



Kayne Anderson Rudnick
Investment Management

Small Cap Core Portfolio
Managed Accounts
Second Quarter 2020 Review

kayne.com

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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

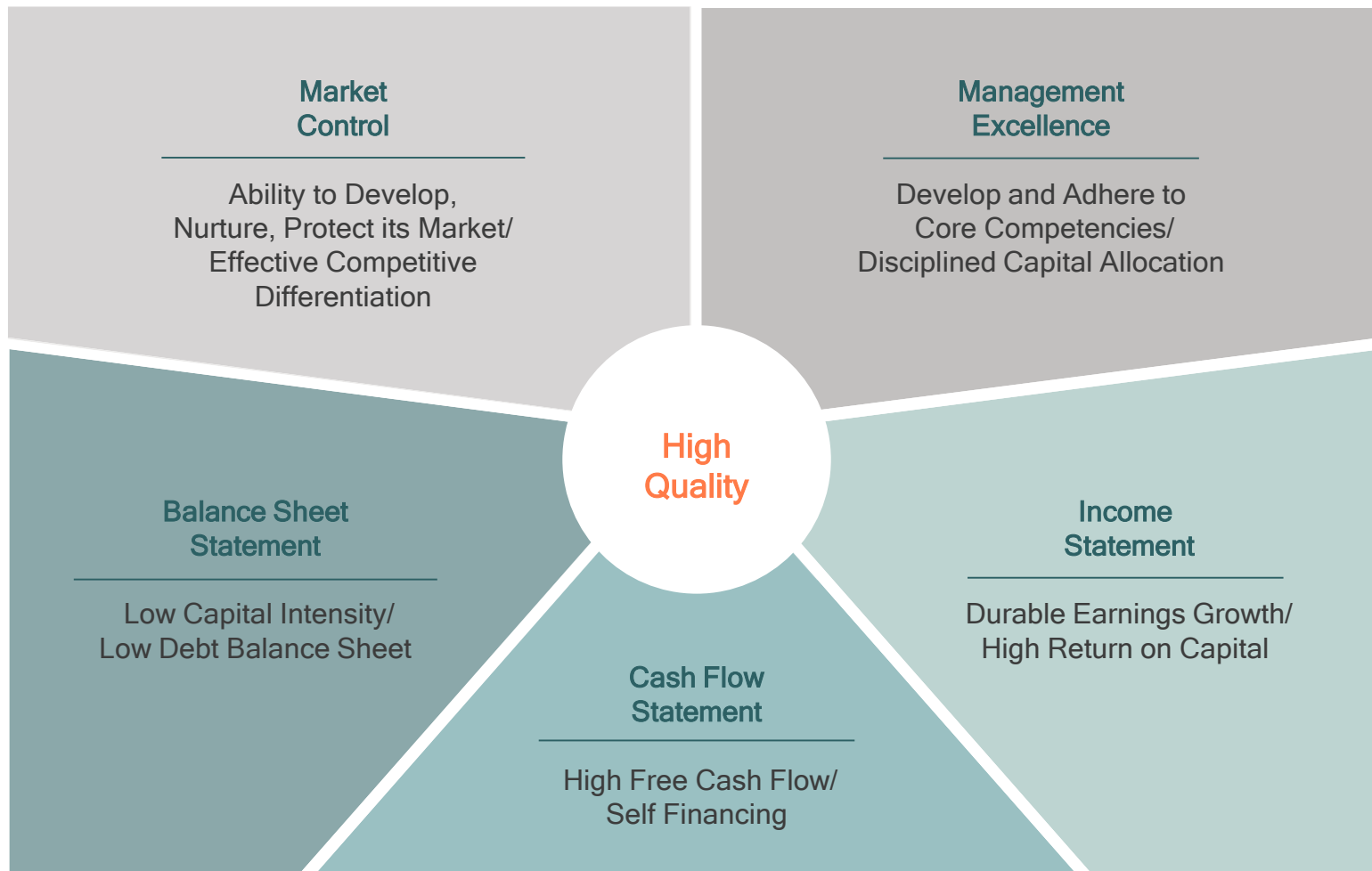
Year Founded	1984
Headquarters	Los Angeles, CA
AUM	\$37.0 billion
Number of Equity Investment Professionals	16
Average Investment Experience	17 Years

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



Small 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
Todd Beiley, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Energy and Consumer Discretionary	21 Years	18 Years
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care	25 Years	19 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
Craig Stone	Senior Research Analyst Sector Coverage: Producer Durables	31 Years	20 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

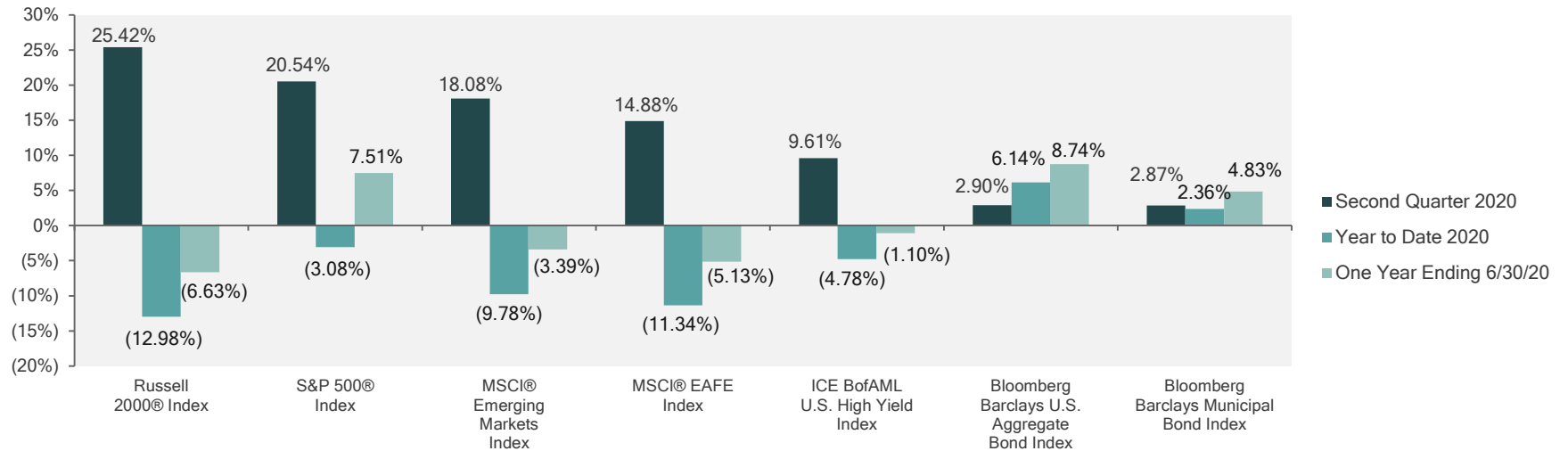
[†]Represents years of industry experience.

