



Kayne Anderson Rudnick
Investment Management

Small Cap Core Portfolio
Managed Accounts
Third Quarter 2020 Review

kayne.com

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Firm Overview

As of September 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	\$42.2 billion
Number of Equity Investment Professionals	16
Average Investment Experience	16 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



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



KAR HIGH QUALITY BUSINESS

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

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 Bailey, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Energy and Communication Services	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: Information Technology	12 Years	7 Years
Julie Kutasov	Senior Research Analyst Sector Coverage: Materials and Industrials	19 Years	19 Years
Craig Stone	Senior Research Analyst Sector Coverage: Industrials	31 Years	20 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials and Real Estate	8 Years	8 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Industrials	11 Years	2 Years
Adam Xiao, CFA	Research Analyst Sector Coverage: Consumer Staples, Financials and Industrials	5 Years	2 Years
Jordan Greenhouse	Managing Director - Senior Client Portfolio Manager	23 Years [†]	4 Years
James B. May, CFA	Managing Director - Client Portfolio Manager	32 Years [†]	1 Year

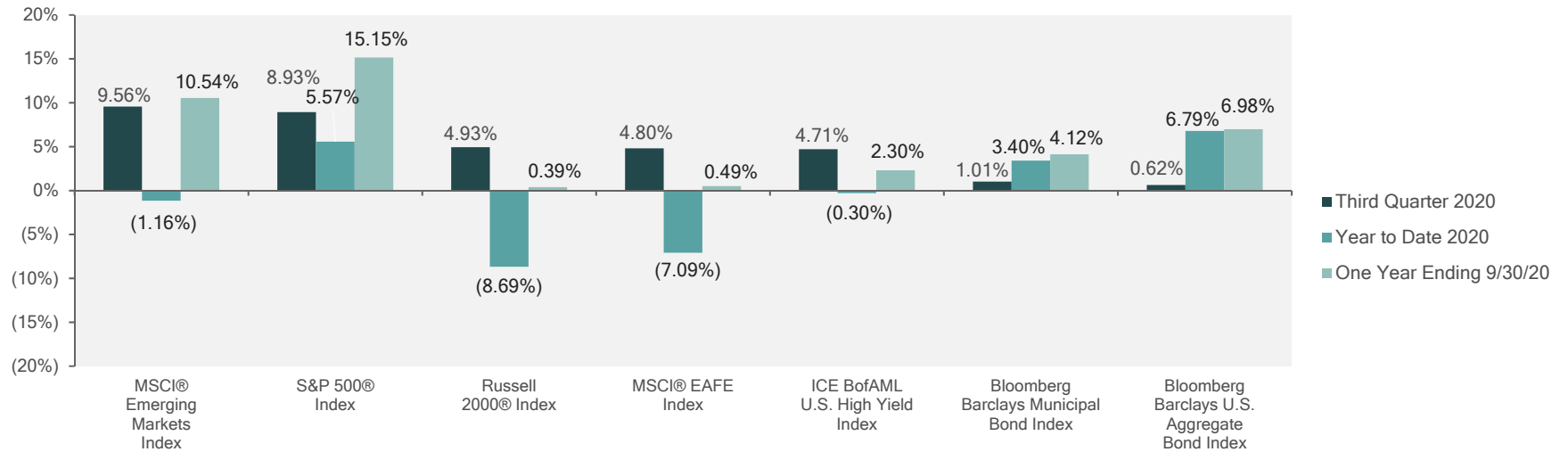
[†]Represents years of industry experience.

Market Review



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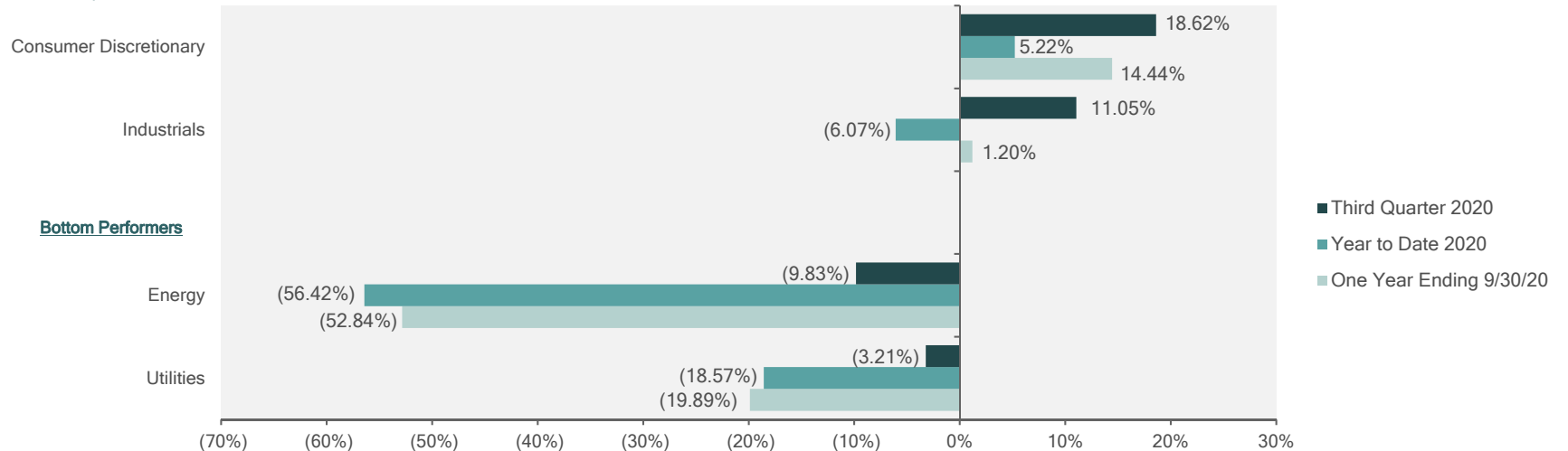
Index Performance



