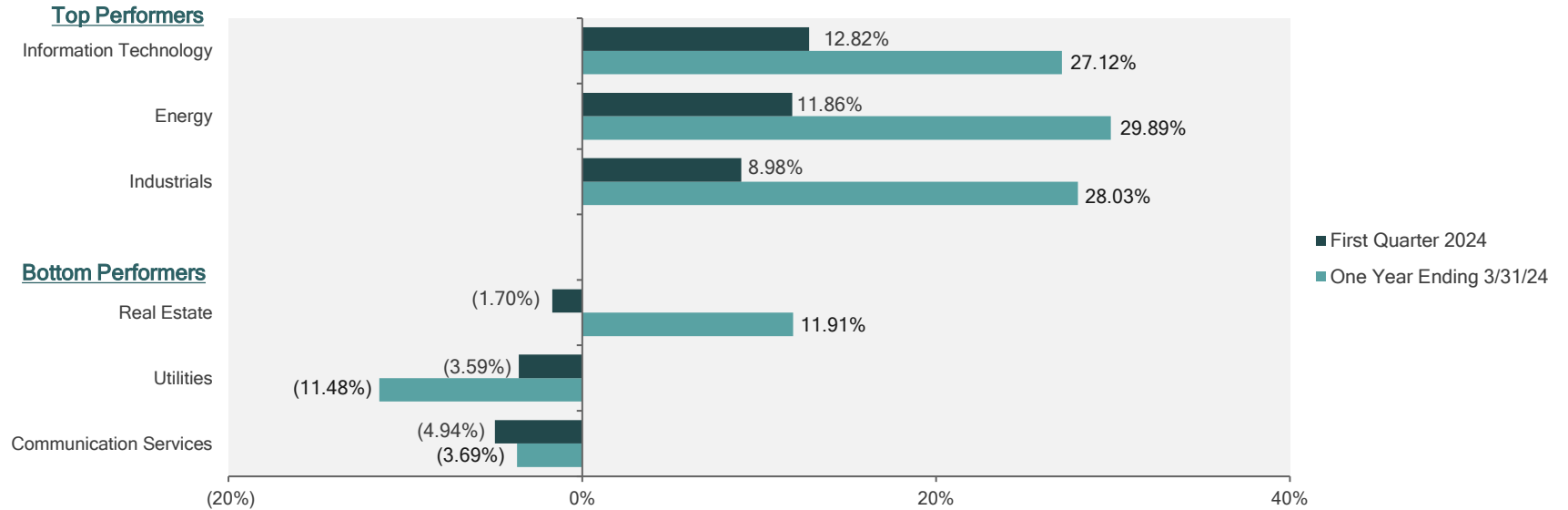
Performance by Sector and Style



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Investment Management

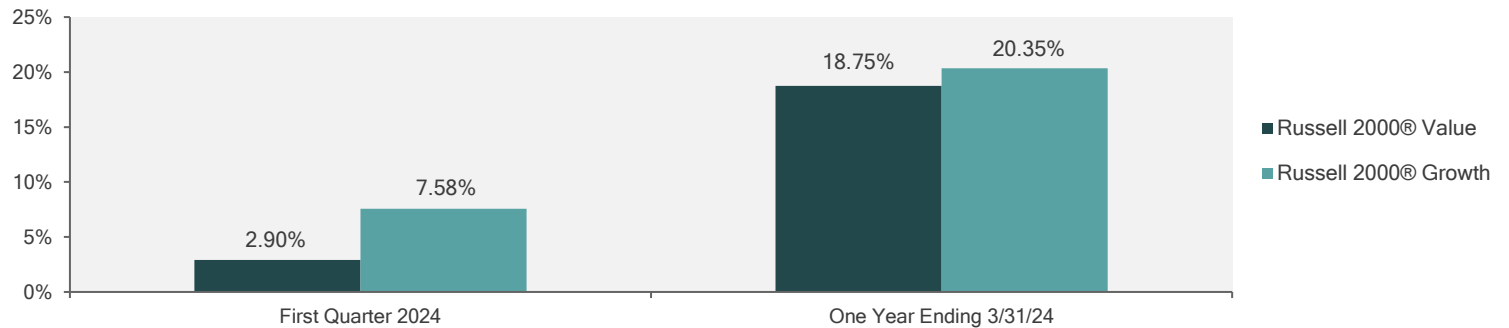
Sector Performance

Russell 2000® Index



Performance by Style

Russell 2000® Value Index vs. Russell 2000® Growth 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. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment. Past performance is no guarantee of future results.

