



Kayne Anderson Rudnick
Investment Management

Small Cap Core Portfolio
Managed Accounts
First Quarter 2022 Review

kayne.com

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Firm Overview

As of March 31, 2022



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	\$57.0 billion*
Number of Equity Investment Professionals	17
Average Investment Experience	18 Years

*Figures in USD.

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



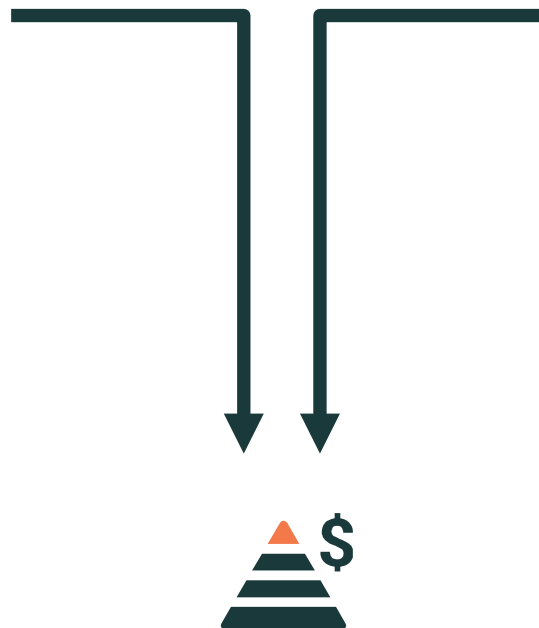
Competitive Protection

- 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

Summary of Key Differentiators

We Seek to Manage Risk and Generate Returns Differently



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	CLASSIC APPROACH*	KAR APPROACH†
RISK	<p>stock portfolio 75</p> <p>1% to 2% positions</p> <p>9 years of negative returns since 1992</p> <p>No stock can help or hurt more than 2%</p>	<p>stock portfolio 20-40</p> <p>3% to 10% positions in high-quality companies</p> <ul style="list-style-type: none"> Minimal business risk Minimal balance sheet risk Minimal profit risk 3 years of negative returns since 1992‡
RETURNS	<p>Average companies producing average returns on capital</p> <p>Buying cheap and selling dear required for above-average portfolio returns</p> <p>6 months average holding period</p> <p>High frictional costs due to RAPID trading</p> <p>Poor tax efficiency due to short holding periods</p>	<p>Exceptional companies producing exceptional returns on capital</p> <p>Buy at attractive price and let exceptional returns on capital drive exceptional growth and income over extended period of time</p> <p>36 to 60 months average holding period, but often longer</p> <p>Low frictional costs due to LESS trading</p> <p>Inherent tax efficiency</p>

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

† There is no guarantee that the portfolio will meet its objective.

‡ This information is presented gross of fees solely for illustrative purposes and for proper comparison to the noted index. The index is not actively managed and does not reflect a deduction of investment management or other fees and expenses. While the securities comprising an index are not identical to those in KAR's composite, KAR believes this comparison may be useful in evaluating performance. When gross of fees performance information is used or otherwise provided for our strategies, as it is here, it does not include the reduction in returns that occurs over time as a result of fees paid to your managed account program sponsor, which includes management fees that KAR also earns from that program sponsor, which compound over time. This material is deemed supplemental and you should refer to important net and gross of fees performance information found on the last page of this presentation.

Past performance is no guarantee of future results. Returns could be reduced, or losses incurred, due to currency fluctuations.

Small Cap Core Team



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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	36 Years	11 Years
Todd Bailey, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Energy and Communication Services	23 Years	20 Years
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care	27 Years	21 Years
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Information Technology	14 Years	9 Years
Julie Kutasov	Senior Research Analyst Sector Coverage: Materials and Industrials	21 Years	21 Years
Craig Stone	Senior Research Analyst Sector Coverage: Industrials	33 Years	22 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials and Real Estate	10 Years	10 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Industrials	14 Years	4 Years
Adam Xiao, CFA	Research Analyst Sector Coverage: Consumer Staples, Financials and Industrials	9 Years	4 Years
Jordan Greenhouse	Managing Director - Senior Client Portfolio Manager	25 Years [†]	6 Years
James B. May, CFA	Managing Director - Client Portfolio Manager	34 Years [†]	3 Years
Jason Pomatto	Director - Client Portfolio Manager	28 Years [†]	<1 Year

[†]Represents years of industry experience.