Sector Performance

Russell 2000® Index

Top 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

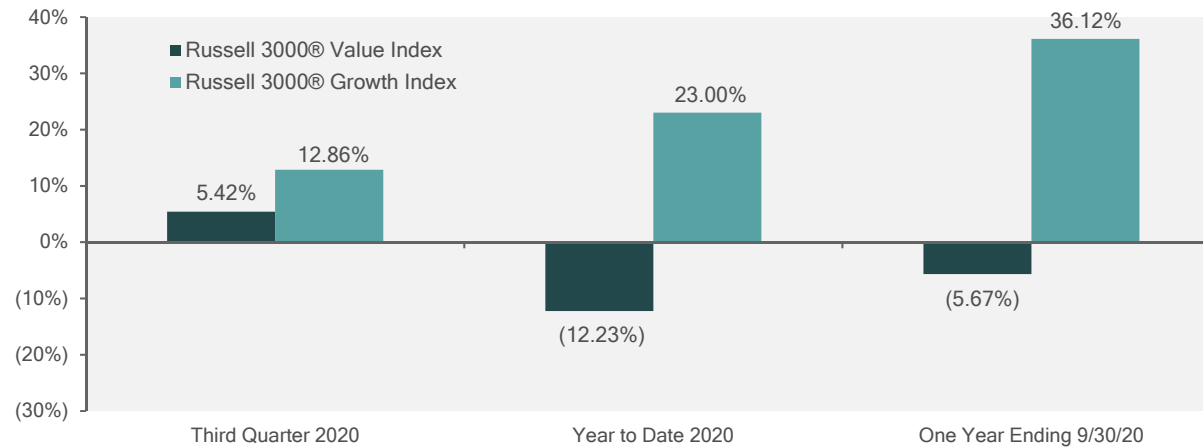
Performance by Style and Quality



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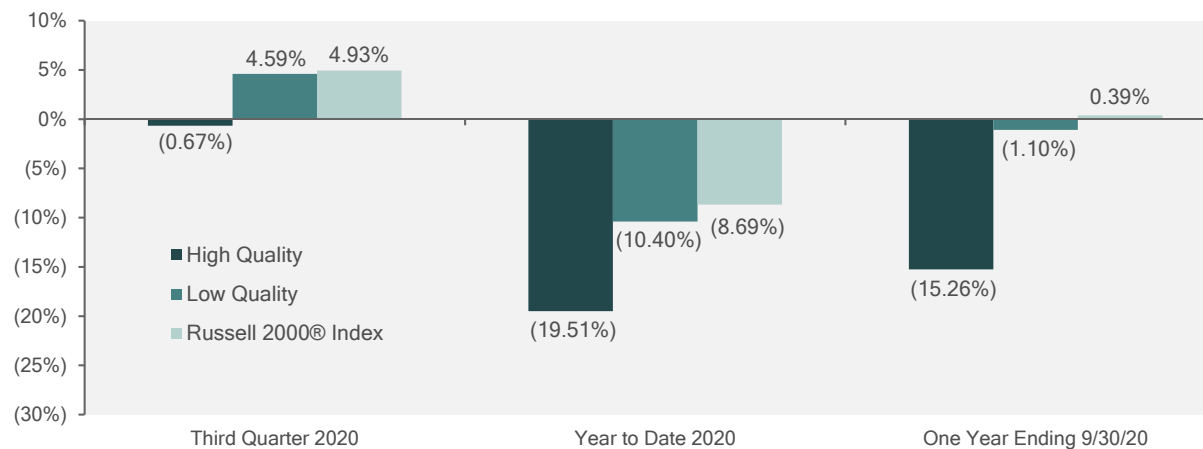
Performance by Style

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 September 30, 2020



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Monthly, Quarterly and Year to Date Performance

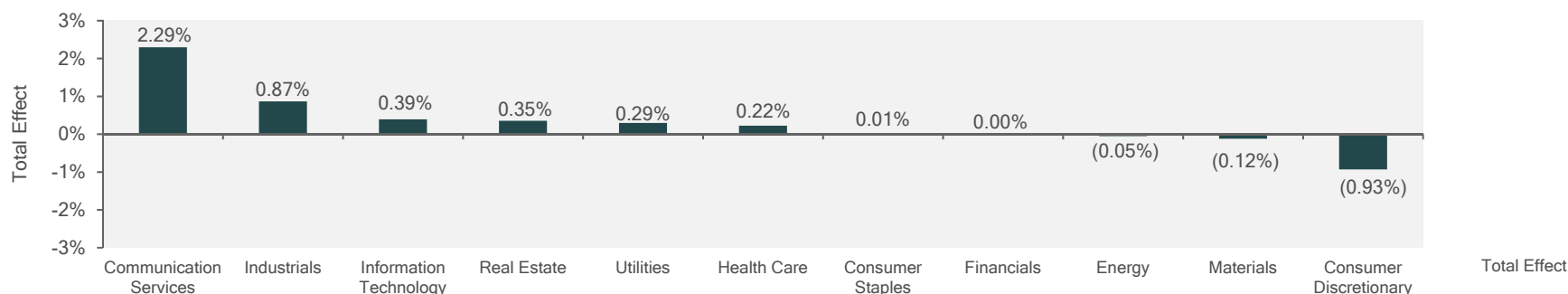
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
July	4.64	4.39	2.77	188
August	3.24	2.99	5.63	(239)
September	(0.72)	(0.97)	(3.34)	262
Third Quarter	7.25	6.47	4.93	232
Year to Date	5.27	2.94	(8.69)	1396

Contributors

Highest	Contribution
Autohome	+1.76%
POOLCORP	+1.35%
Graco	+1.21%
Toro	+0.97%
Rightmove	+0.92%
Lowest	Contribution
First Hawaiian	(0.67%)
Jack Henry & Associates	(0.32%)
Dril-Quip	(0.25%)
RBC Bearings	(0.23%)
Primerica	(0.13%)