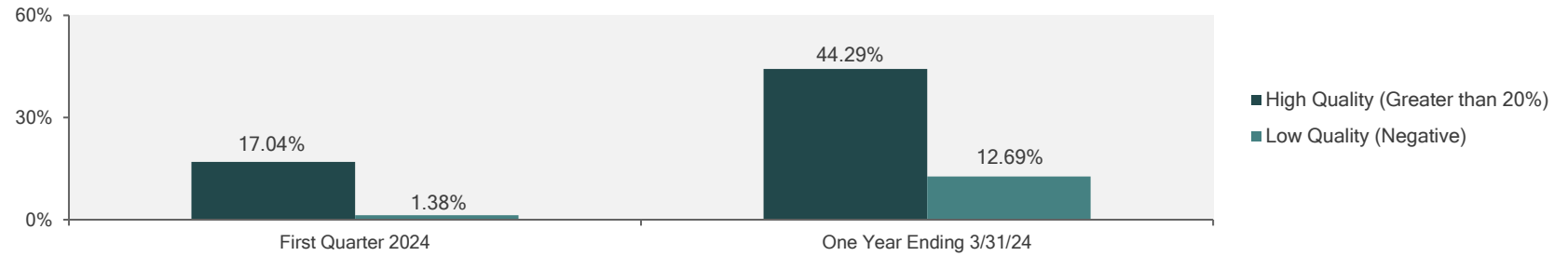
Market Review

Performance by Financial Metric

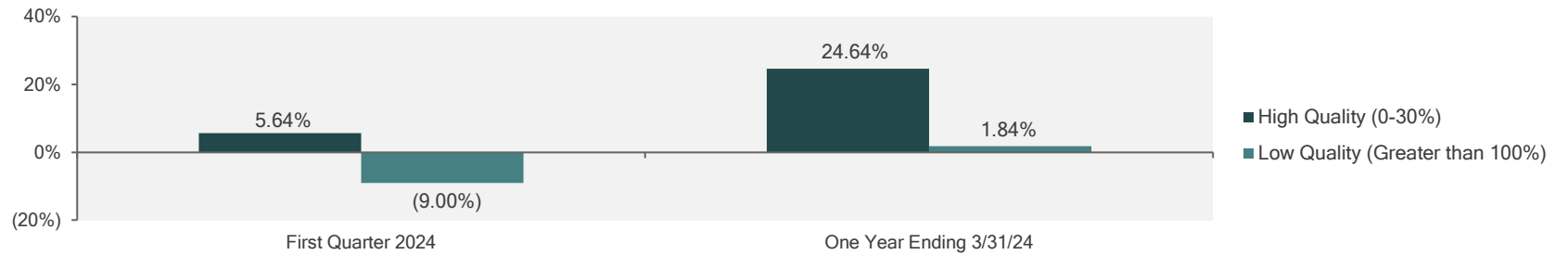


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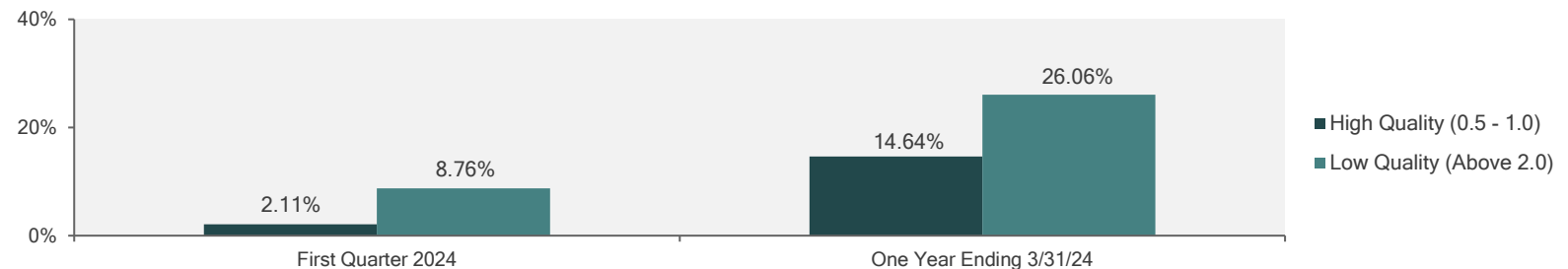
Performance by Return on Equity Russell 2000® Index



Performance by Debt/Capital Ratio Russell 2000® Index



Performance by Beta Russell 2000® Index



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Quarterly Performance Overview

Small Cap Core Portfolio
Periods Ending March 31, 2024



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Monthly, Quarterly and Year to Date Performance

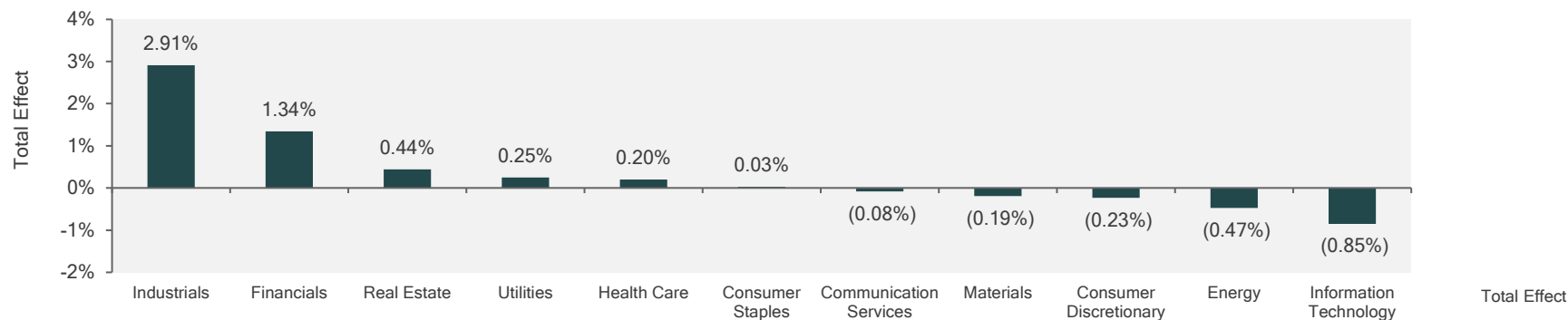
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
January	(1.49)	(1.74)	(3.89)	215
February	7.05	6.80	5.65	115
March	2.72	2.47	3.58	(111)
Year to Date	8.33	7.54	5.18	236

Annualized Performance

Periods Ending 3/31/24	Gross (%)	Net (%)	Index (%)
1 Year	30.76	26.97	19.71
5 Years	16.37	12.96	8.10
10 Years	16.48	13.07	7.58

Attribution by Sector

Quarter Ending March 31, 2024



KAR Selection Effect	1.65%	1.80%	0.00%	0.00%	0.15%	0.00%	(0.02%)	(0.20%)	(0.21%)	0.00%	(0.62%)	2.55%
KAR Allocation Effect	1.26%	(0.46%)	0.44%	0.25%	0.05%	0.03%	(0.05%)	0.01%	(0.02%)	(0.47%)	(0.23%)	0.80%

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The attribution data provided herein is based upon a buy and hold methodology and gross returns for a representative portfolio 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.

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Highest Contributors

Small Cap Core Portfolio

Quarter Ending March 31, 2024



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
EMCOR Group	+4.56%	EMCOR Group continues to generate strong revenue and growth driven by increased demand from datacenter, high-tech manufacturing, electrification, healthcare, and reshoring projects.
Primerica	+1.34%	Primerica's earnings advanced due to healthy recruiting activity and sales productivity in the company's life insurance business, rising client asset values in the investments segment, and reduced losses in the senior health segment.
Manhattan Associates	+0.99%	Manhattan Associates reported a strong quarter with bookings growth and profit growth driven by a high win-rate and strong demand. We believe the company's solutions are experiencing resilient demand because they enable traditional economy companies to unify their supply chain to be able to better offer modern direct-to-consumer experiences that customers expect today.
Kadant	+0.65%	Kadant saw healthy demand for its conveying equipment and management is optimistic that new infrastructure projects will lead to continued good business activity.
FTI Consulting	+0.39%	After a challenging first half, FTI Consulting finished the year strong with re-acceleration in growth across all its business lines, particularly in restructuring and business transformation. Combined with more disciplined headcount growth, profitability also improved, resulting in shares outperforming in the quarter.

