



Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Small Cap Core Portfolio
Managed Accounts
Third Quarter 2023 Review

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

2000 Avenue of the Stars, Suite 1110 Los Angeles, CA 90067 T 800.231.7414

Firm Overview

As of September 30, 2023



Kayne Anderson Rudnick
Investment Management

Profile

- Originally established to manage founder capital
- Over three decades of experience
- A differentiated “business analyst” investment approach focusing on high-quality businesses†
- A disciplined and repeatable investment process that produces high-conviction portfolios
- A wholly owned, independent subsidiary of Virtus Investment Partners

At a Glance

Year Founded	1984
Headquarters	Los Angeles, CA
AUM	\$52.8 billion*
Number of Equity Investment Professionals	21
Average Investment Experience	16 Years

*Figures in USD.

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

Investment Philosophy

We believe 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*



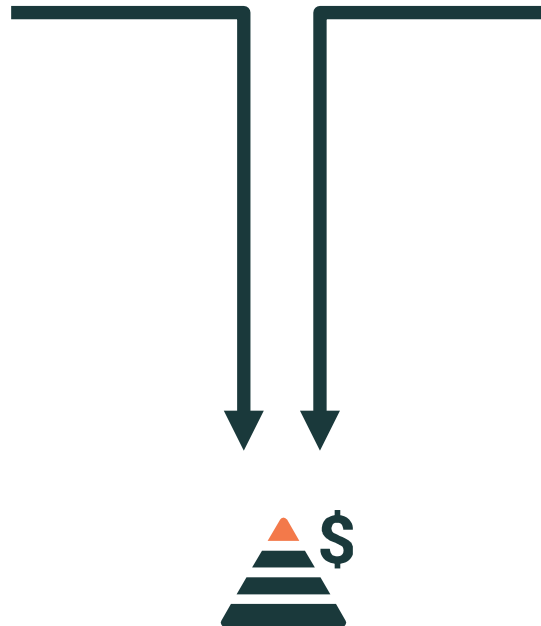
Competitive Protection

- 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 Experience	Years with KAR
Todd Bailey, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Insurance	24 Years	21 Years
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care and Industrials	28 Years	22 Years
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Information Technology and Health Care	15 Years	10 Years
Julie Kutasov	Senior Research Analyst Sector Coverage: Materials, Industrials and Utilities	22 Years	22 Years
Craig Stone	Senior Research Analyst Sector Coverage: Real Estate and Consumer Discretionary	33 Years	23 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials, Information Technology, Energy and Industrials	11 Years	11 Years
Adam Xiao, CFA	Senior Research Analyst Sector Coverage: Financials, Communication Services, Consumer Discretionary and Information Technology	10 Years	5 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Industrials	15 Years	5 Years
Luke Longinotti	ESG Research Analyst	3 Years	<1 Year
Arthur Su, CFA	Research Analyst Sector Coverage: Information Technology, Industrials and Consumer Staples	8 Years	1 Year
Clarissa Ali	Associate Research Analyst	<1 Year	5 Years

Client Services	Responsibility	Industry Experience	Years with KAR
Jason Pomatto	Managing Director - Senior Client Portfolio Manager	29 Years	1 Year
Ben Falcone, CFA	Managing Director - Client Portfolio Manager	27 Years	<1 Year
James B. May, CFA	Managing Director - Client Portfolio Manager	35 Years	4 Years
Ben Corser	Portfolio Specialist	17 Years	5 Years