Attribution by Sector

Quarter Ending September 30, 2020



	Communication Services	Industrials	Information Technology	Real Estate	Utilities	Health Care	Consumer Staples	Financials	Energy	Materials	Consumer Discretionary	Total Effect
Russell 2000® Index Returns	(1.31%)	11.05%	2.49%	0.01%	(3.21%)	4.86%	8.46%	(2.72%)	(9.83%)	6.50%	18.62%	4.93%
KAR Returns	24.13%	10.96%	5.03%	0.00%	0.00%	9.18%	10.73%	(0.51%)	(16.88%)	1.40%	12.84%	7.25%
KAR Selection Effect	2.96%	(0.04%)	0.42%	0.00%	0.00%	0.16%	0.06%	0.47%	(0.15%)	(0.09%)	(0.52%)	3.26%
KAR Allocation Effect	(0.66%)	0.90%	(0.03%)	0.35%	0.29%	0.07%	(0.04%)	(0.47%)	0.10%	(0.04%)	(0.41%)	0.07%

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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 September 30, 2020



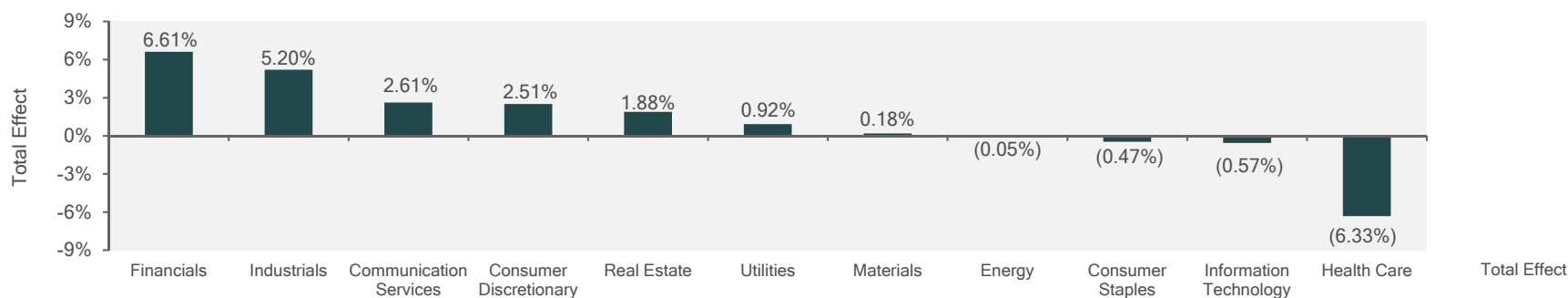
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Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
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)
Third Quarter 2020	7.25	6.47	4.93	232
1 Year Ending 9/30/20	11.18	7.92	0.39	1079

Attribution by Sector

One Year Ending September 30, 2020



	Financials	Industrials	Communication Services	Consumer Discretionary	Real Estate	Utilities	Materials	Energy	Consumer Staples	Information Technology	Health Care	Total Effect
Russell 2000® Index Returns	(23.77%)	1.20%	(16.18%)	14.44%	(20.23%)	(19.89%)	(7.51%)	(52.84%)	9.63%	11.74%	36.96%	0.39%
KAR Returns	7.42%	18.48%	18.02%	55.28%	0.00%	0.00%	(3.24%)	(54.41%)	(5.51%)	6.53%	(8.46%)	11.18%
KAR Selection Effect	8.59%	5.08%	4.41%	3.04%	0.00%	0.00%	0.01%	(0.12%)	(0.31%)	(0.81%)	(0.91%)	18.99%
KAR Allocation Effect	(1.99%)	0.12%	(1.80%)	(0.53%)	1.88%	0.92%	0.17%	0.07%	(0.16%)	0.24%	(5.42%)	(6.49%)

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Highest Contributors

Small Cap Core Portfolio

One Year Ending September 30, 2020



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Security	Contribution	Comments
Old Dominion Freight Line	+3.37%	Old Dominion Freight Line's management team has been able to illustrate that competitors have been focused on cost which has led to service failures. As a result, Old Dominion continues to take market share by providing high-quality services to customers.
POOLCORP	+2.97%	Despite the easing of restrictions across many states from the pandemic in the third quarter, there is still a large population working-from-home. As a result, POOLCORP continues to see business acceleration as homeowners spend more time at home and spend more money on home improvements.
MarketAxess Holdings	+2.77%	MarketAxess Holdings' stock appreciated after the company reported significant growth in the U.S. high-grade, U.S. high-yield bond, emerging market bond, and Eurobond markets driven by the success of its all-to-all trading protocol Open Trading. During the high-volatility periods throughout 2020, MarketAxess' platform has differentiated itself as a source of fixed-income trading liquidity when many market makers pulled back from the market.
FactSet Research Systems	+1.39%	Over the past 12 months, FactSet Research Systems has been largely unaffected by COVID-19, continuing to demonstrate robust organic revenue and profit growth. This stability has caused shares to appreciate.
Graco	+1.33%	COVID-19 has broadly disrupted Graco's end markets, but the Contractor segment has generated growth throughout the pandemic. Even under the economic uncertainty from COVID-19, Graco continues to capture increased pricing on its products as a continued expression of its quality and value proposition to end customers. We believe the business continues to have a sound competitive position that is likely to drive satisfactory business performance through an economic cycle.