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Lowest Contributors

Small Cap Core Cap Portfolio

Quarter Ending March 31, 2024



Kayne Anderson Rudnick
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Security	Contribution	Comments
Clearwater Analytics Holdings	(0.23%)	Clearwater Analytics reported a good quarter of bookings, revenue growth, and profit growth. Shares nonetheless declined due to management providing guidance for growth below market expectations.
BancFirst	(0.22%)	BancFirst's shares, like many other regional banks, moved lower in the quarter as investors became less certain of when the Federal Reserve will start cutting interest rates. Positively, the bank's quarterly results showed continued stability in deposits and no credit issues.
RBC Bearings	(0.20%)	We believe RBC Bearings' underperformance in the quarter was driven by the decline in its Industrial business year-over-year as an improved supply chain created a bulge in the prior year period.
Toro	(0.19%)	We believe Toro's underperformance stems from the company's elevated field inventory across residential and contractor-grade lawn care products caused by a post-pandemic decline in end user demand.
Rightmove	(0.18%)	Late last year, a large multinational company acquired a competitor to Rightmove and announced plans to spend a significant amount of marketing to compete with Rightmove. This overhang related to competitive concerns resulted in the shares underperforming for the quarter.

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Annual Performance Overview

Small Cap Core Portfolio

Periods Ending March 31, 2024



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Quarterly and Annual Performance

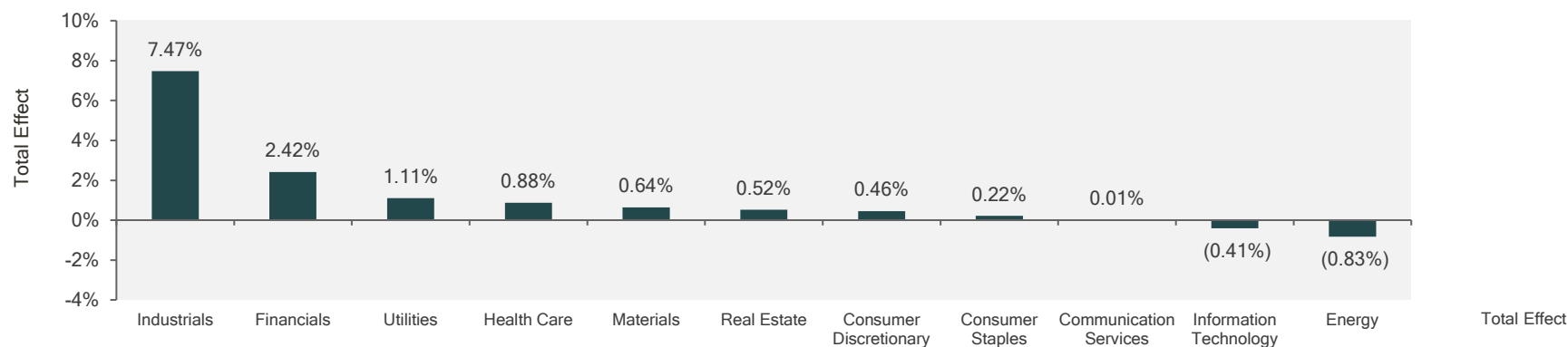
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Second Quarter 2023	5.72	4.94	5.21	(26)
Third Quarter 2023	(0.60)	(1.34)	(5.13)	378
Fourth Quarter 2023	14.87	14.05	14.03	2
First Quarter 2024	8.33	7.54	5.18	236
1 Year Ending 3/31/24	30.76	26.97	19.71	726

Annualized Performance

Periods Ending 3/31/24	Gross (%)	Net (%)	Index (%)
1 Year	30.76	26.97	19.71
5 Years	16.37	12.96	8.10
10 Years	16.48	13.07	7.58

Attribution by Sector

One Year Ending March 31, 2024



	Industrials	Financials	Utilities	Health Care	Materials	Real Estate	Consumer Discretionary	Consumer Staples	Communication Services	Information Technology	Energy	Total Effect
KAR Selection Effect	4.81%	2.18%	0.00%	0.43%	0.37%	0.00%	0.47%	0.12%	0.19%	(0.20%)	(0.15%)	8.23%
KAR Allocation Effect	2.66%	0.24%	1.11%	0.45%	0.27%	0.52%	0.00%	0.10%	(0.18%)	(0.21%)	(0.68%)	4.28%

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Highest Contributors

Small Cap Core Portfolio

One Year Ending March 31, 2024



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Security	Contribution	Comments
EMCOR Group	+7.28%	Over the last twelve months, EMCOR's shares outperformed on sustained organic revenue growth and strong profitability levels. Growth was driven by strong demand across various end markets such as datacenter, high-tech manufacturing, electrification, healthcare, and reshoring projects. These end markets are benefiting from multi-year secular trends and, in our view, EMCOR leveraged its scale and reputation to continuously grow its pipeline through the year despite strong revenue growth.
Simpson Manufacturing	+5.53%	Simpson Manufacturing's shares performed strongly following the company's reports of better-than-expected operating results and an improved profitability outlook. We believe Simpson's recent acquisition of a French-based company should enhance the company's market position and profitability profile in Europe.
Manhattan Associates	+3.44%	Manhattan Associates reported multiple sequential quarters with bookings growth and profit growth driven by a high win-rate and strong demand. We believe the company's solutions are experiencing resilient demand because they enable traditional economy companies to unify their supply chain to be able to better offer modern direct-to-consumer experiences that customers expect today.
Primerica	+2.75%	Primerica's earnings advanced due to healthy recruiting activity and sales productivity in the company's life insurance business, rising client asset values in the investments segment, and reduced losses in the senior health segment.
Moelis & Co.	+1.80%	Moelis experienced revenue and deal-flow recovery after a steep decline in mid-2022 due to rapidly tightening financial conditions, which reduced broad-based financing and acquisition activity. The improvement in the company's revenue growth and deal pipeline resulted in shares outperforming.