Market Review



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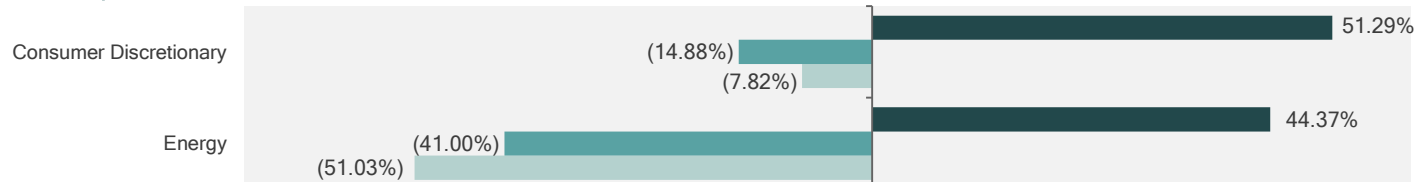
Index Performance



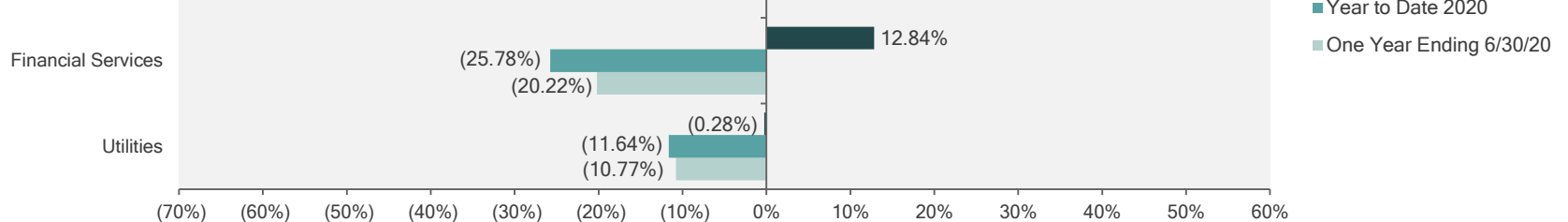
Sector Performance

Russell 2000® Index

Top Performers



Bottom Performers



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

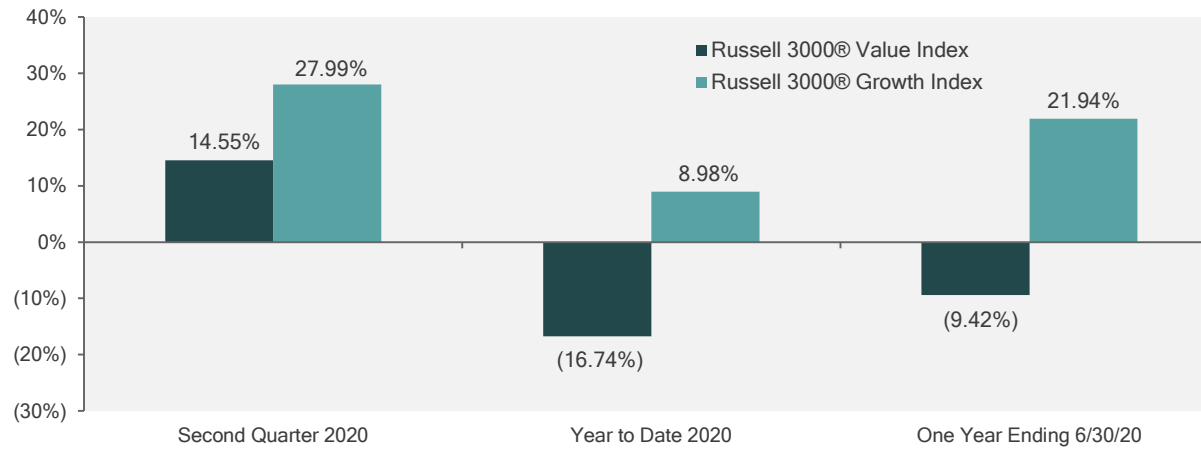
Performance by Style and Quality



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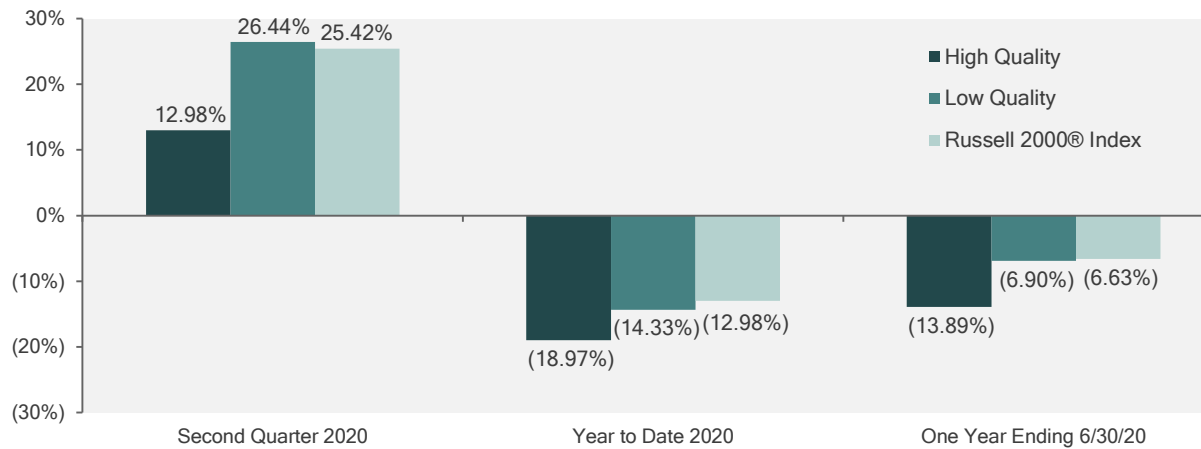
Performance by Style

Russell 3000® Value Index vs. Russell 3000® Growth Index



Performance by Quality

Russell 2000® 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

Small Cap Core Portfolio
Periods Ending June 30, 2020



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Monthly, Quarterly and Year to Date Performance