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Lowest Contributors

Small Cap Core Portfolio

One Year Ending September 30, 2020



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Security	Contribution	Comments
First Hawaiian	(2.97%)	First Hawaiian Bank's shares have yet to recover from the sharp sell off at the end of the first quarter due to COVID-19. The ongoing pandemic and strict quarantine restrictions in Hawaii have brought tourism to a standstill and caused a significant uptick in unemployment. While we expect the impact of COVID-19 to remain a meaningful near-term headwind for the Hawaiian economy, we think the bank's conservative balance sheet will allow it to navigate this tough environment.
Dril-Quip	(1.54%)	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.
RBC Bearings	(1.05%)	RBC Bearings' shares lagged driven by pandemic-related disruptions in the aerospace segment as well as Boeing 737 MAX aircraft production delays. Importantly, RBC's solid market positioning is intact. The company remains a solid free-cash-flow generator and its balance sheet is pristine.
Primerica	(0.72%)	Through 2020 Primerica continued to see positive growth in its life insurance segment, while investment and savings products recently saw a decline in sales due to clients staying on the sidelines because of stock market uncertainty. Due to the company's exposure to client appetite for investments via its investment and savings products segment, the stock has not rebounded as strongly as other constituents of the portfolio from the early 2020 market decline. We continue to view Primerica's low cost distribution as an advantage that allows it to target an underserved low-dollar policy and savings account audience.
Atrion	(0.40%)	Atrion's shares were slightly lower in the last year despite consistent sales and growth and solid profitability. Medical elective procedures have been negatively impacted by the COVID-19 pandemic, but we expect they should see a return over time. With a solid balance sheet with no debt and consistent free cash flow, we remain investors.

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Purchases

Small Cap Core Portfolio

Quarter Ending September 30, 2020



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Purchases	Descriptions/Reasons
First Hawaiian Bank—Increased Position	After our last increase in March, First Hawaiian continued to see weakness as the impact from COVID-19 on the global economy has created ongoing uncertainty. However, there are signs of reopening in various economies (Hawaii recently announced their strategy) which should start laying a path for a longer term recovery. We believe the competitive positioning of First Hawaiian is still intact and the Hawaiian economy should rebound over time once tourism returns. We took advantage of the weakness to fortify our current weight.

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Sales

Small Cap Core Portfolio

Quarter Ending September 30, 2020



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Sales	Reasons
MarketAxess Holdings—Sold Entire Position	We sold our position in MarketAxess Holdings due to the company’s larger market capitalization.
Old Dominion Freight Line—Sold Entire Position	We sold our position in Old Dominion Freight Line due to the company’s larger market capitalization.

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Portfolio Characteristics

Small Cap Core Portfolio – As of September 30, 2020



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	KAR Small Cap Core	Russell 2000® Index
Quality		
Return on Equity—Past 5 Years	20.1%	8.6%
Total Debt/EBITDA	1.2 x	8.0 x
Earnings Variability—Past 10 Years	24.8%	75.2%
Growth		
Earnings Per Share Growth—Past 10 Years	12.9%	6.6%
Dividend Per Share Growth—Past 10 Years	10.9%	7.5%
Capital Generation—{ROE x (1-Payout)}	14.1%	6.8%
Value		
P/E Ratio—Trailing 12 Months	26.7 x	121.1 x
Dividend Yield	1.2%	1.3%
Free Cash Flow Yield†	4.0%	3.9%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$7.5 B	\$2.3 B
Largest Market Cap—3-Year Average	\$15.4 B	\$9.2 B
Annualized Standard Deviation—Since Inception*	16.3%	20.6%

*April 1, 1992

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

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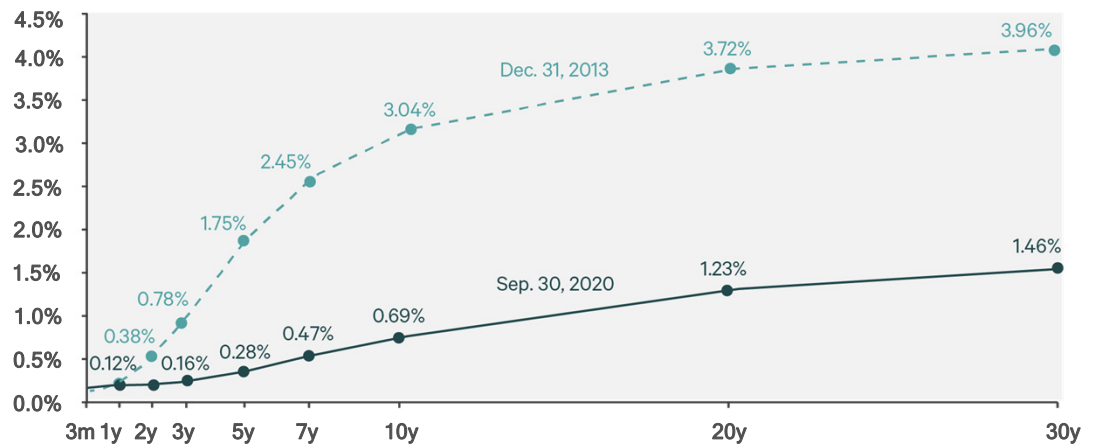
Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics.

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

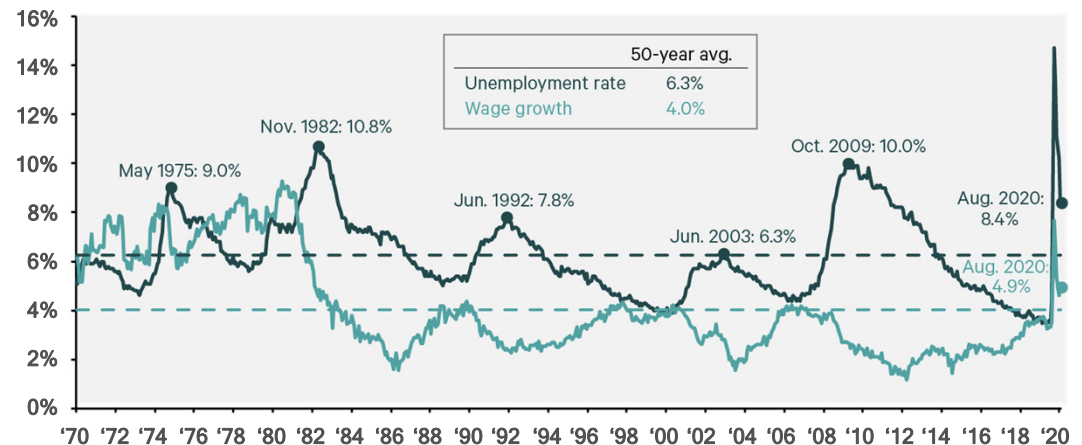
The U.S. and global economies are in a recession due to the COVID-19 health crisis, but have started to resume some normal activity.