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Lowest Contributors

Small Cap Core Portfolio

One Year Ending March 31, 2024



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Toro	(0.73%)	We believe Toro's underperformance stems from the company's elevated field inventory across residential and contractor-grade lawn care products caused by a post-pandemic decline in end user demand.
Atrion	(0.48%)	Atrion experienced challenges finding enough microprocessor supply and saw the negative impact of customers double ordering during the pandemic and now de-stocking.
Teledyne Technologies	(0.48%)	Teledyne Technologies' profitability has been under pressure due to supply chain challenges in its Digital Imaging segment. We sold our holdings in the second quarter of 2023 because of the company's large market capitalization.
Aspen Technology	(0.47%)	Aspen Technology experienced acquisition integration challenges and the soft economic environment has tempered operating results.
Dril-Quip	(0.17%)	Dril-Quip's operating results have not improved to the degree investors expected given the uptick in offshore drilling activity. With the company now exiting its vertical integration strategy and looking at acquisitions adjacent to its core market, we decided to exit the position.

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Purchases

Small Cap Core Portfolio
Quarter Ending March 31, 2024



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- There were no purchases in the 1st quarter of 2024.

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Sales

Small Cap Core Portfolio
Quarter Ending March 31, 2024



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Sales

Reasons

EMCOR Group—Trimmed Position

We reduced our position in EMCOR Group to remain within our portfolio guideline of a 10% maximum position size.

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Portfolio Characteristics

Small Cap Core Portfolio

As of March 31, 2024



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	KAR Small Cap Core	Russell 2000® Index
Quality		
Return on Equity—Past 5 Years	25.1%	9.9%
Debt/EBITDA*	0.5 x	2.1 x
Earnings Variability—Past 10 Years	30.6%	85.2%
Growth		
Earnings Per Share Growth—Past 10 Years	14.6%	11.2%
Dividend Per Share Growth—Past 10 Years	13.2%	5.3%
Capital Generation—{ROE x (1-Payout)}	18.6%	8.3%
Value		
P/E Ratio—Trailing 12 Months	27.0 x	40.3 x
Dividend Yield	1.1%	1.3%
Free Cash Flow Yield†	4.5%	2.6%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$7.0 B	\$3.1 B
Largest Market Cap—3-Year Average	\$19.6 B	\$16.8 B
Annualized Standard Deviation—Since Inception‡ (Net of Fees)	16.0%	20.7%

*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 December 31, 2023. Prices are as of March 31, 2024. Excludes financials.

‡April 1, 1992

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Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. The statistics presented above are based on a representative portfolio. Actual results may vary. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. **Past performance is no guarantee of future results.** Returns could be reduced, or losses incurred, due to currency fluctuations.

Market Commentary

We Believe the Longer-Term Outlook for Interest Rates is Still Uncertain



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- As of the March 20 meeting, 10 of the 19 Fed officials expect three rate cuts this year, which is a slim margin (down from the six rate cuts predicted by the future's markets at the start of the year).
- However, there is wide dispersion among Fed officials regarding the trajectory of rates.
- For 2025, four of the 19 Fed officials see the federal funds rate at 4% or above. One expects a federal funds rate just above 2.5%.
- This disparity leads us to believe the longer-term outlook for rates is uncertain.

FOMC Participants' Assessments of Appropriate Monetary Policy Midpoint of Target Range or Target Level for the Federal Funds Rate



Data as of March 20, 2024. Data is obtained from the FOMC and is assumed to be reliable. Each shaded circle indicates the value (rounded to the nearest 1/8 percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. One participant did not submit longer-run projections for the federal funds rate.

Market Commentary

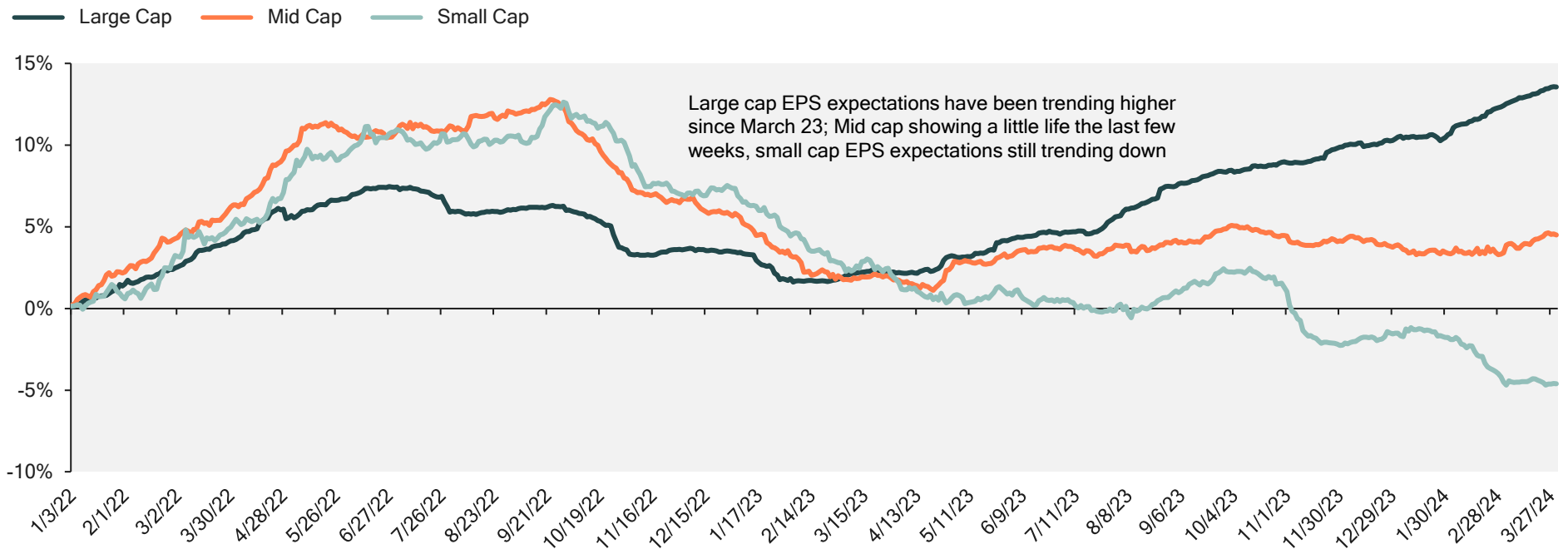
We Believe the Narrowness of the Market Makes Sense



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- The major driver of equity market performance has been the Magnificent 7 technology stocks that have been direct beneficiaries of the recent advances in AI.
- We don't believe this rally is wholly unjustified as investors are simply going where the earnings are growing.
- Earnings expectations for large-caps are well ahead of mid and small-cap stocks which has translated directly to valuations.