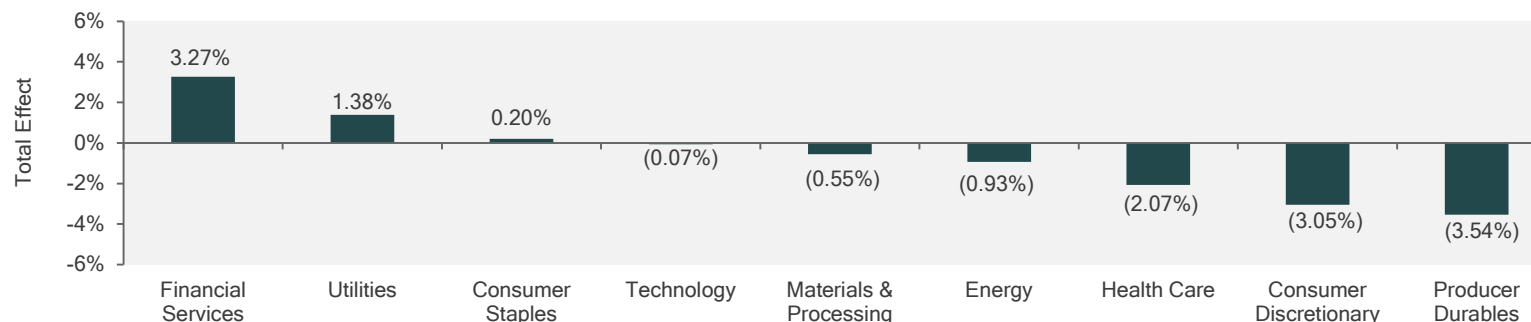
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
April	10.10	9.85	13.74	(363)
May	8.57	8.32	6.51	207
June	(0.69)	(0.94)	3.53	(423)
Second Quarter	18.71	17.87	25.42	(671)
Year to Date	(1.84)	(3.32)	(12.98)	1113

Contributors

Highest	Contribution
MarketAxess Holdings	+2.57%
Manhattan Associates	+2.23%
POOLCORP	+1.82%
Old Dominion Freight Line	+1.53%
CDW	+1.52%
Lowest	Contribution
RLI	(0.28%)
Graco	(0.14%)
Dril-Quip	(0.04%)
WABCO Holdings	(0.01%)
Atrion	0.00%

Attribution by Sector

Quarter Ending June 30, 2020



	Financial Services	Utilities	Consumer Staples	Technology	Materials & Processing	Energy	Health Care	Consumer Discretionary	Producer Durables	Total Effect
Russell 2000® Index Returns	12.84%	(0.28%)	19.64%	27.65%	35.66%	44.37%	32.25%	51.29%	19.86%	25.42%
KAR Returns	26.06%	0.00%	0.00%	26.64%	25.75%	(2.33%)	0.04%	23.07%	9.47%	18.71%
KAR Selection Effect	3.69%	0.00%	0.00%	(0.19%)	(0.69%)	(0.95%)	(0.77%)	(4.64%)	(2.68%)	(6.23%)
KAR Allocation Effect	(0.42%)	1.38%	0.20%	0.12%	0.14%	0.02%	(1.30%)	1.59%	(0.86%)	0.87%

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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

Small Cap Core Portfolio

Periods Ending June 30, 2020



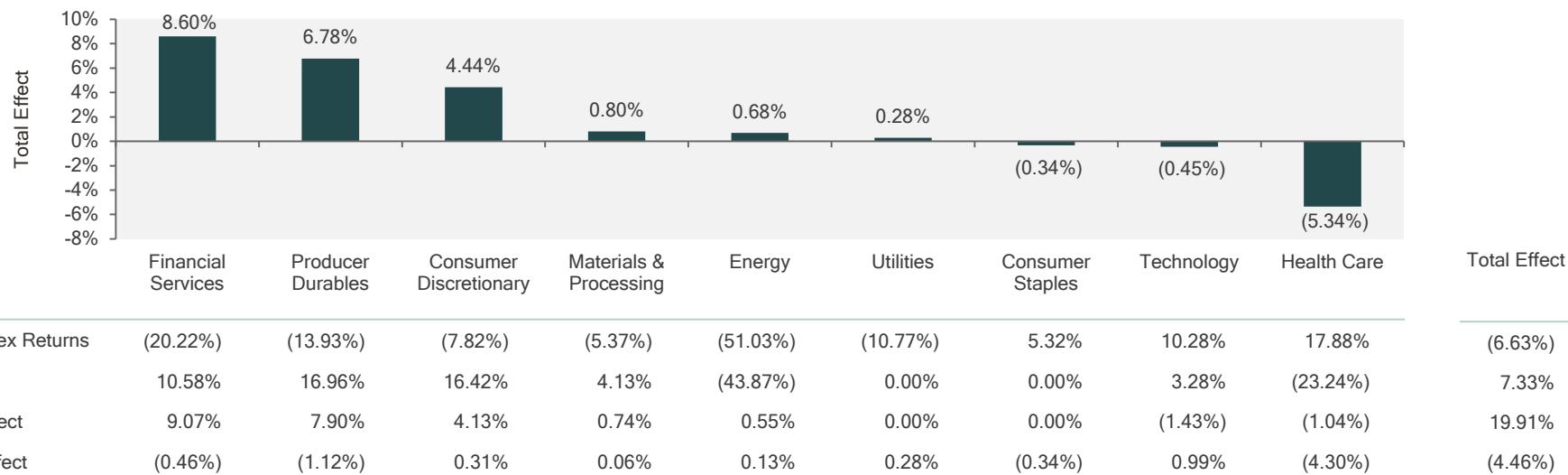
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Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
Third Quarter 2019	3.53	2.76	(2.40)	593
Fourth Quarter 2019	5.61	4.84	9.94	(432)
First Quarter 2020	(17.32)	(17.98)	(30.61)	1330
Second Quarter 2020	18.71	17.87	25.42	(671)
1 Year Ending 6/30/20	7.33	4.16	(6.63)	1395

Attribution by Sector

One Year Ending June 30, 2020



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Highest Contributors

Small Cap Core Portfolio

One Year Ending June 30, 2020



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Security	Contribution	Comments
Old Dominion Freight Line	+3.39%	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.
MarketAxess Holdings	+2.88%	The MarketAxess Open Trading all-to-all protocol provided liquidity to fixed-income market participants when many market makers reduced liquidity during a period of extreme volatility. As a result, MarketAxess reported outsized market-share gains and the stock appreciated.
POOLCORP	+1.76%	POOLCORP managed to post revenue growth in the first quarter despite the market shift in March with the onset of COVID-19. In many states construction was deemed an essential service and work continued despite the stay-at-home orders. This helped the industry and POOLCORP. With the stay-at-home orders, many homeowners are increasingly spending or looking to spend on home projects instead of taking vacations this year. Additionally, given that today only about 20% of POOLCORP's business is tied to new construction, higher usage of pools helps the company's business even if recession lingers.
Manhattan Associates	+1.45%	Manhattan Associates has been gradually transitioning its business to be more cloud-focused, which has had a negative impact on financial performance. However, as that transition has built momentum, profitability has improved. Additionally, the company has been a beneficiary of COVID-19 disruption as many companies realize the importance of a modern and flexible supply chain.
Teledyne Technologies	+1.40%	Teledyne outperformed over the last 12 months as it reported a record period with strong organic growth and margin expansion due to strong demand in its end markets, and an intentional shift towards higher profitability products. Due to its high-end market diversity and high-value product portfolio, Teledyne saw less impact from COVID-19 than peers.