Market Review

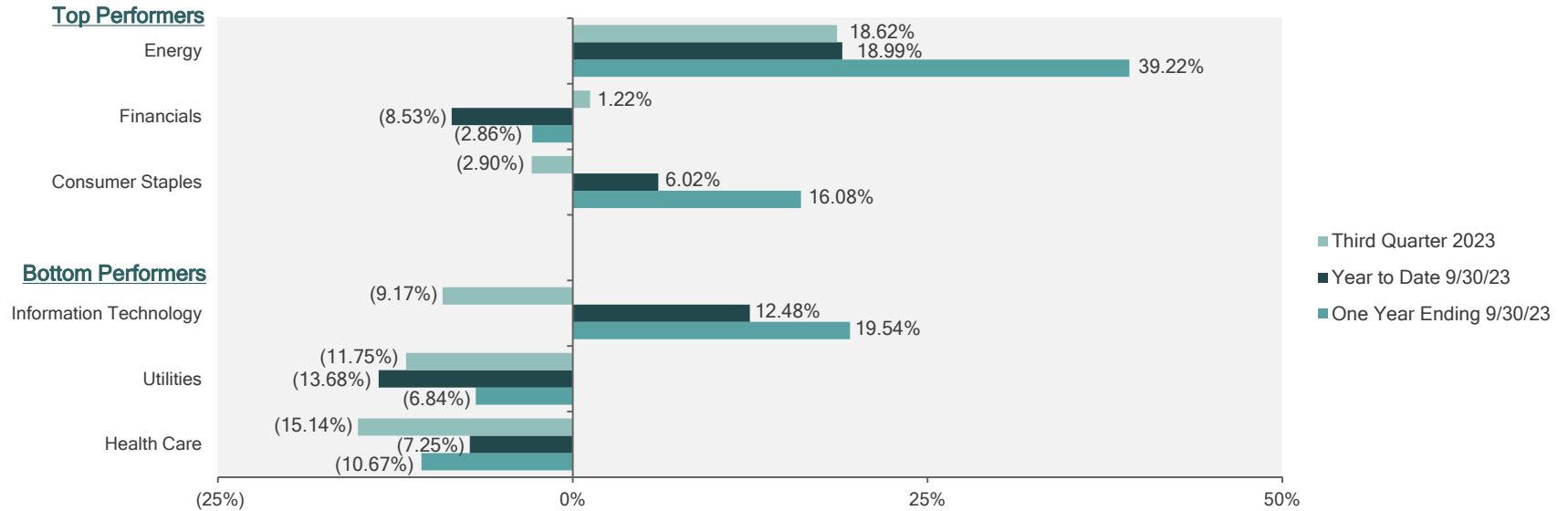
Performance by Sector and Style



Kayne Anderson Rudnick
Investment Management

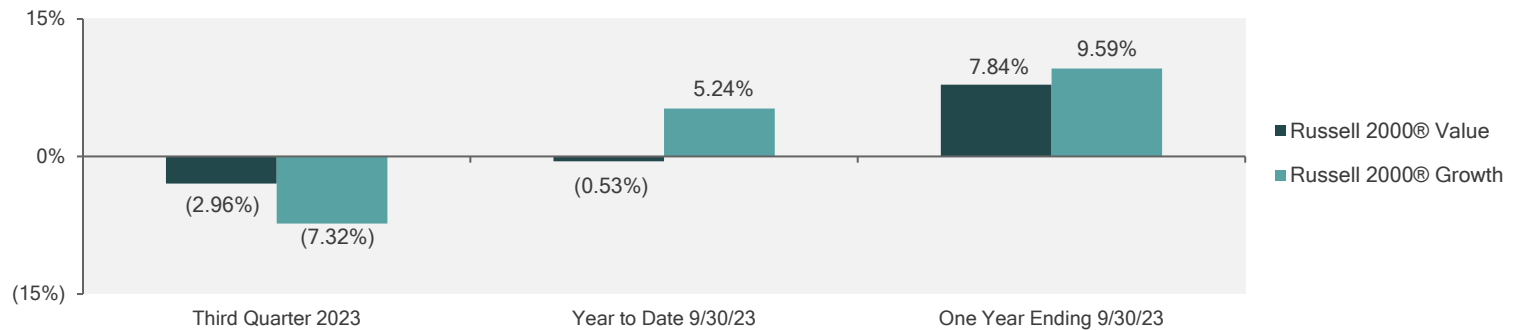
Sector Performance

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. Past performance is no guarantee of future results.

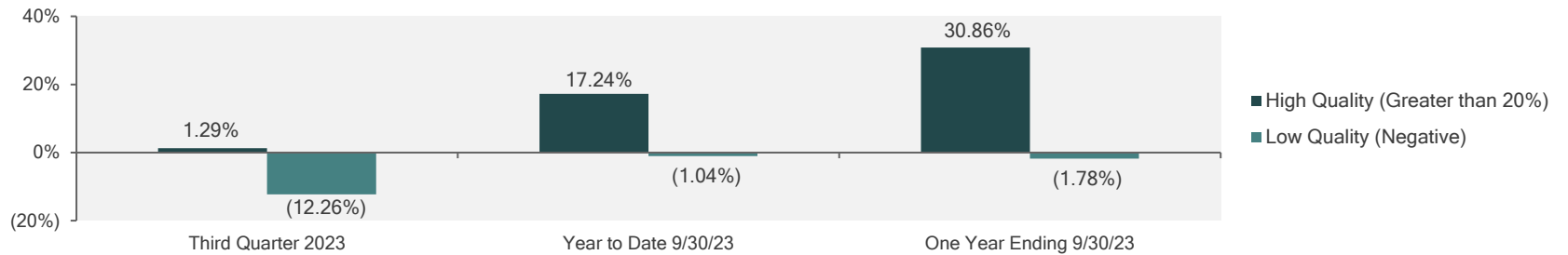
Market Review

Performance by Financial Metric

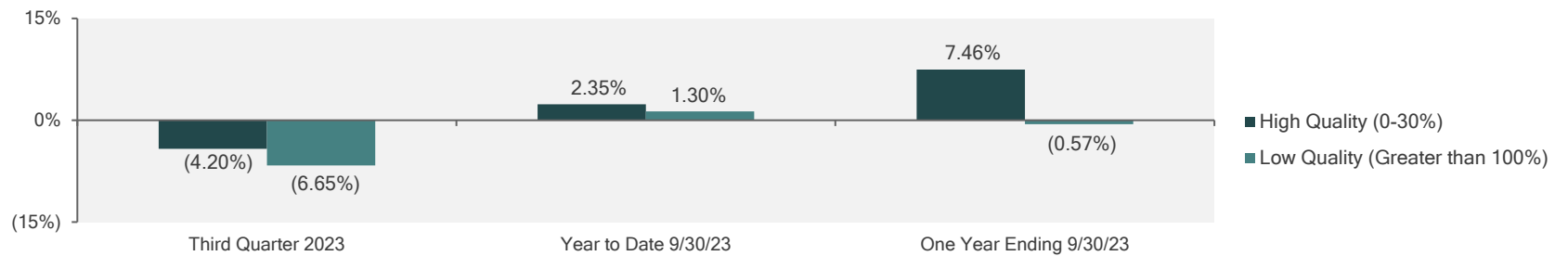


Kayne Anderson Rudnick
Investment Management

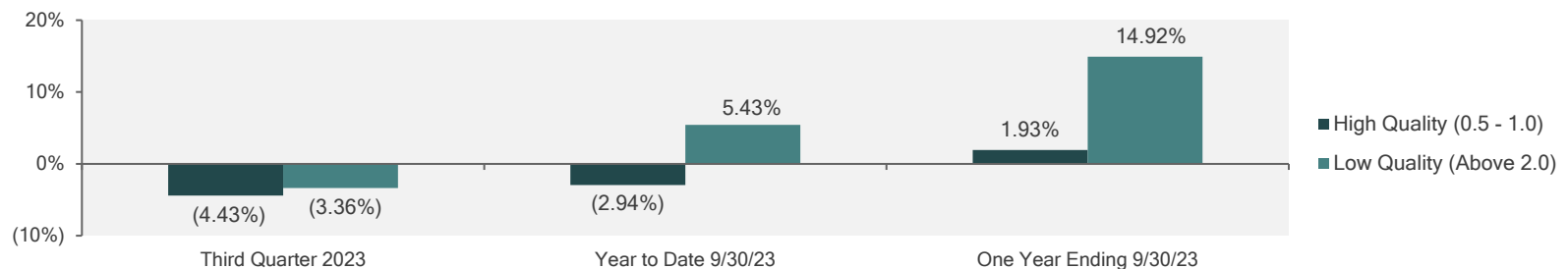
Performance by Return on Equity Russell 2000® Index



Performance by Debt/Capital Ratio Russell 2000® Index



Performance by Beta Russell 2000® 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.