Consensus Earnings Per Share (Next 12 Months) Indexed to December 31, 2021



Data as of March 27, 2024. Data is obtained from Factset and Raymond James and is assumed to be reliable. The information provided in this chart is for illustrative purposes only. The indices presented above are not actively managed and do not reflect the deduction of any investment management or other fees and expenses. Indices are not available for direct investment. **Past performance is no guarantee of future results.**

Market Commentary

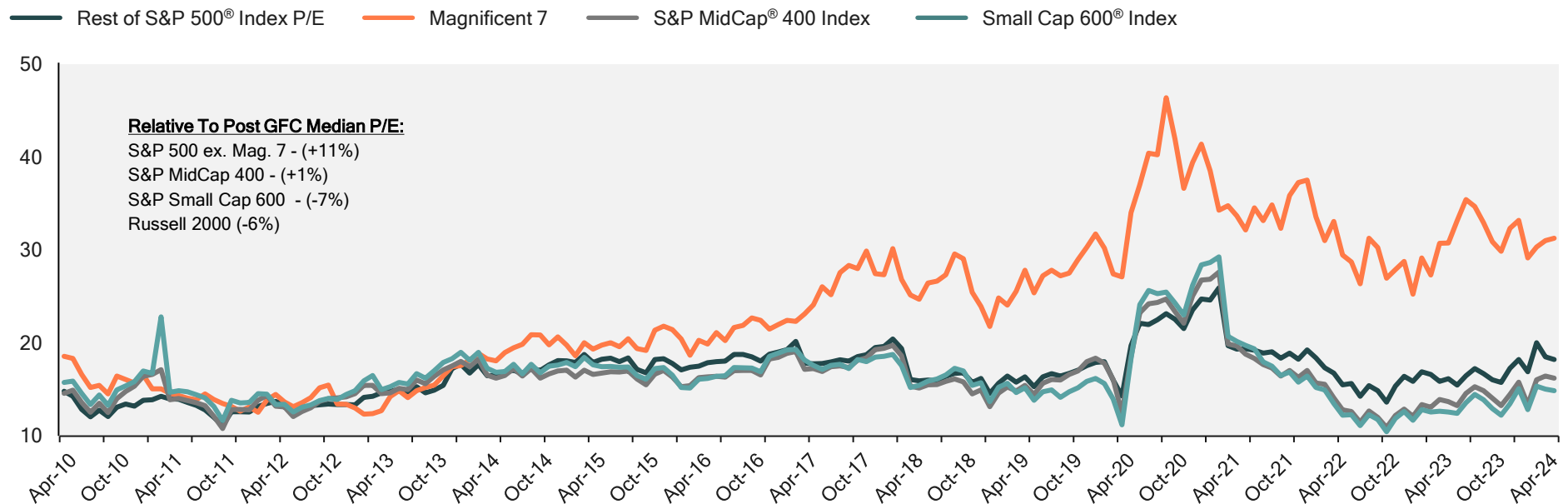
We Expect Small-Cap Valuations to Remain Pressured



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- Much has been made of the gap in valuations for small caps relative to large. That gap has narrowed a bit, but it's not because the stocks had a material rally, but rather a more modest increase in prices and a decline in earnings expectations for small capitalization companies.
- Until earnings growth materializes for these smaller companies, we believe stock performance could continue to lag.
- We believe that this is an asset class best served by active management, as 42% of the index has negative earnings.

P/E of Magnificent 7 Tech Stocks vs. Rest of S&P 500® Index, Mid, and Small Cap Indices GAAP, Current Year



Data as of March 31, 2024. Data is obtained from the Factset and Raymond James and is assumed to be reliable. The Magnificent 7 stocks include Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla. The Russell 2000 Index excludes companies with negative earnings. The information provided in this chart is for illustrative purposes only. The indices presented above are not actively managed and do not reflect the deduction of any investment management or other fees and expenses. Indices are not available for direct investment. **Past performance is no guarantee of future results.**

Market Commentary

We Expect More Fundamentals to Drive Equity Performance Going Forward

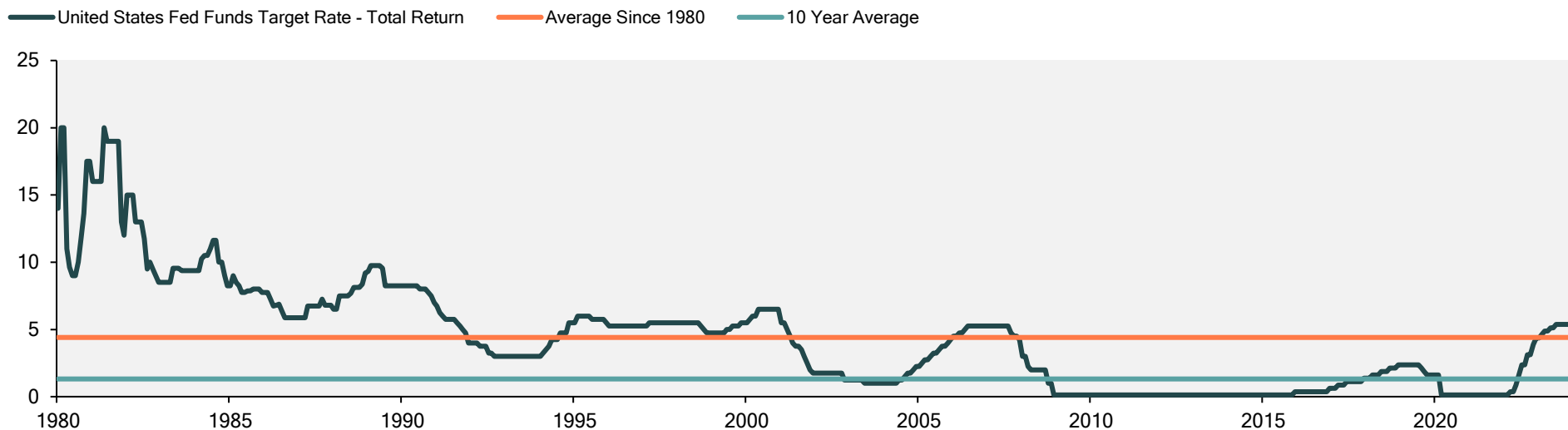


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- Coming out of the pandemic, it has been hard to gauge how much of the strength in the U.S. economy is due to fundamentals versus other exogenous factors.
- The U.S. economy has a very large Federal deficit and while interest rates may have peaked, they are unlikely to return to the very low rates enjoyed during the pandemic.
- Despite rates having increased materially in a short period of time, they are only modestly restrictive compared to the long-run average.
- We expect more fundamental factors will drive corporate profits and thus equity performance going forward.
- The level of deficit to GDP in the U.S. economy is more consistent with 7% unemployment than the 4% we are currently seeing.