Market Review

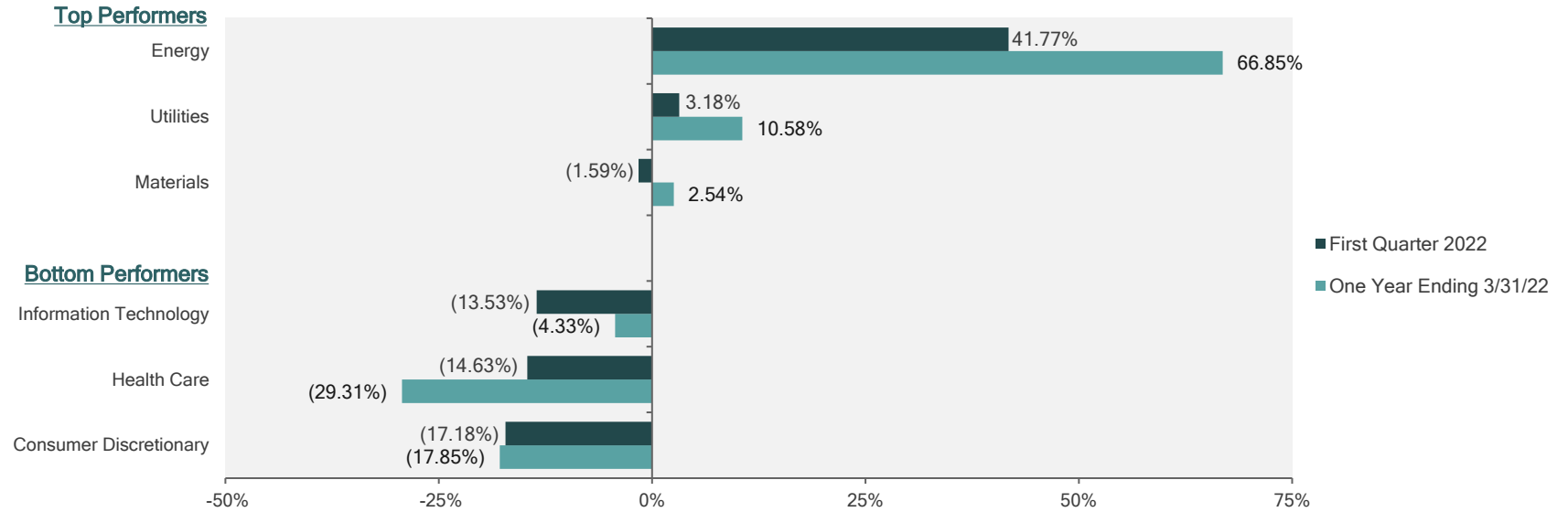
Performance by Sector and Style



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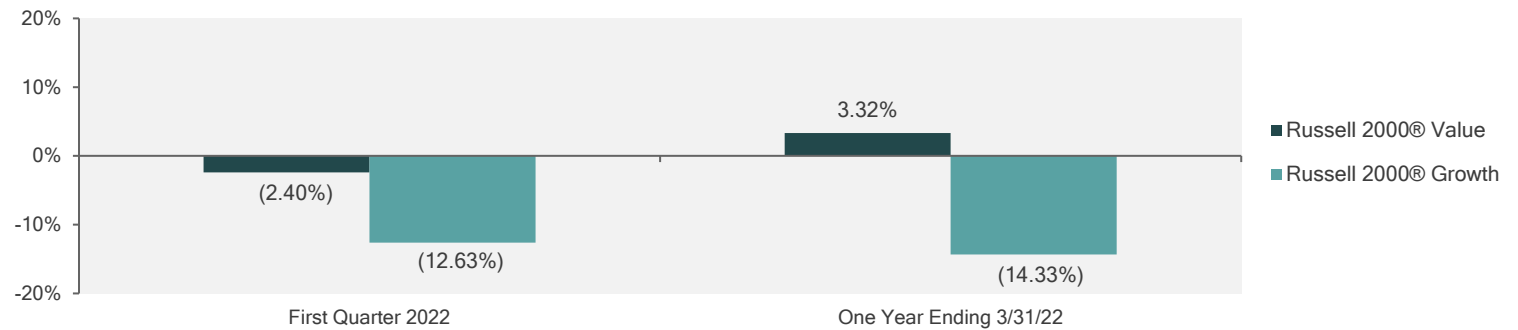
Sector Performance