- 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. Streaming, ordering groceries online and video call usage has been accelerated.
- 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 room to keep rates low.
- The strength of the consumer had been supporting the global economy, but unemployment has soared in the near-term hurting confidence. Fiscal policy is bridging 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.

Yield Curve
U.S. Treasury Yield Curve



Civilian Unemployment Rate and Year-Over-Year Wage Growth for Private Production and Non-Supervisory Workers
Seasonally Adjusted, Percent



Data as of September 30, 2020.

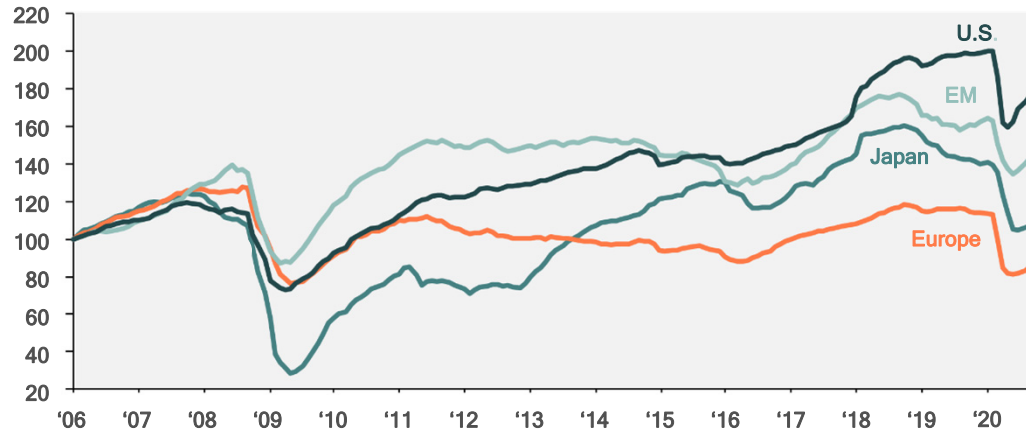
Data is obtained from BLS, FactSet, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Past performance is no guarantee of future results.

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. Recovery is likely to be slow.
- 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, particularly 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.

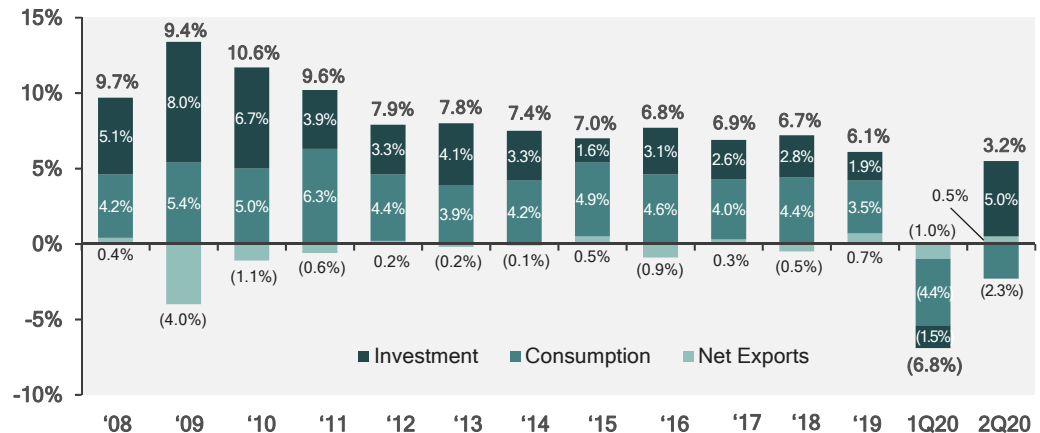
Global Earnings

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



China Real GDP Contribution

% Change, Year-Over-Year



Data as of September 30, 2020.

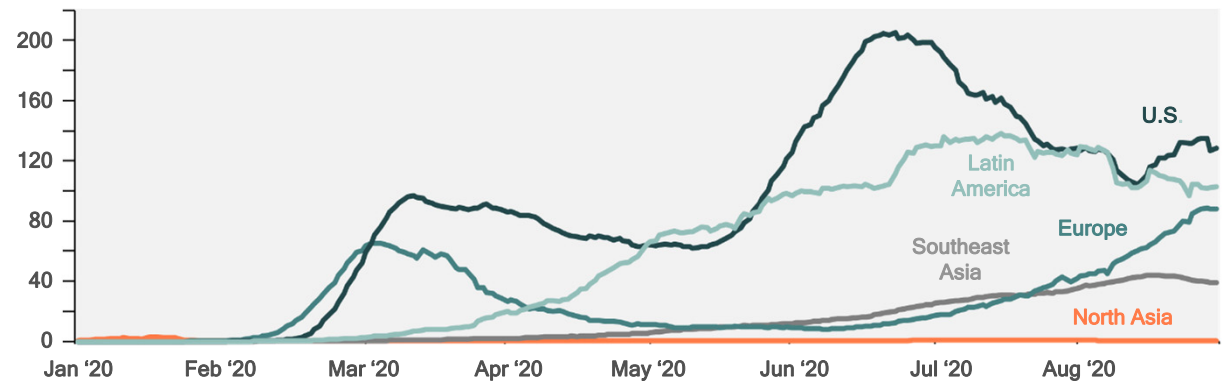
Data is obtained from CEIC, FactSet, MSCI, Standard & Poor's, Thomson Reuters and J.P. Morgan Asset Management and is assumed to be reliable.