Rates Are Not That High Relative To History

Interest Rates Remain Above the 10-Year Average but Near the Long-Term Historical Average



Data as of March 31, 2024. Data is obtained from the Federal Reserve Bank of St. Louis and Factset and is assumed to be reliable. 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. KAR makes no warranty as to the accuracy or reliability of the information contained herein. **Past performance is no guarantee of future results.**

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

Sector Weights

Small Cap Core Portfolio

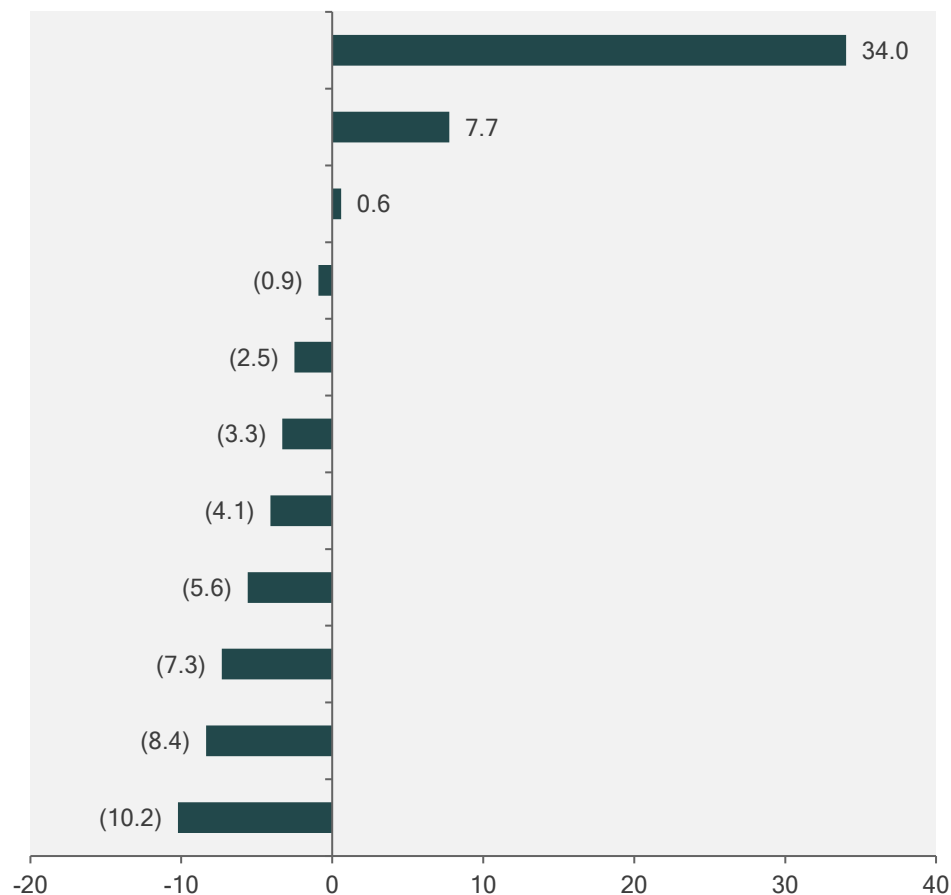
As of March 31, 2024



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Sectors	KAR Small Cap Core (%)	Russell 2000® Index (%)
Industrials	51.4	17.3
Financials	23.6	15.9
Communication Services	2.7	2.1
Materials	3.9	4.8
Utilities	—	2.5
Consumer Staples	—	3.3
Consumer Discretionary	6.7	10.8
Real Estate	—	5.6
Energy	—	7.3
Information Technology	6.6	15.0
Health Care	5.1	15.3

Underweight/Overweight (%)



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Top Ten Holdings

Small Cap Core Portfolio

As of March 31, 2024



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Top 10 Holdings	GICS Sector	% of Portfolio
EMCOR Group	Industrials	10.1
Simpson Manufacturing	Industrials	8.6
FTI Consulting	Industrials	6.6
Primerica	Financials	6.2
CorVel	Health Care	4.4
Acushnet Holdings	Consumer Discretionary	4.4
Graco	Industrials	4.1
Kadant	Industrials	4.0
Toro	Industrials	4.0
Watts Water Technologies	Industrials	4.0
Total		56.4

Research confidence leads to large active weights

	KAR Small Cap Core	Russell 2000® Index
# of Holdings	28	1,942
Average Position Size (%)	3.6	0.1
Weight of Top Ten Holdings (%)	56.4	5.7
Active Share (%)	98.4	—

The strategy benefits from diversification while still taking significant active positions

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Returns

Small Cap Core Portfolio



Kayne Anderson Rudnick
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Annualized Performance

Periods Ending 3/31/24	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
First Quarter	8.33	7.54	5.18	236
1 Year	30.76	26.97	19.71	726
3 Years	12.50	9.20	(0.10)	930
5 Years	16.37	12.96	8.10	486
7 Years	18.42	14.96	7.73	723
10 Years	16.48	13.07	7.58	549
Since Inception*	13.92	10.61	9.09	152

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
2023	34.01	30.13	16.93	1,320
2022	(10.77)	(13.44)	(20.44)	700
2021	16.68	13.27	14.82	(155)
2020	22.09	18.53	19.96	(143)
2019	39.05	35.04	25.52	952
2018	(0.79)	(3.73)	(11.01)	729
2017	36.06	32.14	14.65	1,749
2016	18.55	15.09	21.31	(621)
2015	2.09	(0.93)	(4.41)	348
2014	7.31	4.15	4.89	(74)
2013	30.89	27.10	38.82	(1,172)
2012	13.75	10.42	16.35	(593)
2011	9.64	6.42	(4.18)	1,060
2010	24.83	21.19	26.85	(566)
2009	31.80	28.12	27.17	95
2008	(28.15)	(30.48)	(33.79)	331
2007	3.25	0.21	(1.57)	177
2006	13.46	10.19	18.37	(818)
2005	7.87	4.72	4.55	17
2004	23.07	19.60	18.33	127
2003	35.02	31.29	47.25	(1,596)
2002	(13.73)	(16.39)	(20.48)	409
2001	6.82	3.66	2.49	118
2000	20.98	17.55	(3.02)	2,057
1999	7.02	3.89	21.26	(1,737)
1998	20.98	17.54	(2.55)	2,009
1997	21.00	17.57	22.36	(480)
1996	26.98	23.43	16.49	694
1995	18.57	15.20	28.45	(1,325)
1994	2.75	(0.28)	(1.82)	154
1993	20.00	16.60	18.88	(228)
1992†	9.65	7.28	10.16	(288)

*April 1, 1992

†Performance calculations are for the nine months ended December 31, 1992.