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Lowest Contributors

Small Cap Core Portfolio

One Year Ending June 30, 2020



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Security	Contribution	Comments
First Hawaiian	(2.13%)	Operating results for First Hawaiian have been hampered over the past 12 months due to higher costs related to the separation from former parent BNP Paribas and a flat yield curve, which is a challenge for all banks. More recently, First Hawaiian shares sold off sharply at the end of the first quarter due to investor concerns about future credit losses triggered by COVID-19, which has sharply reduced tourist traffic to Hawaii and caused unemployment to spike. While the share price rose in the second quarter, it has not fully recovered due to ongoing investor concerns about future credit losses. While we expect the impact of COVID-19 to be meaningful on the Hawaiian economy, we think the bank's conservative balance sheet will allow it to navigate this tough environment.
Dril-Quip	(1.07%)	Dril-Quip's business has suffered during the severe cyclical downturn in the energy industry. Although customer orders improved through 2019, the substantial decline in oil prices in March 2020 will stall deep-water drilling activity and customer purchases of Dril-Quip's subsea equipment.
Aspen Technology	(0.92%)	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.
Autohome	(0.80%)	Autohome's profitability suffered in 2019 after the company increased its promotional spending during the third quarter in an effort to support new car sales activity in China in the face of a severe and ongoing industry slump. Also, the company will not raise its prices in 2020 in support of their dealer customers after several years of consistent increases.
RBC Bearings	(0.79%)	RBC Bearing's shares lagged driven by pandemic-related disruptions in the aerospace segment as well as Boeing 737 MAX aircraft production delays. We view these issues as temporary in nature. We believe RBC's solid market positioning is intact. The company remains a solid free-cash-flow generator and its balance sheet is pristine.

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Purchases

Small Cap Core Portfolio Quarter Ending June 30, 2020



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Purchases	Descriptions/Reasons
Acushnet Holdings—Initiated Position	Acushnet Holdings is a performance-focused golf products company. The company designs, develops, manufactures and distributes golf balls, clubs, gear and apparel.
EMCOR Group—Initiated Position	EMCOR Group engages in the provision of electrical and mechanical construction and facilities services.
RLI—Increased Position	We took advantage of stock market weakness to increase our position in RLI, which we believe has a solid business model that will sustain and recover once the existing market conditions return to more normalized levels.

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Acushnet Holdings (GOLF)

- Acushnet entered the golf ball business in 1932 and is the steward of the Titleist brand. Outside of golf balls, Acushnet owns brands such as Titleist for drivers, irons and apparel/gear, Vokey Design for wedges, Scotty Cameron for putters, FootJoy for golf shoes and apparel, and Kjus for golf and skiing outerwear. The company's core customer is the dedicated golfer.
- Titleist has been the number one ball in golf for over 70 years. Critical factors supporting Titleist's enduring product dominance is golf ball performance, quality and consistency. Titleist's superior golf ball performance is illustrated by professional (2019 Worldwide Professional Tours) and amateur (2019 U.S. Amateur Championship) market shares of approximately 73% and 80%, respectively. Also, Scotty Cameron putters were used to win three of four 2019 majors including The Masters, the PGA Championship and the U.S. Open.
- The Titleist brand affords Acushnet a durable and protected competitive position within the golf ball category as the performance of their ball is superior to competitors. The resulting benefits of this product superiority are premium pricing and, most importantly, the perceived positive mindshare of dedicated golfers globally. This mindshare would be very difficult for competitors to replicate.

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New Position

Small Cap Core Portfolio
Quarter Ending June 30, 2020



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EMCOR Group (EME)

- EMCOR Group tradesmen deliver important services (such as electrical, data and communications wiring, mechanical, fire protection, HVAC, machine instrumentation and plumbing work) that need to be performed correctly for a completed commercial building, factory, data center, public building or hospital to run properly. Over its 25-year history, the company has formed long-standing relationships with a broad, diversified customer base that trust EMCOR to do this mission-critical work. The company defines itself as a specialty trade contractor, and chooses to only provide services that are delivered by a skilled tradesperson, while outsourcing non-trade work (janitorial, landscaping, snow removal, etc.).
- EMCOR empowers regional business leaders to run their local businesses and incentivizes them to generate high profitability. Regional business leaders are incentivized to select and bid for fixed-price projects in a disciplined way, and also to execute the projects quickly and at lower costs than the original estimate. This has resulted in EMCOR Group delivering operating margins above peer average.
- EMCOR is advantaged against smaller regional competitors in bidding because of its financial ability to always provide surety bonds. In addition, EMCOR has an advantage in attracting the best trades-workers for projects because of its reliability of pay, investment into safety equipment, skilled supervisors and potential opportunity to join EMCOR's core workforce for follow-on work.

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Sales

Small Cap Core Portfolio Quarter Ending June 30, 2020



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Sales	Reasons
WABCO Holdings—Sold Entire Position	WABCO is being acquired by ZF Friedrichshafen AG. We sold our position in light of this transaction and to fund other purchases in the portfolio.
MarketAxess Holdings—Trimmed Position	We reduced our position due to the company's larger market capitalization.
Old Dominion Freight Line—Trimmed Position	We reduced our position due to the company's larger market capitalization.

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Portfolio Characteristics

Small Cap Core Portfolio – As of June 30, 2020



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	KAR Small Cap Core	Russell 2000® Index
Quality		
Return on Equity—Past 5 Years	23.1%	8.6%
Total Debt/EBITDA	1.2 x	7.2 x
Earnings Variability—Past 10 Years	20.2%	69.9%
Growth		
Earnings Per Share Growth—Past 10 Years	15.4%	7.5%
Dividend Per Share Growth—Past 10 Years	12.2%	7.7%
Capital Generation—{ROE x (1-Payout)}	16.6%	6.7%
Value		
P/E Ratio—Trailing 12 Months	23.2 x	57.9 x
Dividend Yield	1.3%	1.4%
Free Cash Flow Yield†	3.4%	2.9%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$7.3 B	\$2.3 B
Largest Market Cap—3-Year Average	\$14.7 B	\$9.2 B
Annualized Standard Deviation—Since Inception*	16.4%	20.6%

*April 1, 1992

†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.