Quarterly Performance Overview

Small Cap Core Portfolio

Periods Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Monthly, Quarterly and Year to Date Performance

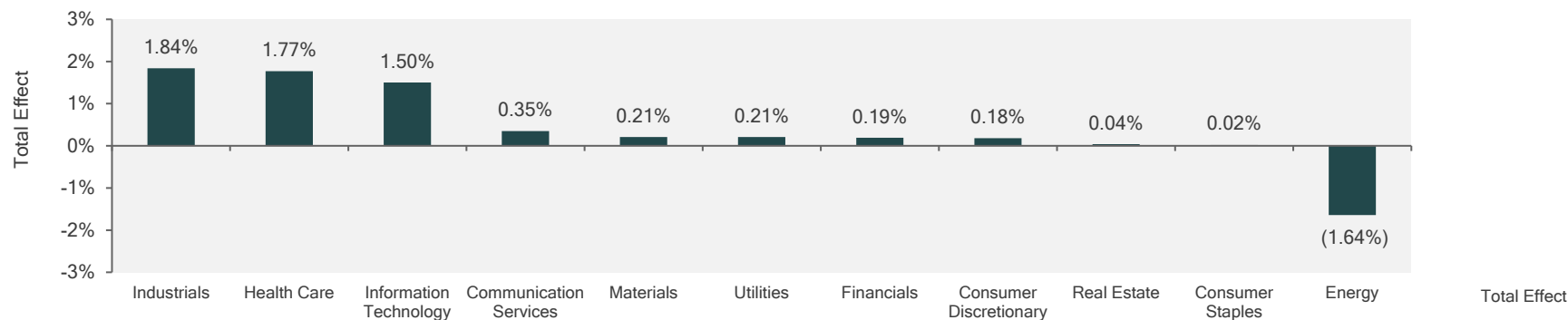
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
July	4.56	4.31	6.12	(180)
August	(0.07)	(0.32)	(5.00)	468
September	(4.87)	(5.12)	(5.89)	77
Third Quarter	(0.60)	(1.34)	(5.13)	378
Year to Date	16.66	14.11	2.54	1,156

Annualized Performance

Periods Ending 9/30/23	Gross (%)	Net (%)	Index (%)
1 Year	26.27	22.60	8.93
5 Years	11.96	8.67	2.40
10 Years	14.52	11.17	6.65

Attribution by Sector

Quarter Ending September 30, 2023



KAR Selection Effect	1.90%	0.64%	1.29%	0.37%	0.17%	0.00%	(0.46%)	0.16%	0.00%	0.06%	0.00%	4.13%
KAR Allocation Effect	(0.05%)	1.13%	0.21%	(0.02%)	0.04%	0.21%	0.66%	0.02%	0.04%	(0.04%)	(1.64%)	0.56%

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

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.

*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.*

Highest Contributors

Small Cap Core Portfolio

Quarter Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
EMCOR Group	+0.97%	EMCOR experienced strong revenue driven by demand for networking, high-tech manufacturing, healthcare, and reshoring projects. A better recovery in profitability led to higher earnings expectations, causing the shares to outperform in the quarter.
Simpson Manufacturing	+0.56%	Simpson Manufacturing reported better-than-expected operating results and an improved profitability outlook. We believe the company's recent acquisition of a French-based business should meaningfully enhance its market position and profitability profile in Europe.
Aspen Technology	+0.38%	After underperforming in the previous quarter, Aspen Technology's shares reacted favorably to the expectation for strong annual contract value growth, improved free cash flow, and a new share repurchase program.
FactSet Research Systems	+0.28%	FactSet Research Systems reported continued growth in revenues and profit and a healthy pipeline. The company's consistent growth in revenues and profits caused shares to outperform during the quarter.
RBC Bearings	+0.24%	RBC Bearings' performance was driven by good organic growth with increased profitability as the company capitalizes on integrating its Dodge acquisition with what we believe to be sound business operating practices and procedures.

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

*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.** Returns could be reduced, or losses incurred, due to currency fluctuations.*

Lowest Contributors

Small Cap Core Cap Portfolio

Quarter Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Graco	(0.66%)	Graco underperformed due to the recent decline in the company's Contractor business segment. In the short-term, Graco's end markets are cyclical, and we believe these cyclical fluctuations are expected and reasonable.
Toro	(0.61%)	Toro underperformed due to an ongoing shrinkage in the company's Residential business segment as the business normalizes from the stimulus driven COVID environment. Also, Toro took a meaningful impairment charge on an acquisition due to that business's recent underperformance.
FTI Consulting	(0.40%)	Despite good operational results with growth across FTI Consulting's business segments and an improvement in margins, the company's shares underperformed on lowered expectations for restructuring work while mergers and acquisition activity remained depressed. Coupled with short-term cost pressures from inflation and headcount growth, the company's earnings expectations also were lowered.
Landstar System	(0.37%)	The shares of Landstar System appreciated prior to earnings due to investor enthusiasm that the bottom in the trucking cycle may be close. However, shares came under pressure after quarterly results missed management's expectations, while management remained cautious regarding the current operating environment.
Atrion	(0.27%)	Atrion reported a quarter with continued overhang in product sales to Europe and cash conservation from its larger customers in Germany. The company is challenged by continued supply constraints for internal chips for its MP3 consoles. The company is bringing new suppliers online to address this persistent challenge. Demand is still high for new consoles, so we believe any incremental supply may drive near-term revenue as well as longer-term earnings for consumables sales.

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

*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.** Returns could be reduced, or losses incurred, due to currency fluctuations.*

Annual Performance Overview

Small Cap Core Portfolio

Periods Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Quarterly and Annual Performance

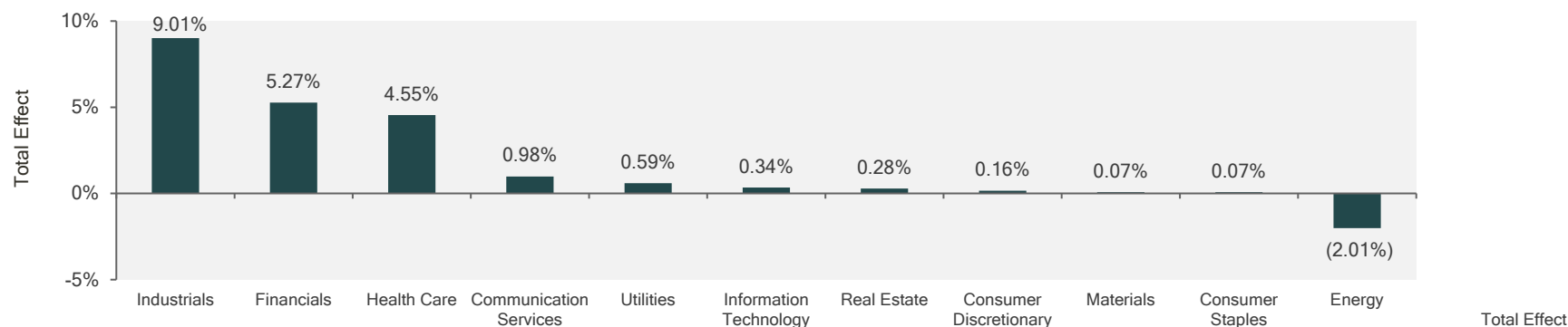
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Fourth Quarter 2022	8.23	7.44	6.23	121
First Quarter 2023	11.02	10.21	2.74	748
Second Quarter 2023	5.72	4.94	5.21	(26)
Third Quarter 2023	(0.60)	(1.34)	(5.13)	378
1 Year Ending 9/30/23	26.27	22.60	8.93	1,367