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. **Industrial Concentration:** Because the portfolio is presently heavily weighted in the industrial 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

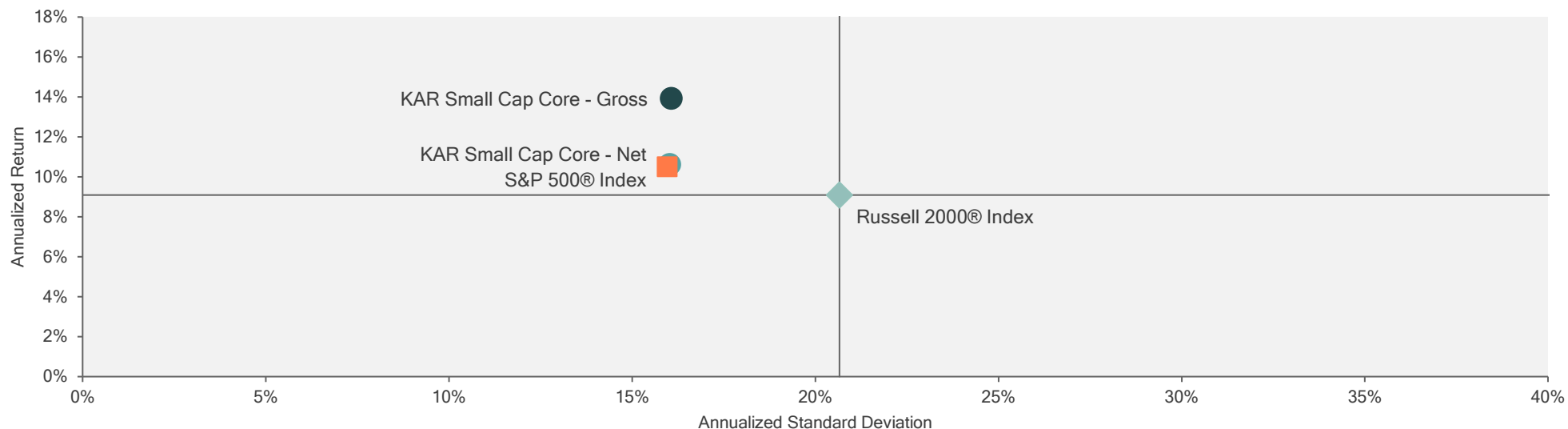
Small Cap Core Portfolio
Inception* to March 31, 2024



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
KAR Small Cap Core - Gross	13.92	6.28	0.71	0.52	9.37	16.07	0.70	52.92
KAR Small Cap Core - Net	10.61	3.15	0.51	0.16	9.38	16.03	0.70	61.42
Russell 2000® Index	9.09	0.00	0.32	N/A	N/A	20.66	1.00	100.00

*April 1, 1992

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

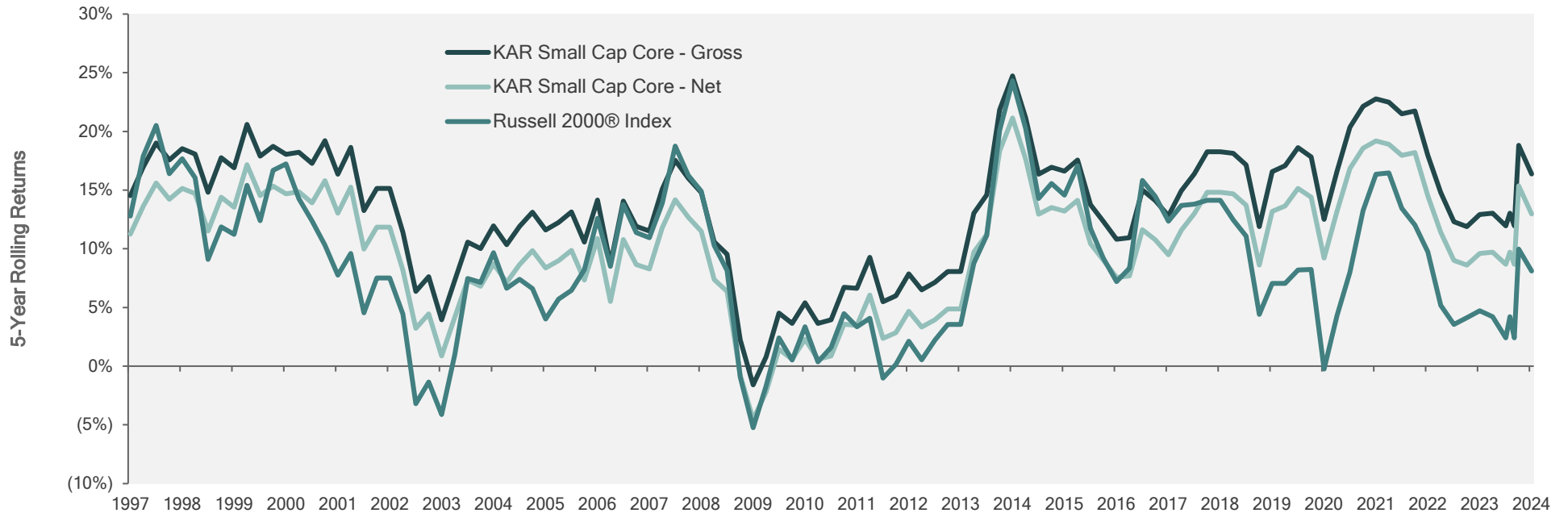
Returns for the Kayne Anderson Rudnick composite are final. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. **Past performance is no guarantee of future results.** Returns could be reduced, or losses incurred, due to currency fluctuations.