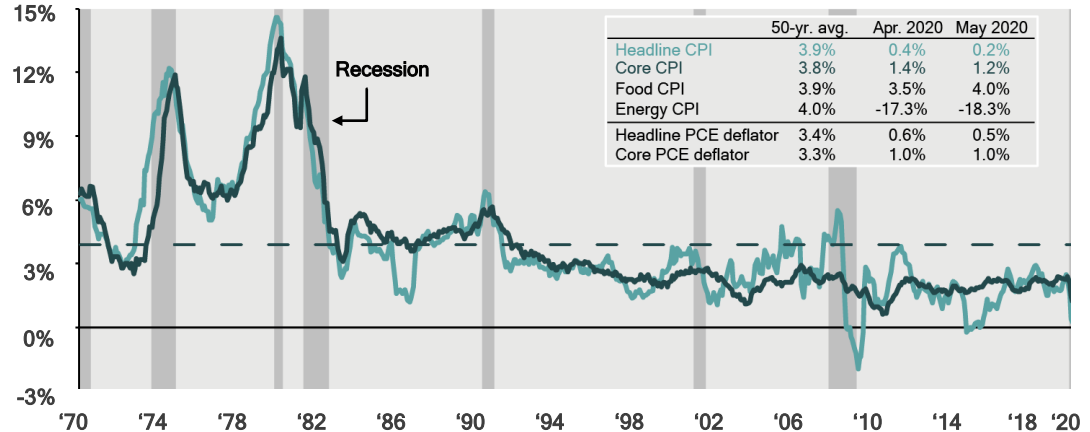
Estimates are based on certain assumptions and historical information. ***Past performance is no guarantee of future results.***

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.

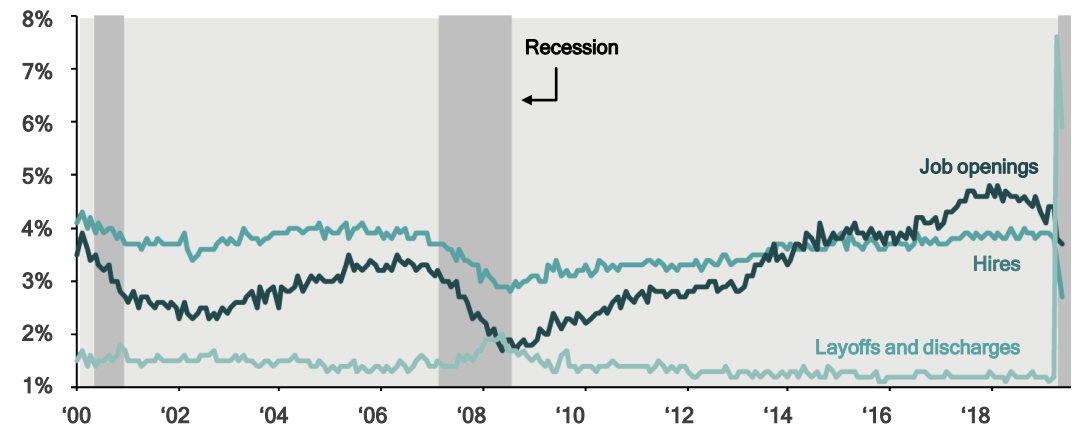
CPI and Core CPI

% Change vs. Prior Year, Seasonally Adjusted



Hires, Job Openings and Layoffs and Discharges

Share of Total Nonfarm Employment, Seasonally Adjusted, Percent



Data as of June 30, 2020.

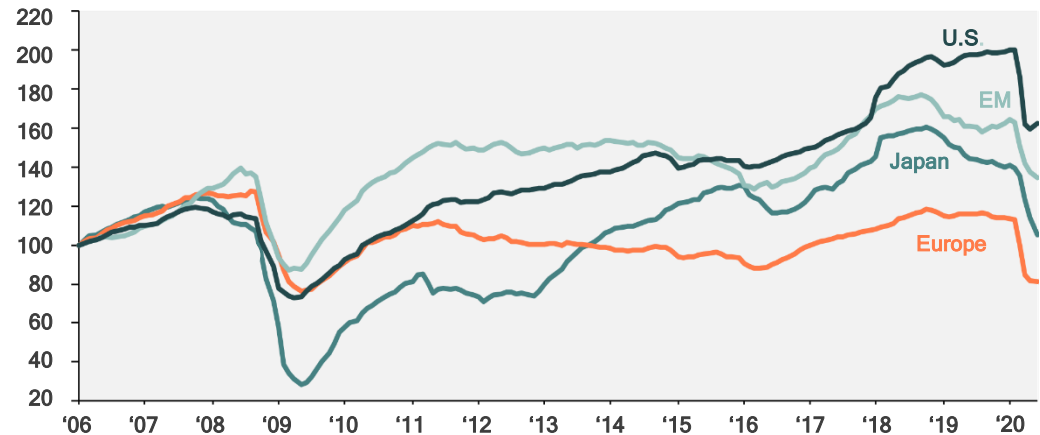
Data is obtained from BLS, FactSet, Bureau of Labor Statistics and J.P. Morgan Asset Management and is assumed to be reliable. CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator 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.

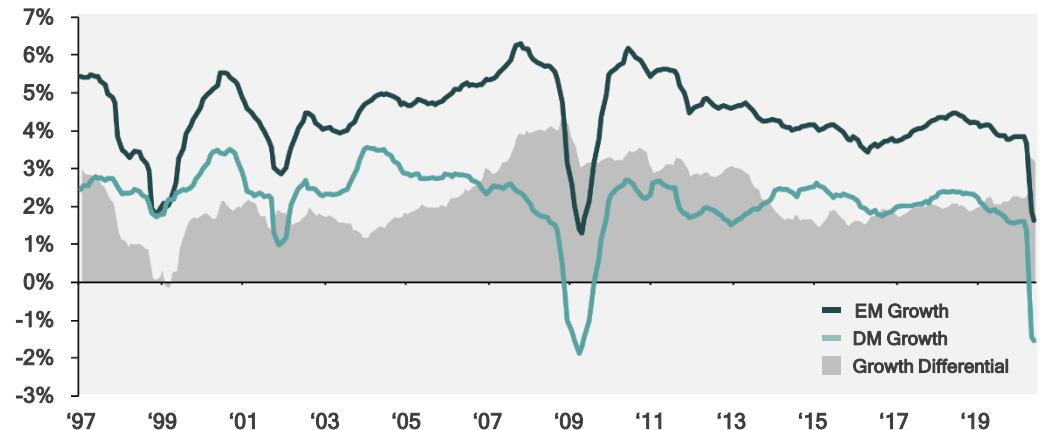
Global Earnings

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.