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 44% of the overall index). **Past performance is no guarantee of future results.**

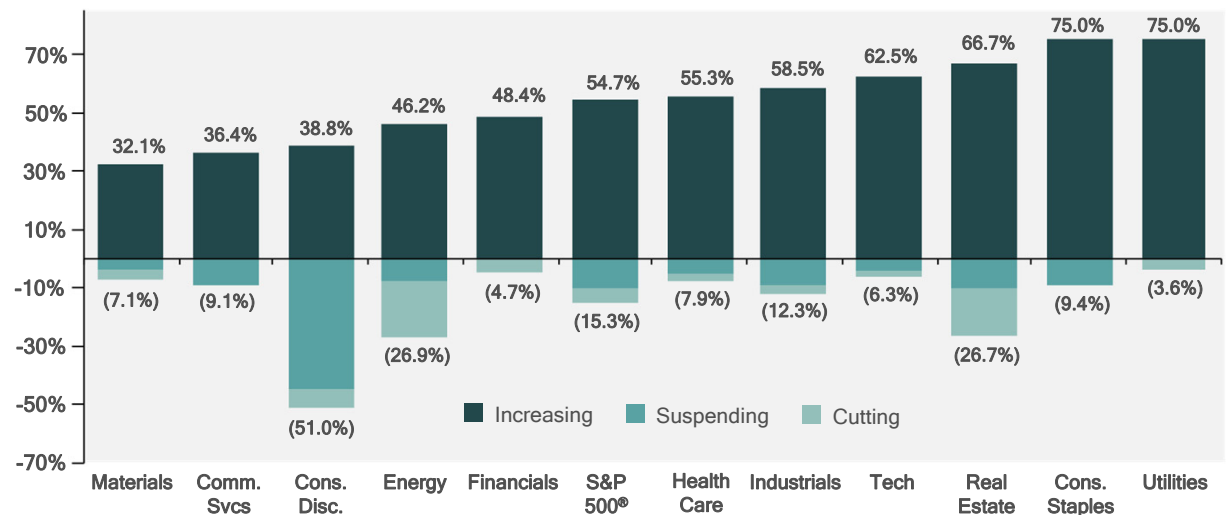
We continue to believe that the risk/reward ratio for equities over the long-term is favorable on an absolute basis and particularly relative to fixed income.

- 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, and perhaps a vaccine, to fully restore consumer confidence.
- Equity valuations are above normal by historic measures on absolute levels, but still attractive 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, but it is being threatened by a second wave.
- 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 as earnings recover.

Daily Increase in Cases
7-Day Moving Average, Per Million People



S&P 500® Dividend Cuts, Suspensions and Increases
2020, % of Dividend Paying Companies by Sector



Data as of September 30, 2020.

Data is obtained from Bloomberg, Compustat, FactSet, Standard & Poor's, Johns Hopkins CSSE, The World Bank, Worldometers and J.P. Morgan Asset Management and is assumed to be reliable. Cases include both laboratory confirmed and "presumptive positive" cases. Dividends cuts, suspensions and increases are based on announcements in 2020 and on current index constituents. **Past performance is no guarantee of future results.**

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

Sector Weights

Small Cap Core Portfolio

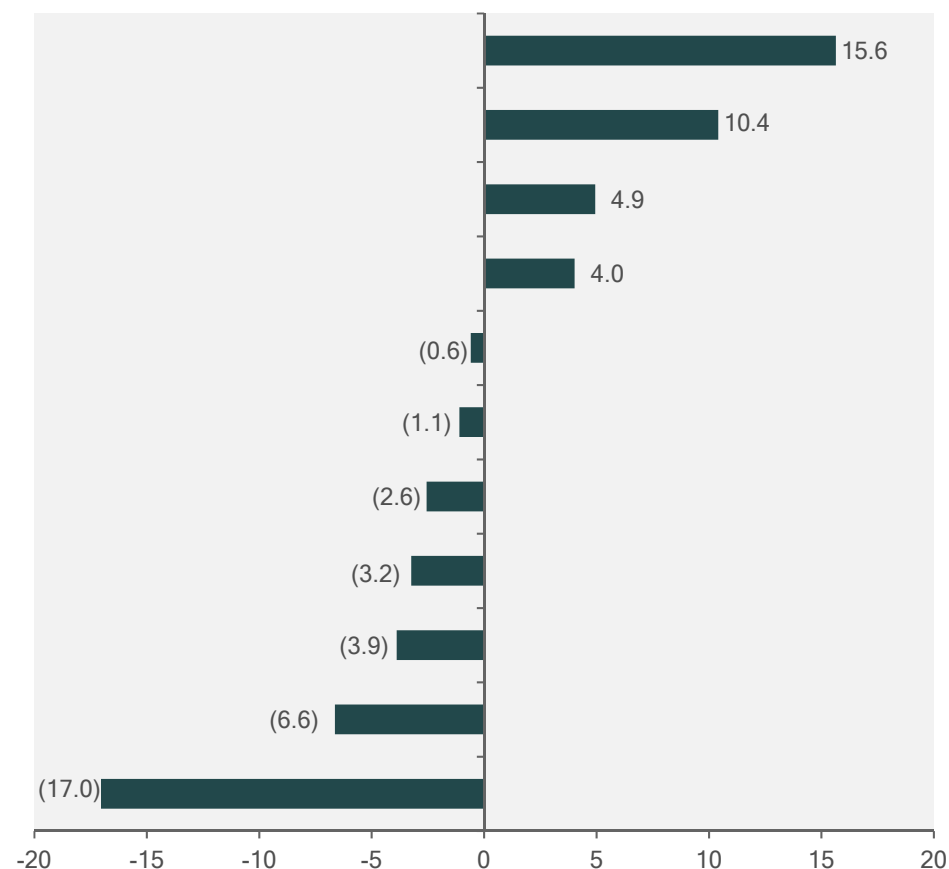
As of September 30, 2020



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Sectors	KAR Small Cap Core (%)	Russell 2000® Index (%)
Industrials	30.6	15.0
Communication Services	12.8	2.3
Financials	19.7	14.8
Information Technology	17.5	13.5
Energy	1.3	1.9
Consumer Staples	2.3	3.4
Materials	1.5	4.0
Utilities	—	3.2
Consumer Discretionary	9.9	13.8
Real Estate	—	6.6
Health Care	4.4	21.5