Annualized Performance

Periods Ending 9/30/23	Gross (%)	Net (%)	Index (%)
1 Year	26.27	22.60	8.93
5 Years	11.96	8.67	2.40
10 Years	14.52	11.17	6.65

Attribution by Sector

One Year Ending September 30, 2023



KAR Selection Effect	5.47%	6.23%	1.99%	1.07%	0.00%	0.42%	0.00%	0.44%	0.28%	0.21%	0.20%	16.33%
KAR Allocation Effect	3.53%	(0.97%)	2.56%	(0.09%)	0.59%	(0.08%)	0.28%	(0.29%)	(0.21%)	(0.14%)	(2.21%)	2.97%

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

*The attribution data provided herein is based upon a buy and hold methodology and gross returns for a representative portfolio. Returns for the Kayne Anderson Rudnick composite are final. All periods less than one year are total returns and are not annualized. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. 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.*

Highest Contributors

Small Cap Core Portfolio

One Year Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
EMCOR Group	+4.49%	Over the last 12 months, EMCOR's shares outperformed due to solid organic revenue growth driven by strength in networking, high-tech manufacturing, healthcare, and reshoring projects, plus an overall expansion in margins.
Simpson Manufacturing	+4.21%	Simpson Manufacturing reported better-than-expected operating results and improved profitability. We also believe the company's recent acquisition of a French-based business should meaningfully enhance its market position and profitability profile in Europe.
Primerica	+2.82%	We believe simplifying the life insurance licensing process has aided growth in Primerica's sales force and is supporting expansion of the company's book of policies. Also, moderating claims expense has offset elevated lapse rates and helped bolster profitability.
Manhattan Associates	+2.04%	Manhattan Associates reported several quarters of robust sales and bookings growth, with commensurate profit margin expansion. The company's progress continues to not be impacted by macro-economic uncertainty investors may anticipate would affect their clients. This continued strength relative to expectations caused shares to continue to outperform over the trailing twelve months.
CorVel	+1.68%	CorVel reported strong operating results driven by operating leverage and broad-based new sales traction. The company's fully integrated platform brings exceptional capabilities to customers which we believe are particularly vital in the current environment with the pandemic having dramatically expanded the use of telemedicine in the workers compensation area.

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

*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.** Returns could be reduced, or losses incurred, due to currency fluctuations.*

Lowest Contributors

Small Cap Core Portfolio

One Year Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
First Hawaiian	(0.78%)	The shares of First Hawaiian Bank, like other regional banks, have been under pressure most of the year due to concerns that rising deposit costs will hurt profitability and create the potential for future loan losses in a weakening commercial real estate market.
Aspen Technology	(0.54%)	After several quarters of positive comments from management, the earnings guidance for Aspen Technology for the year was cut due to unforeseen issues integrating recently acquired businesses as well as a softening macro-economic environment. The shares were a strong performer year-to-date, so the unexpected change in guidance resulted in a sharp sell-off in the stock.
Jack Henry & Associates	(0.33%)	The turmoil in the regional banking market hurt the share price of Jack Henry & Associates as investors remain concerned that smaller banks could face long-lasting profitability headwinds. In addition, guidance for the next fiscal year was below expectations, which added further pressure to the company's share price.
Atrion	(0.18%)	Atrion's results have been pressured by inventory destocking at its largest customers, as well as supply constraints for chips for its MP3 consoles. While it has continued to find new design wins and product extensions for upstart applications, this has not been enough to offset weakness in the core healthcare business.
Kforce	(0.02%)	Kforce underperformed over the last 12 months due to decelerating revenue growth as clients turn more cautious on IT staffing spend given the uncertain macro environment.

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

*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.** Returns could be reduced, or losses incurred, due to currency fluctuations.*

Purchases

Small Cap Core Portfolio

Quarter Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

- There were no purchases in the 3rd quarter of 2023.

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

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.

Sales

Small Cap Core Portfolio

Quarter Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management

Sales

Reasons

Dril-Quip—Sold Entire Position

Dril-Quip's business did not strengthen to the extent we would have expected amid a cyclical rebound in offshore drilling activity and the company's profitability was not as resilient through the downturn. New leadership also indicated they will be more aggressive with acquisitions, including those outside of Dril-Quip's core market. For these reasons, we sold our position.

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

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.

Portfolio Characteristics

Small Cap Core Portfolio

As of September 30, 2023



Kayne Anderson Rudnick
Investment Management

	KAR Small Cap Core	Russell 2000® Index
Quality		
Return on Equity—Past 5 Years	26.7%	9.6%
Debt/EBITDA*	0.5 x	2.3 x
Earnings Variability—Past 10 Years	32.6%	84.8%
Growth		
Earnings Per Share Growth—Past 10 Years	13.8%	10.0%
Dividend Per Share Growth—Past 10 Years	11.9%	5.0%
Capital Generation—{ROE x (1-Payout)}	19.8%	8.0%
Value		
P/E Ratio—Trailing 12 Months	21.3 x	29.1 x
Dividend Yield	1.3%	1.6%
Free Cash Flow Yield†	4.7%	2.9%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$6.9 B	\$3.1 B
Largest Market Cap—3-Year Average	\$19.2 B	\$14.9 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 June 30, 2023. Prices are as of September 30, 2023. Excludes financials.

‡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 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

U.S. Economy



Kayne Anderson Rudnick
Investment Management

We believe the economy will continue to slow over the next 12-to-18 months. Hawkish monetary policy in response to unacceptable levels of inflation is slowing economic growth already and threatens to engineer a mild recession over the next 12 months.

- We believe corporate profit growth will moderate in 2024 but will remain slightly positive. However, recession risks, due to rising long-term interest rates, are growing and threatening earnings per share growth over the next year.
- Inflation concerns have clearly moderated since June 2022. Continued improvement in the inflation outlook should give the Federal Reserve more flexibility in monetary policy in the future. We believe the Fed is attempting to lower inflation without pushing the economy into a severe recession and will be successful. Oil prices continue to be a wild card.
- The yield curve is finally starting to flatten but more because of a rise in long-term interest rates than a drop in short-term rates.
- Short-term interest rate increases and slowing GDP and corporate profits could lead to continued volatility over the next year. However, we believe the stock market has already discounted a shallow/mild recession even if it were to occur.
- The failure of Silicon Valley Bank, Signature Bank, and First Republic are unlikely to create a systemic banking crisis due to the unique nature of their deposit base. However, continued increases in long-term interest rates hurts banks' balance sheets.