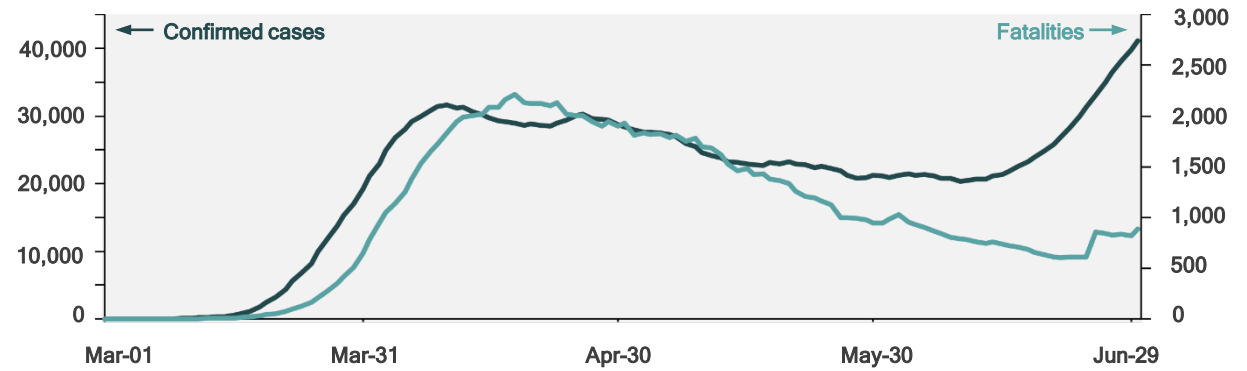
Data is obtained from Consensus Economics, FactSet, MSCI, Standard & Poor's, Thomson Reuters and J.P. Morgan Asset Management and is assumed to be reliable.

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.**

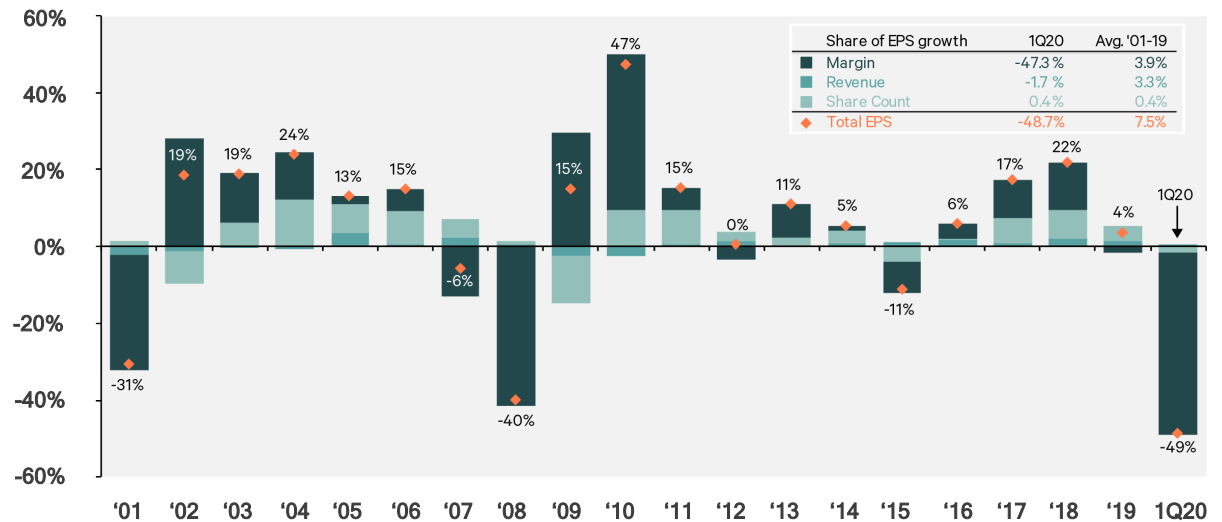
We continue to believe that the risk/reward ratio for equities over the long-term is favorable on an absolute basis and particularly relative to fixed income.

- 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.**

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

Sector Weights

Small Cap Core Portfolio

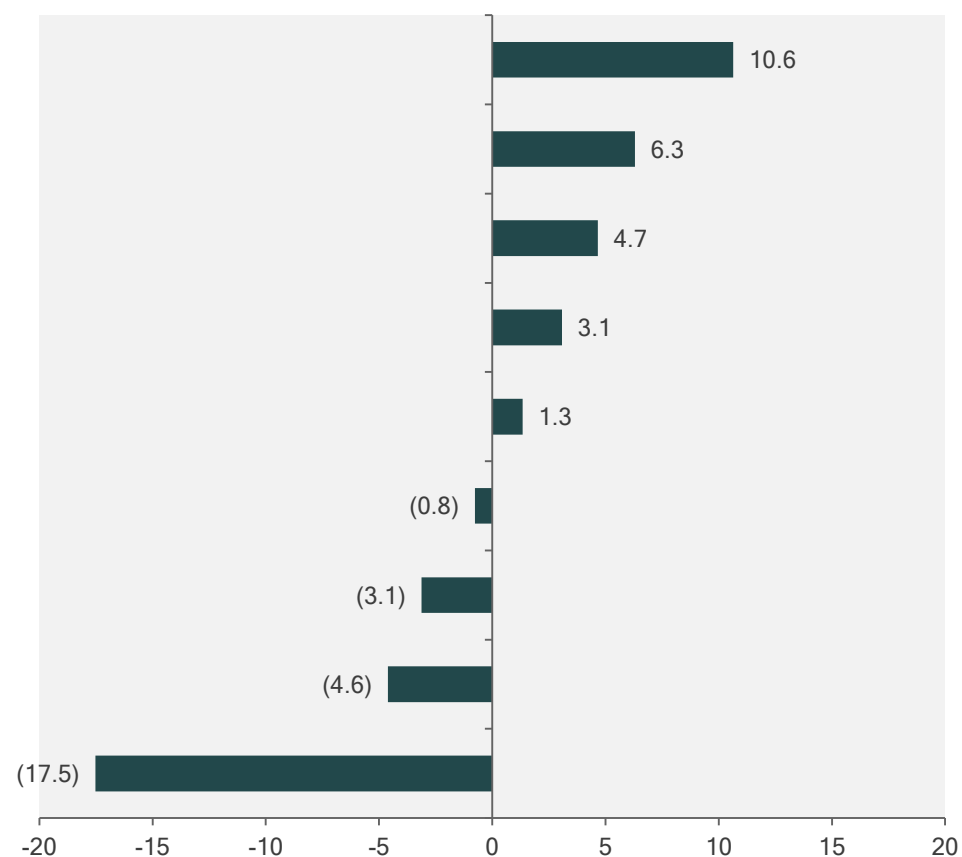
As of June 30, 2020



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Sectors	KAR Small Cap Core (%)	Russell 2000® Index (%)
Producer Durables	23.3	12.6
Technology	19.7	13.4
Consumer Discretionary	17.9	13.2
Financial Services	26.8	23.7
Materials & Processing	7.9	6.5
Energy	1.7	2.5
Consumer Staples	—	3.1
Utilities	—	4.6
Health Care	2.7	20.3

Underweight/Overweight (%)



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Conviction-Driven Investing Provides Opportunities for Excess Return

Small Cap Core Portfolio
As of June 30, 2020



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Top 10 Holdings	Russell Sector	% of Portfolio
Teledyne Technologies	Producer Durables	7.3
CDW	Technology	6.4
Autohome	Consumer Discretionary	6.3
POOLCORP	Consumer Discretionary	5.6
Primerica	Financial Services	5.1
Rightmove	Technology	4.7
First Hawaiian	Financial Services	4.6
Graco	Producer Durables	4.4
Aspen Technology	Technology	4.3
Manhattan Associates	Technology	4.3
Total		52.9

Research confidence leads to large active weights

	KAR Small Cap Core	Russell 2000® Index
# of Holdings	28	2,005
Average Position Size (%)	3.6	0.05
Weight of Top Ten Holdings (%)	52.9	2.8
Active Share (%)	98.7	—

The strategy benefits from diversification while still taking significant active positions

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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.