5-Year Rolling Returns

Small Cap Core Portfolio
Inception* to March 31, 2024



Kayne Anderson Rudnick
Investment Management



*April 1, 1992

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. For standardized performance periods, please refer to the "Returns" slide earlier in this presentation. Returns for the Kayne Anderson Rudnick composite are final. For further details on the composite, please see the disclosure statement in this presentation. Past performance is no guarantee of future results. Returns could be reduced, or losses incurred, due to currency fluctuations.

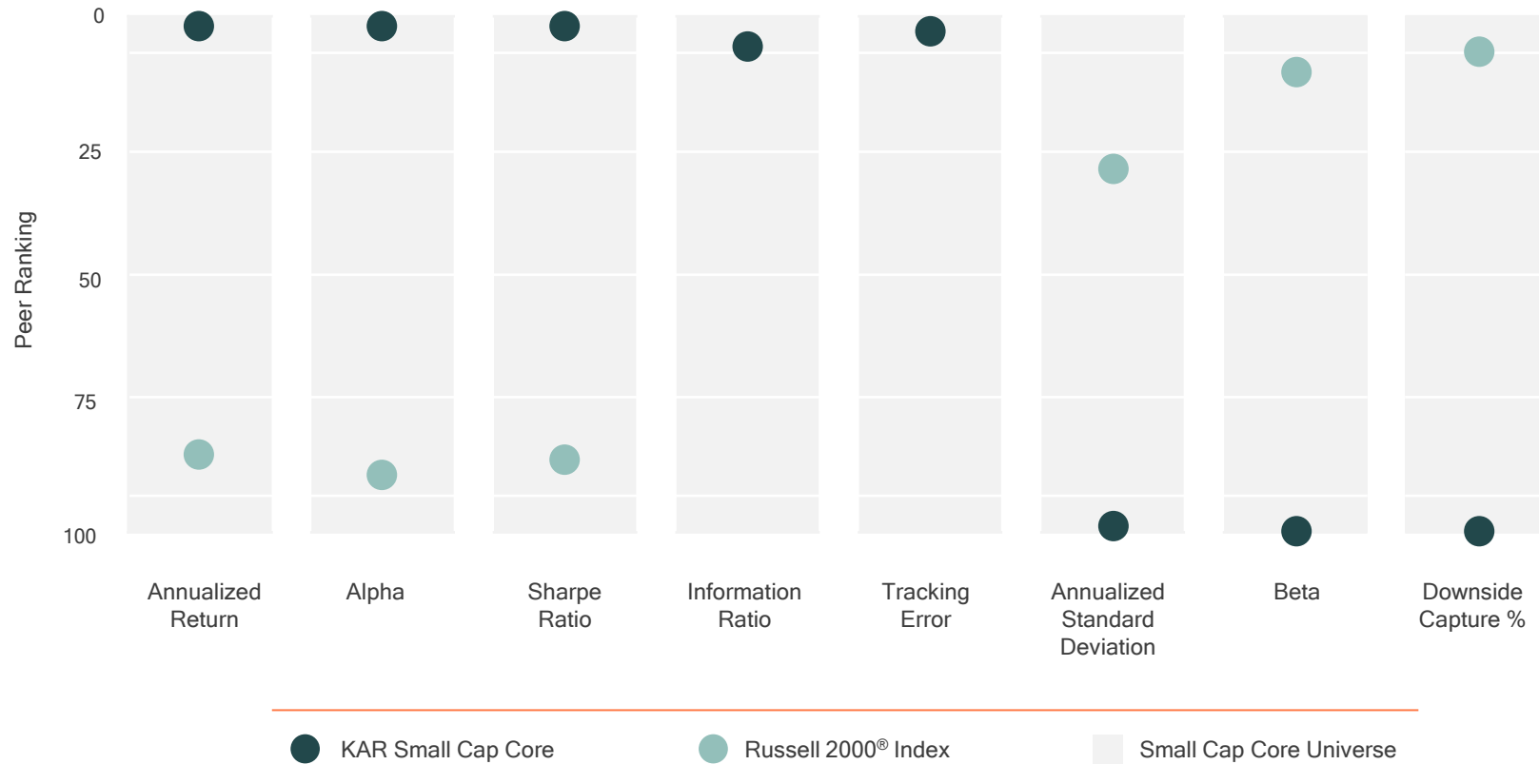
Peer Comparison

Small Cap Core Portfolio

Ten Years Ending March 31, 2024



Kayne Anderson Rudnick
Investment Management



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

*The eVestment Small Cap Core Universe includes 115 managers categorized in the small cap core asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small Cap Core 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 managements 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

Small Cap Core (Wrap) Composite



Kayne Anderson Rudnick
Investment Management

Year	Composite Pure Gross Return* (%)	Composite Net Return (%)	Russell 2000® Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2014	7.31	4.15	4.89	9.77	13.31	70	0.27	1,294	7,989
2015	2.09	(0.93)	(4.41)	11.15	14.16	55	0.38	1,023	8,095
2016	18.55	15.09	21.31	12.19	15.99	74	0.81	1,222	9,989
2017	36.06	32.14	14.65	11.38	14.11	67	0.50	1,818	14,609
2018	(0.79)	(3.73)	(11.01)	13.94	16.01	85	0.24	1,909	17,840
2019	39.05	35.04	25.52	14.65	15.93	101	0.31	2,685	25,685
2020	22.09	18.53	19.96	19.10	25.63	103	0.19	3,135	39,582
2021	16.68	13.27	14.82	16.33	23.68	111	1.19	3,781	47,269
2022	(10.77)	(13.44)	(20.44)	18.88	26.39	157	0.28	3,127	33,531
2023	34.01	30.13	16.93	17.64	21.41	189	0.24	3,693	41,186

*Pure gross returns are supplemental to net returns.

The Russell 2000® Index is a trademark/service mark of Frank Russell Company. Russell® is a trademark of Frank Russell Company.

KAR (as defined below) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. KAR has been independently verified for the period from January 1, 1999 through December 31, 2023.

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.

The Small Cap Core Wrap Composite has had a performance examination for the period from January 1, 1999 through December 31, 2023. The verification and performance examination reports are available upon request.

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The composite includes all fully discretionary Small Cap Core Wrap Portfolios. Small Cap Core Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2000® 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 2000® 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 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 April 1992. The composite was created in October 1995. 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.

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. All portfolios included in this composite for all periods 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 measures the variability of the composite (using pure gross returns) and the benchmark for the 36-month period.