Figure 1: Yield Curve

U.S. Treasury Yield Curve

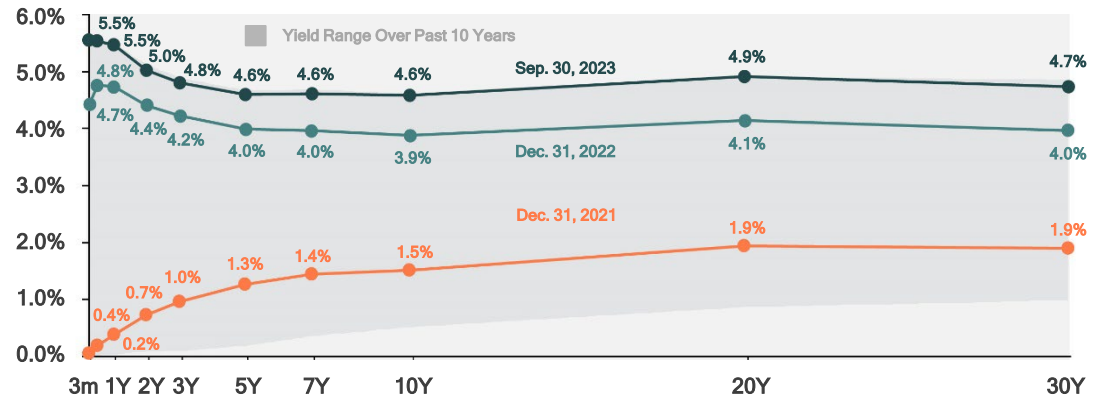


Figure 2: Price of Oil

WTI Crude, Nominal Prices, USD/Barrel



Data as of September 30, 2023. Figure 1 data is obtained from FactSet, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Figure 2 data is obtained from FactSet and J.P. Morgan Asset Management and is assumed to be reliable. WTI crude prices are continuous contract NYM prices in USD. **Past performance is no guarantee of future results.**

The global economy is still slowing as well due to interest rate increases by many central banks.

- Global inflation expectations have risen along with the U.S., particularly in Asia where numerous city and country shutdowns have continued to contribute to the supply/demand shortfall globally. Supply chain issues finally appear to be disappearing.
- The U.S. has continued to produce significant returns for over a decade now; however, if the technology sector decline continues, diversification and foreign markets may do relatively better because of a lack of technology exposure in many of the international developed indices. Artificial intelligence (AI) interest, however, is more likely to benefit U.S. benchmarks.
- Emerging markets struggled in 2022 with the prospect of rising interest rates and continued COVID-19 variants causing economic disruptions. China's regulatory crackdown was a clear negative for many Chinese technology and educational companies. China is struggling to grow now, but policies are starting to shift back to fostering recovery. So far this year, Chinese growth has been disappointing.
- The invasion of Ukraine has negative implications for European economic growth. The longer the conflict lasts, the more likely Europe will slip into a mild/deep recession.
- The collapse of Credit Suisse, which has been years in the making, is unlikely to trigger a systemic banking crisis in Europe.

Figure 3: Global Earnings Estimates

Jan. 2004 = 100, Next 12 Months Consensus Estimates, U.S. Dollars

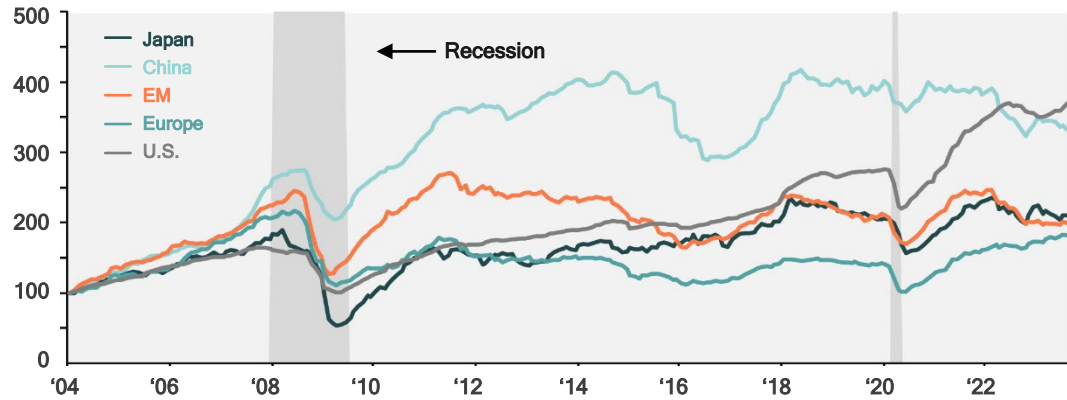


Figure 4: China Real GDP Contribution

Year-Over-Year % Change for GDP, Contribution to GDP for Components

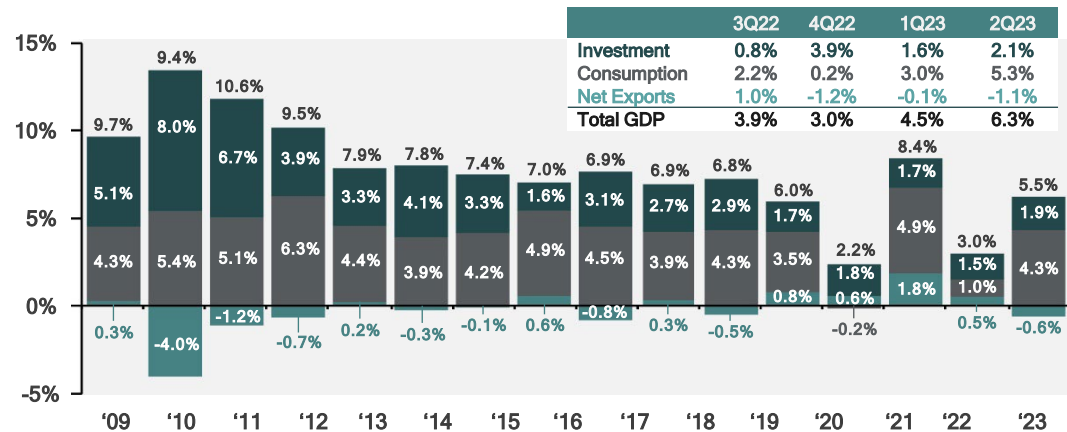


Figure 3 data is as of September 30, 2023 and is obtained from FactSet, MSCI, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Figure 4 data is as of September 30, 2023 and is obtained from CEIC and J.P. Morgan Asset Management and is assumed to be reliable. Next 12 months consensus estimates are based on pro-forma earnings and are in U.S. dollars. MSCI Europe includes the eurozone as well as countries not in the currency bloc, such as Norway, Sweden, Switzerland and the U.K. (which collectively make up almost half of the overall index). **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 relative to fixed income.