Underweight/Overweight (%)



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Conviction-Driven Investing Provides Opportunities for Excess Return

Small Cap Core Portfolio
As of September 30, 2020



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Top 10 Holdings	GICS Sector	% of Portfolio
Autohome	Communication Services	7.4
Teledyne Technologies	Industrials	6.8
POOLCORP	Consumer Discretionary	6.5
CDW	Information Technology	6.1
Rightmove	Communication Services	5.3
Graco	Industrials	5.2
Aspen Technology	Information Technology	4.9
Primerica	Financials	4.7
Toro	Industrials	4.4
Simpson Manufacturing	Industrials	4.3
Total		55.7

Research confidence leads to large active weights

	KAR Small Cap Core	Russell 2000® Index
# of Holdings	27	2,019
Average Position Size (%)	3.7	0.05
Weight of Top Ten Holdings (%)	55.7	3.9
Active Share (%)	98.6	—

The strategy benefits from diversification while still taking significant active positions

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Strong Risk-Adjusted Returns

Small Cap Core Portfolio

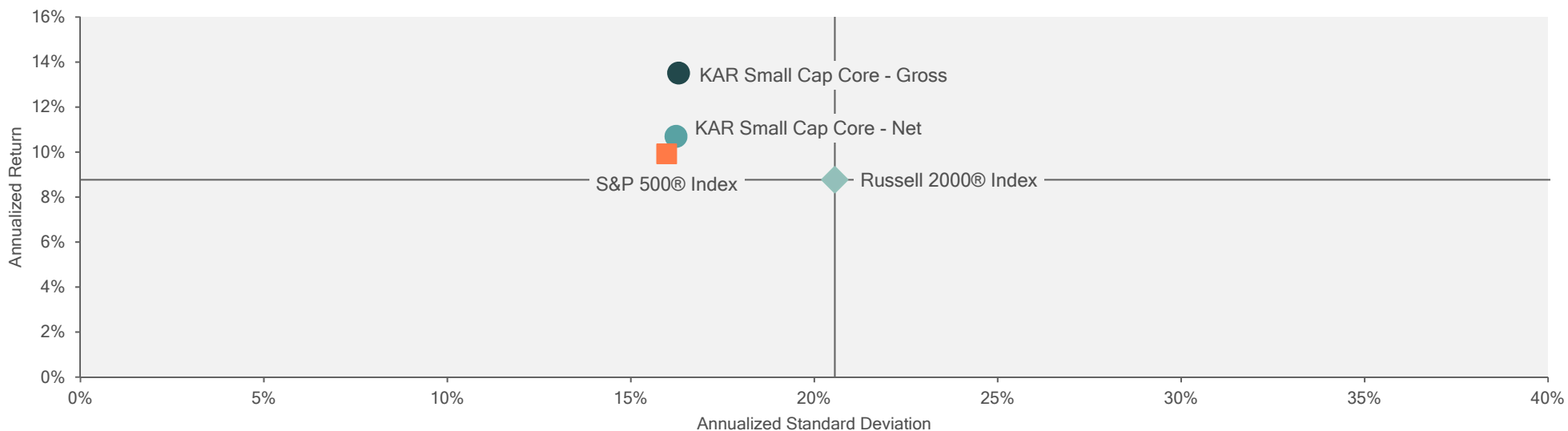
Inception* to September 30, 2020



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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	5.96	0.68	16.30	12.29	0.72	8.99
Russell 2000® Index	0.00	0.31	20.56	15.58	1.00	0.00

*April 1, 1992

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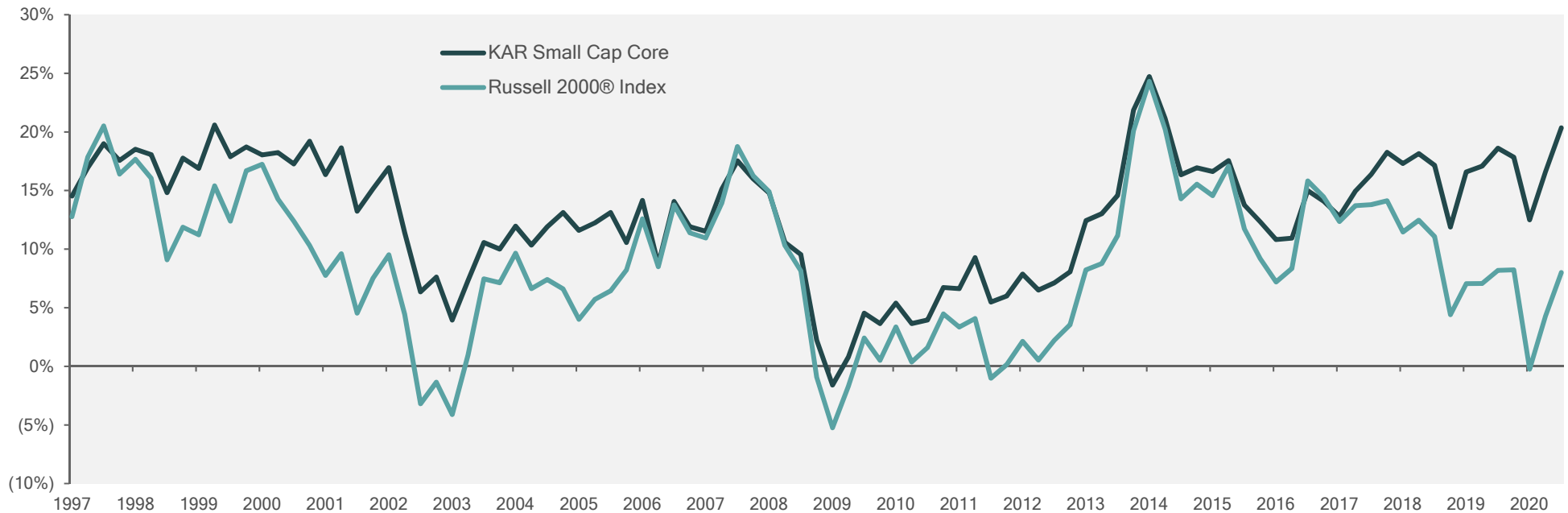
5-Year Rolling Returns