Strong Risk-Adjusted Returns

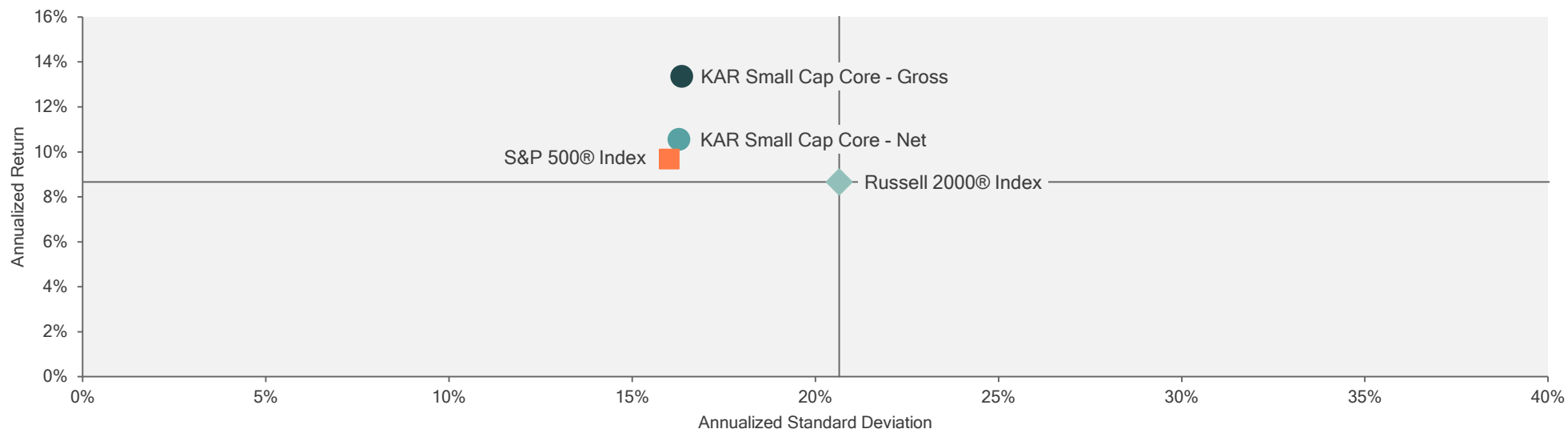
Small Cap Core Portfolio
Inception* to June 30, 2020



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 Small Cap Core	5.88	0.67	16.36	12.32	0.72	9.02
Russell 2000® Index	0.00	0.30	20.65	15.63	1.00	0.00

*April 1, 1992

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

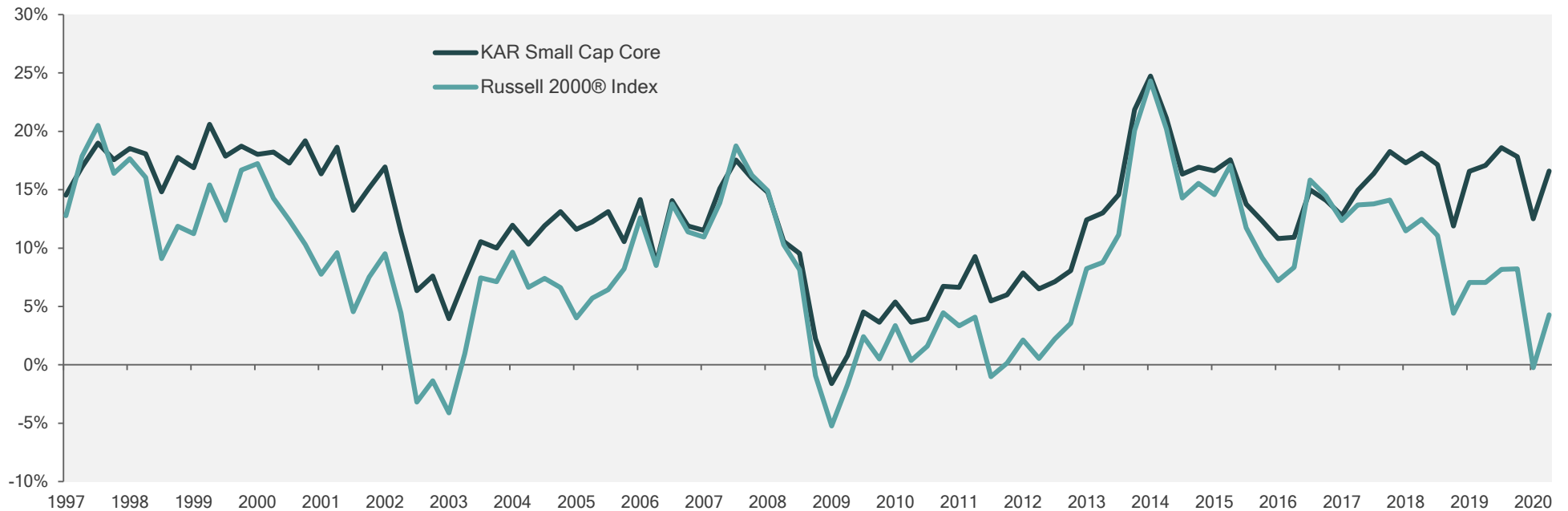
Returns for the Kayne Anderson Rudnick composite are preliminary and are gross of fees unless otherwise specified. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. **Past performance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

5-Year Rolling Returns

Small Cap Core Portfolio
Inception* to June 30, 2020



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.