- Monetary policy should continue to slow the economy into 2024. However, slower growth and/or a recession may not be as deep as the market currently fears.
- Equity valuations are about normal by historic measures on absolute levels. We think earnings are likely to continue to improve from here on a multi-year basis, albeit at a slower rate. Many parts of the market (excluding the big 7 technology companies) are very reasonably valued on a P/E basis.
- Geopolitical events have caused a more uncertain outlook for global growth. U.S./Taiwan continues to be a risk we are monitoring. The Ukraine/Russia conflict continues to drag on.
- Corporate profit margins have declined due to high input costs, transportation bottlenecks, and supply constraints although these factors are clearly reversing now. Corporate margins may have bottomed in Q1 2023.
- In our view, the biggest risk is the Fed overshoots rate increases and slows the economy more than expected and we enter a deeper than anticipated recession over the next 12-to-24 months.
- We believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets over the long term.
- Long-term interest rates have increased recently which is key to the value of long duration assets such as equities. The October 2022 low in the market has continued to hold despite many short-term cross currents.

Figure 5: P/E Ratio of the Top 10 and Remaining Stocks in the S&P 500®
Next 12 Months, 1996 - Present

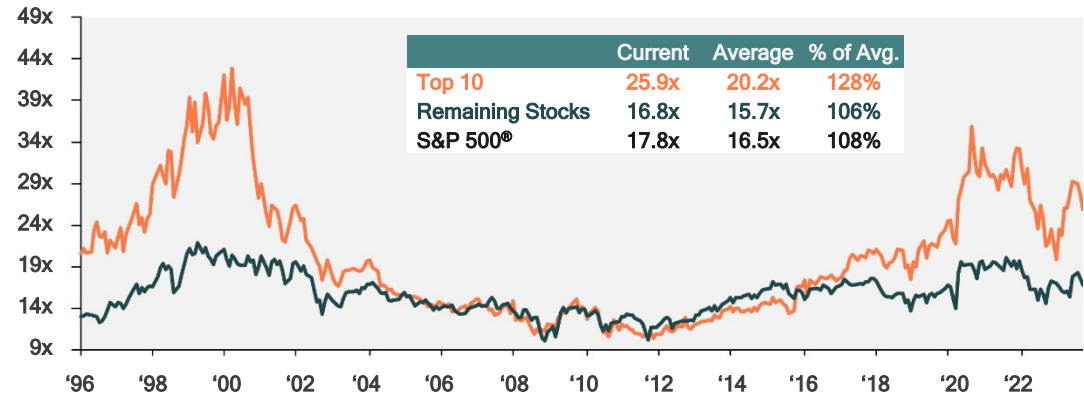
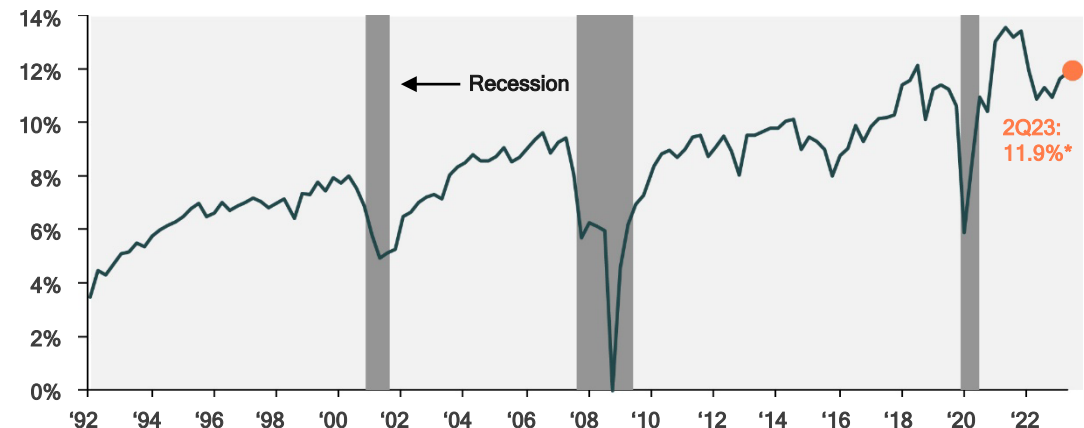


Figure 6: S&P 500® Profit Margins
Quarterly Operating Earnings/Sales



Data as of September 30, 2023. Figure 5 data is obtained from FactSet, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Figure 6 data is obtained from Compustat, FactSet, NFIB, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. The top 10 S&P 500 companies are based on the 10 largest index constituents at the beginning of each month. As of 9/30/2023, the top 10 companies in the index were AAPL (7.0%), MSFT (6.5%), AMZN (3.2%), NVDA (3.0%), GOOGL (2.2%), TSLA (1.9%), META (1.9%), GOOG (1.9%), BRK.B (1.8%), XOM (1.3%) and UNH (1.3%). The remaining stocks represent the rest of the 494 companies in the S&P 500. *Current 2Q23 profit margin is a preliminary estimate.

Past performance is no guarantee of future results.