Small Cap Core Portfolio

Inception* to September 30, 2020



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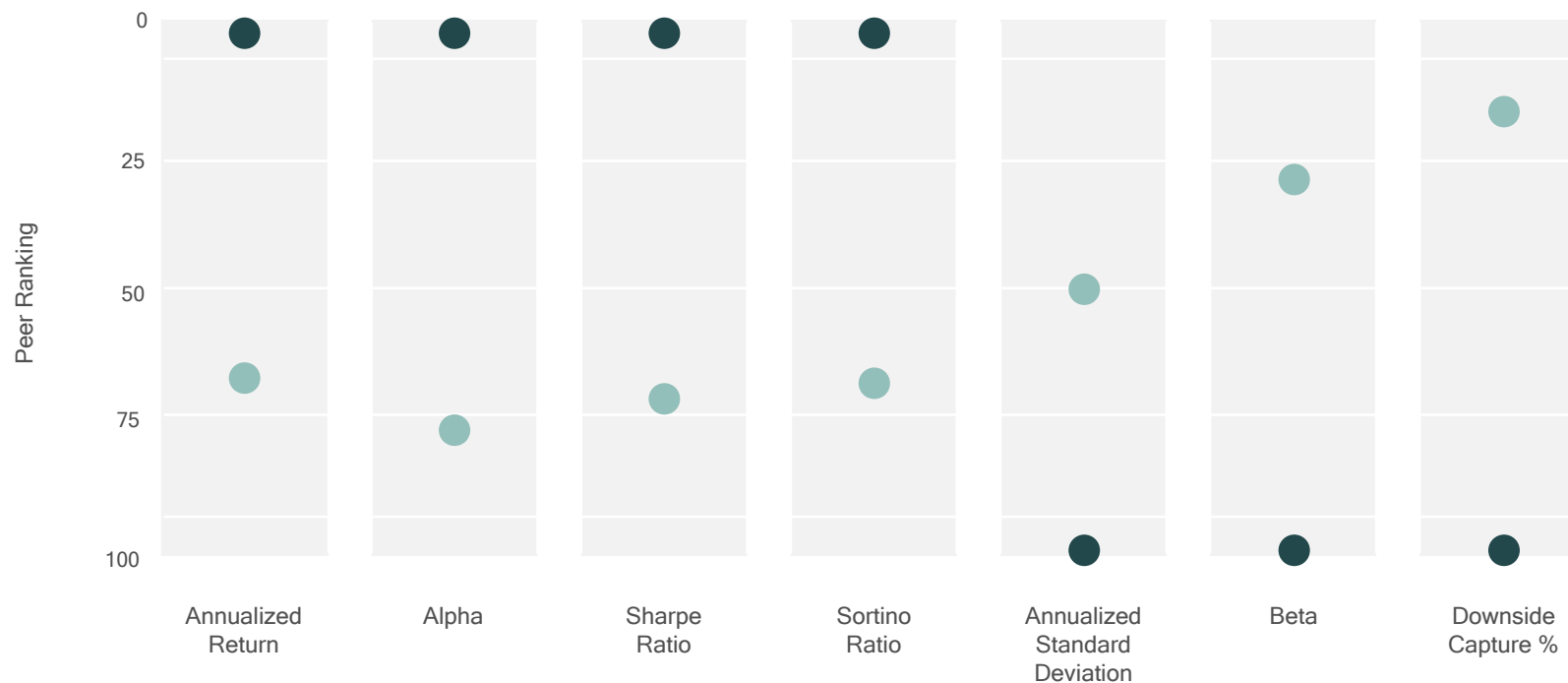
Peer Comparison

Small Cap Core Portfolio

Ten Years Ending September 30, 2020



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

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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 9/30/20	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
Third Quarter	7.25	6.47	4.93	232
Year to Date	5.27	2.94	(8.69)	1396
1 Year	11.18	7.92	0.39	1079
3 Years	17.00	13.58	1.77	1523
5 Years	20.35	16.92	8.00	1234
7 Years	15.58	12.70	6.42	915
10 Years	17.01	14.38	9.85	716
Since Inception*	13.51	10.70	8.77	474

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. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended.

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 (%)	Percentage of Wrap-Fee Accounts (%)	Number of Accounts (%)	Internal Dispersion	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2010	24.83	22.56	26.85	N/A	N/A	100	67	0.71	659	4,729
2011	9.64	7.75	(4.18)	N/A	N/A	100	70	0.51	846	5,232
2012	13.75	11.80	16.35	15.37	20.48	100	71	0.31	1,073	6,545
2013	30.89	28.76	38.82	11.96	16.68	100	67	0.45	1,336	7,841
2014	7.31	5.57	4.89	9.77	13.31	100	70	0.27	1,294	7,989
2015	2.09	0.51	(4.41)	11.15	14.16	100	55	0.38	1,023	8,095
2016	18.55	15.09	21.31	12.19	15.99	100	74	0.81	1,222	9,989
2017	36.07	32.15	14.65	11.38	14.11	100	67	0.50	1,818	14,609
2018	(0.78)	(3.72)	(11.01)	13.94	16.01	100	85	0.24	1,909	17,840
2019	39.05	35.04	25.52	14.65	15.93	100	101	0.31	2,689	25,685

*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, 2019.

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, 2019. The verification and performance examination reports are available upon request.

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 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, which measures the variability of the composite (using pure gross returns) and the benchmark for the 36-month period, is presented starting 2012 because prior to January 1, 2010, the composite return was calculated quarterly and 36 monthly returns are not available.