*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.***

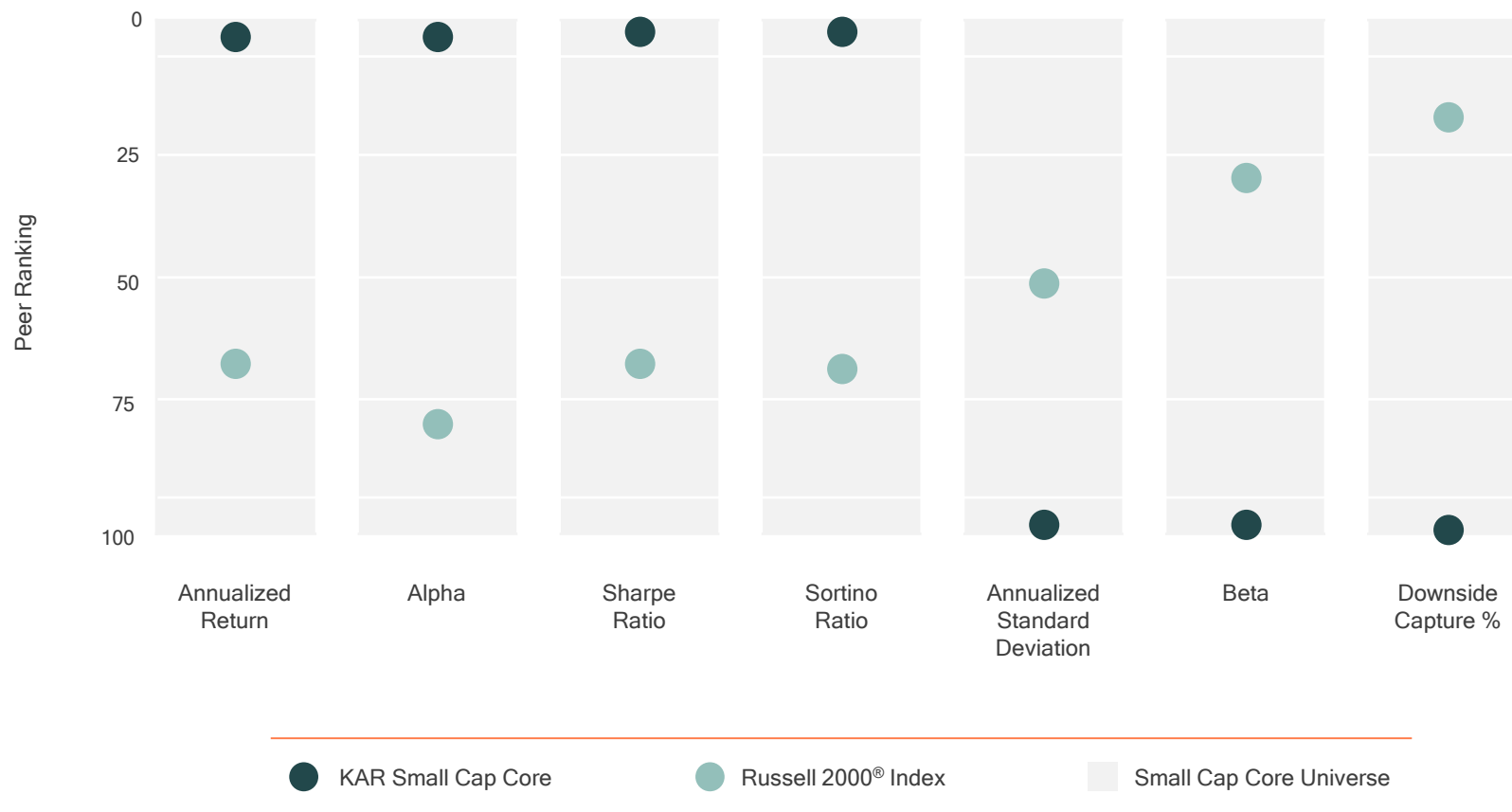
Peer Comparison

Small Cap Core Portfolio

Ten Years Ending June 30, 2020



Kayne Anderson Rudnick
Investment Management



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

The Small Cap Core Universe includes all managers categorized in the small cap core asset class by eVestment.

*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.** Management fees are described in Form ADV Part 2, which is available upon request. Gross annual returns will be reduced by investment management fees and other expenses that may be incurred in the management of the account. Net annual returns have been calculated after the deduction of an assumed maximum annual fee of 3%. The effect of fees on performance would grow at a compounded rate. Over a five-year period, if a \$100,000 portfolio had an annual return of 10%, it would grow to \$161,051. The net compounded effect of a 3% annual investment management fee would total \$20,796 and result in a portfolio value of \$140,255.*

Returns

Small Cap Core Portfolio



Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 6/30/20	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
Second Quarter	18.71	17.87	25.42	(671)
Year to Date	(1.84)	(3.32)	(12.98)	1113
1 Year	7.33	4.16	(6.63)	1395
3 Years	17.58	14.14	2.01	1557
5 Years	16.60	13.36	4.29	1231
7 Years	15.81	12.98	7.17	864
10 Years	17.08	14.49	10.50	658
Since Inception*	13.35	10.55	8.66	469

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
2019	39.05	35.04	25.52	1352
2018	(0.78)	(3.72)	(11.01)	1023
2017	36.07	32.15	14.65	2143
2016	18.55	15.09	21.31	(275)
2015	2.09	0.51	(4.41)	650
2014	7.31	5.57	4.89	241
2013	30.89	28.76	38.82	(793)
2012	13.75	11.80	16.35	(260)
2011	9.64	7.75	(4.18)	1382
2010	24.83	22.56	26.85	(203)
2009	31.80	29.72	27.17	463
2008	(28.15)	(29.36)	(33.79)	563
2007	3.25	1.71	(1.57)	481
2006	13.46	11.87	18.37	(491)
2005	7.87	4.63	4.55	331
2004	23.07	19.42	18.33	474
2003	35.02	31.19	47.25	(1223)
2002	(13.73)	(16.34)	(20.48)	675
2001	6.82	3.74	2.49	434
2000	20.98	17.42	(3.02)	2400
1999	7.02	3.93	21.26	(1423)
1998	20.98	17.42	(2.55)	2353
1997	21.00	17.45	22.36	(136)
1996	26.98	23.22	16.49	1049
1995	18.57	15.07	28.45	(988)
1994	2.75	(0.26)	(1.82)	457
1993	20.00	16.54	18.88	112
1992†	9.65	7.25	10.16	(50)

*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 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

Small 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 Small Cap Core Wrap Composite has been examined for the period from January 1, 1999 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 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 composite was created in October 1995. 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 exceed 25% of the account's beginning of period market value, were temporarily removed from the composite. Prior to January 1, 2011, 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 1/4th 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 of the composite 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 (%)			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 2000® Index Annual Return (%)	Internal Dispersion
December 31	Composite	Benchmark								
2012	15.37	20.48	4,010	565	100%	54	31.80	29.72	27.17	0.71
2013	11.96	16.68	4,729	659	100%	67	24.83	22.56	26.85	0.71
2014	9.77	13.31	5,232	846	100%	70	9.64	7.75	(4.18)	0.51
2015	11.15	14.16	6,545	1,073	100%	71	13.75	11.80	16.35	0.31
2016	12.19	15.99	7,841	1,336	100%	67	30.89	28.76	38.82	0.45
2017	11.38	14.11	7,989	1,294	100%	70	7.31	5.57	4.89	0.27
2018	13.94	16.01	8,095	1,023	100%	55	2.09	0.51	(4.41)	0.38
			9,989	1,222	100%	74	18.55	15.09	21.31	0.81
			14,609	1,818	100%	67	36.07	32.15	14.65	0.50
			17,840	1,909	100%	85	(0.78)	(3.72)	(11.01)	0.24

*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.