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

Sector Weights

Small Cap Core Portfolio

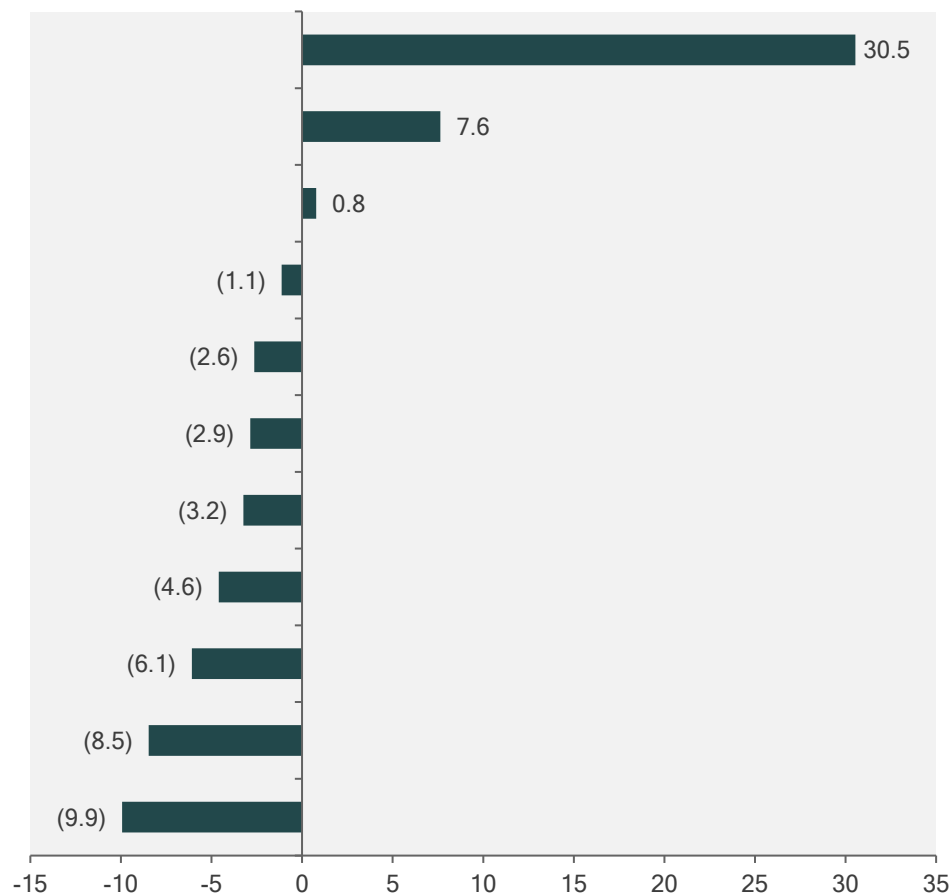
As of September 30, 2023



Kayne Anderson Rudnick
Investment Management

Sectors	KAR Small Cap Core (%)	Russell 2000® Index (%)
Industrials	47.4	16.9
Financials	23.8	16.1
Communication Services	3.2	2.4
Materials	3.7	4.8
Consumer Staples	1.0	3.6
Utilities	—	2.9
Consumer Discretionary	7.4	10.6
Information Technology	8.7	13.3
Real Estate	—	6.1
Energy	—	8.5
Health Care	4.9	14.9

Underweight/Overweight (%)



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

Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. The sector information represented above is based on GICS sector classifications. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Top Ten Holdings

Small Cap Core Portfolio

As of September 30, 2023



Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
EMCOR Group	Industrials	8.1
Simpson Manufacturing	Industrials	7.3
FTI Consulting	Industrials	6.7
Primerica	Financials	5.7
Manhattan Associates	Information Technology	5.6
Acushnet Holdings	Consumer Discretionary	4.7
Landstar System	Industrials	4.3
Toro	Industrials	4.3
CorVel	Health Care	4.2
Watts Water Technologies	Industrials	3.8
Total		54.7

Research confidence leads to large active weights

	KAR Small Cap Core	Russell 2000® Index
# of Holdings	29	1,985
Average Position Size (%)	3.4	0.1
Weight of Top Ten Holdings (%)	54.7	3.3
Active Share (%)	98.3	—

The strategy benefits from diversification while still taking significant active positions

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

Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. The sector information represented above is based on GICS sector classifications. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Returns

Small Cap Core Portfolio



Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 9/30/23	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
Third Quarter	(0.60)	(1.34)	(5.13)	378
Year to Date	16.66	14.11	2.54	1,156
1 Year	26.27	22.60	8.93	1,367
3 Years	12.08	8.79	7.16	163
5 Years	11.96	8.67	2.40	628
7 Years	16.75	13.34	6.62	672
10 Years	14.52	11.17	6.65	452
Since Inception*	13.37	10.07	8.61	146

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
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

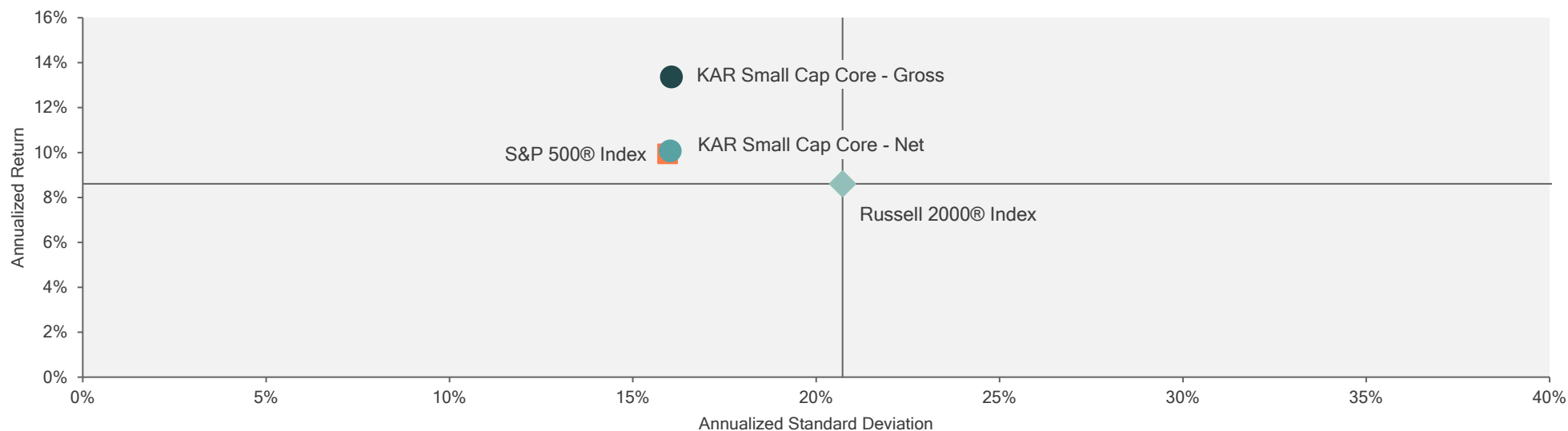
Inception* to September 30, 2023



Kayne Anderson Rudnick
Investment Management

Meaningful Excess Return with Lower Volatility

Annualized Since Inception*



Performance Statistics

Annualized Since Inception*

	Annualized Return (%)	Alpha (%)	Sharpe Ratio	Information Ratio	Tracking Error	Standard Deviation (%)	Beta	Downside Capture
KAR Small Cap Core - Gross	13.37	6.11	0.68	0.50	9.44	16.05	0.70	52.92
KAR Small Cap Core - Net	10.07	2.98	0.48	0.15	9.45	16.02	0.69	61.42
Russell 2000® Index	8.61	0.00	0.30	N/A	N/A	20.72	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.

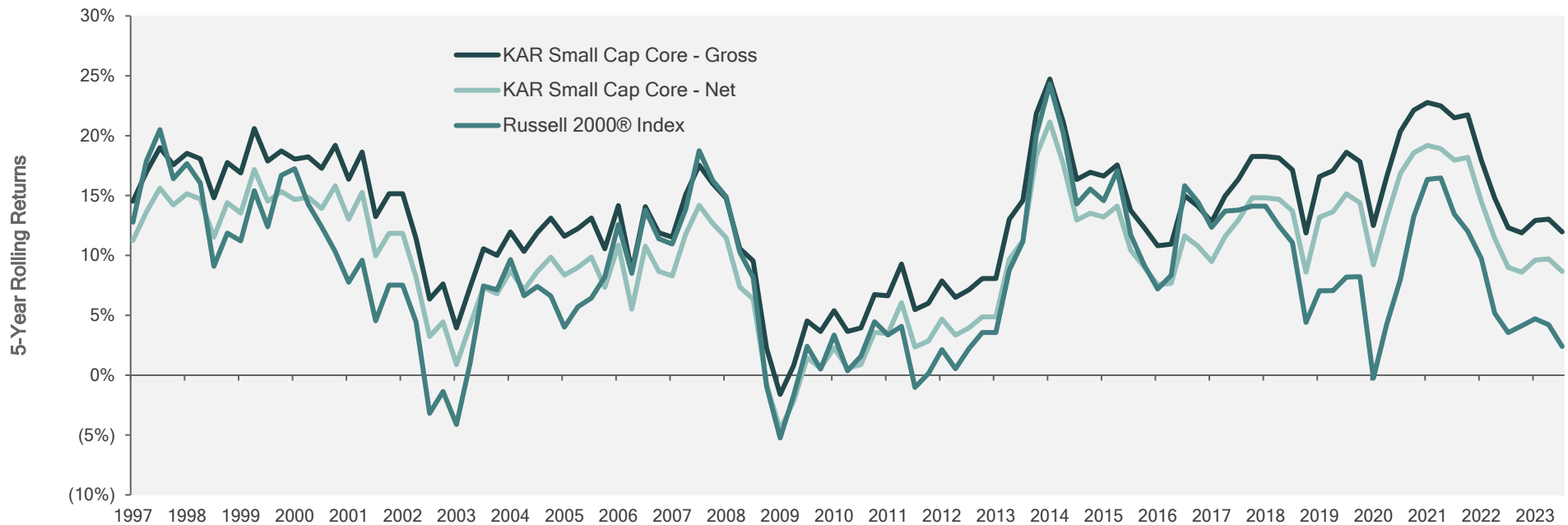
5-Year Rolling Returns

Small Cap Core Portfolio

Inception* to September 30, 2023



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.*

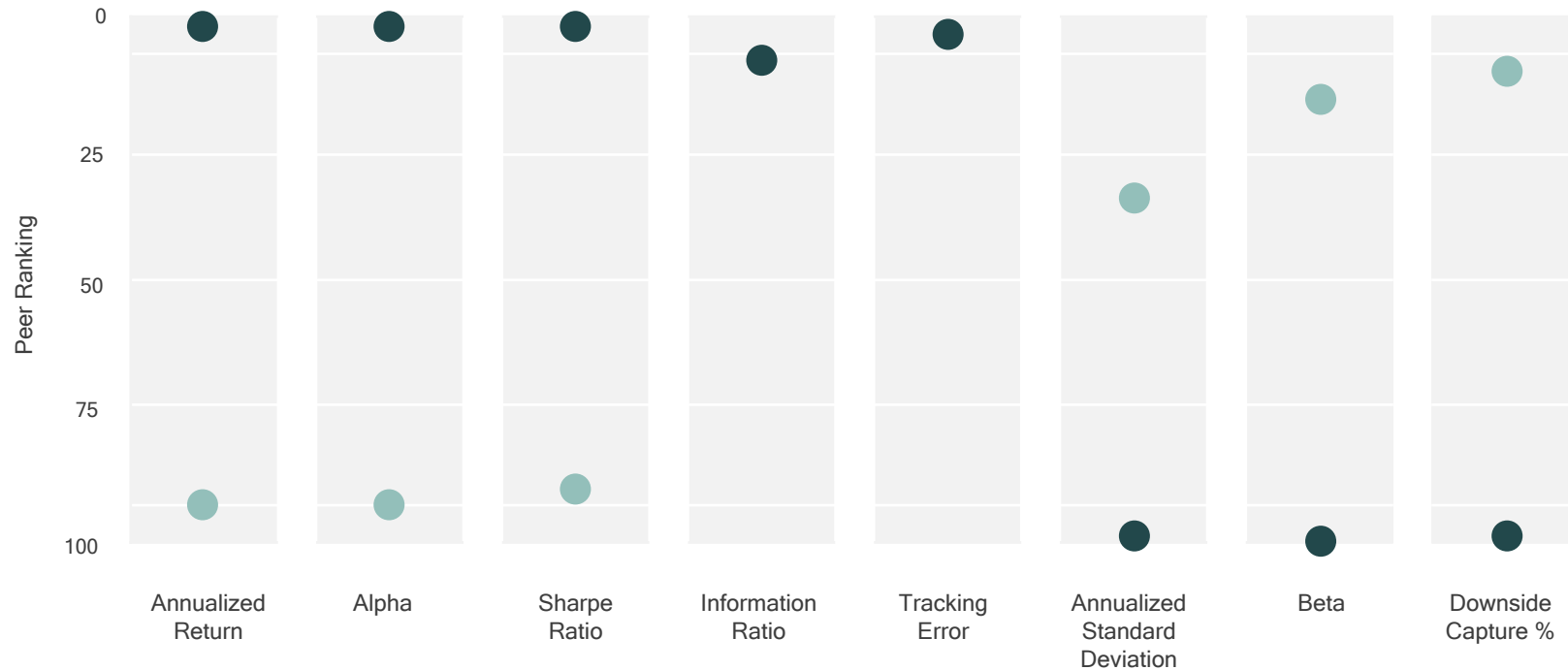
Peer Comparison

Small Cap Core Portfolio

Ten Years Ending September 30, 2023



Kayne Anderson Rudnick
Investment Management



KAR Small Cap Core
 Russell 2000® Index
 Small Cap Core Universe

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

*The eVestment Small Cap Core Universe includes 116 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 Portfolio



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)
2013	30.89	27.10	38.82	11.96	16.68	67	0.45	1,336	7,841
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

*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, 2022.

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, 2022. The verification and performance examination reports are available upon request.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Kayne Anderson Rudnick Investment Management, LLC ("KAR"), 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. KAR 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 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.