Russell 2000® Index



Performance by Style

Russell 2000® Value Index vs. Russell 2000® Growth Index



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Market Review

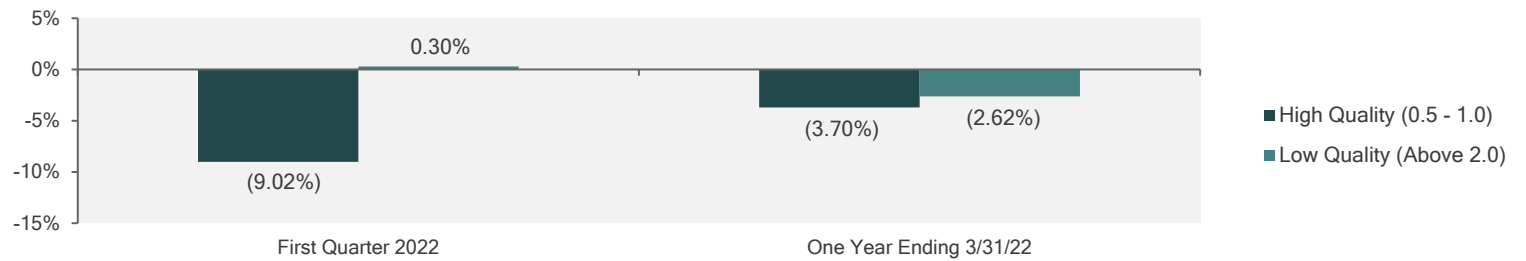
What is Working in the Current Environment?



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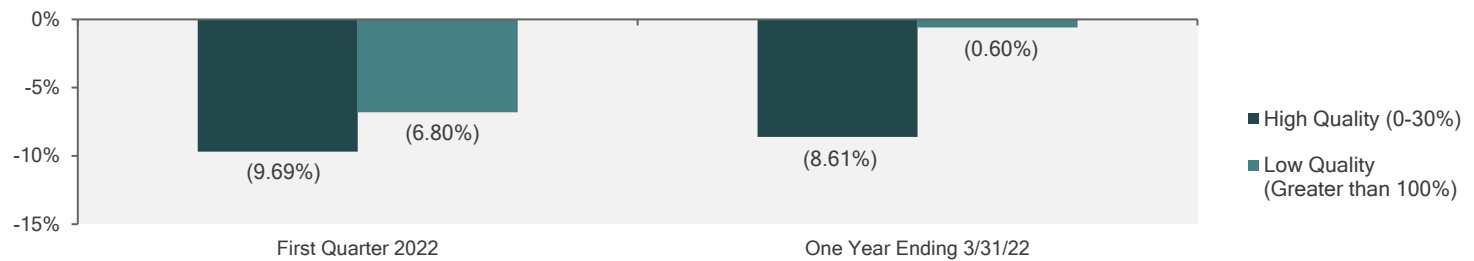
Performance by Beta

Russell 2000® Index



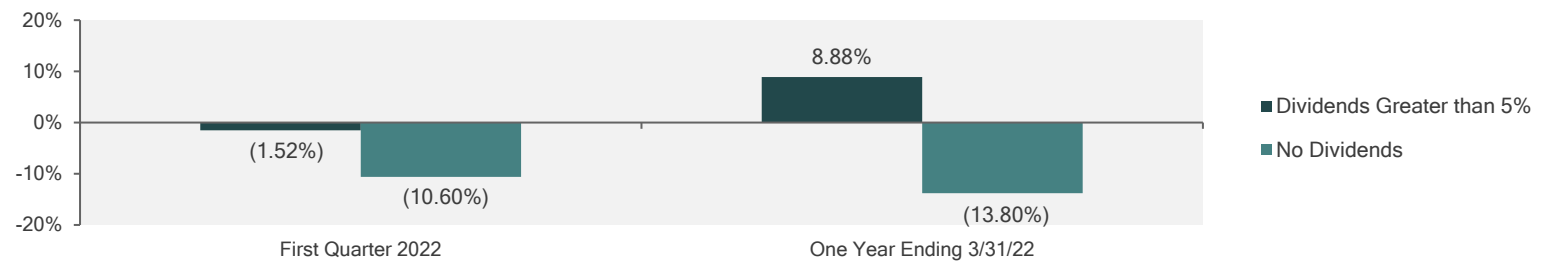
Performance by Debt/Capital Ratio

Russell 2000® Index



Performance by Dividend Yield

Russell 2000® Index



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Market Review

Performance by Quality After Interest Rate Hikes Based on ROE



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Higher quality companies with high ROE have historically performed better following interest rate hikes than their lower quality counterparts

Start	End	First Three Months After a Rate Hike			First 12 Months After a Rate Hike		
		High ROE	Low ROE	R2000 Index	High ROE	Low ROE	R2000 Index
Sep-87	Nov-90	-37.0	-42.2	-35.5	-12.7	-32.7	-14.7
Feb-94	Jun-95	-5.9	-14.3	-5.1	-4.1	-23.2	-6.0
Jun-99	Dec-00	-2.5	-3.0	-2.1	7.0	6.6	9.9
Jun-04	Aug-07	-1.8	-13.0	-3.3	16.2	-12.0	9.8
Dec-15	Dec-18	-12.3	-30.8	-13.4	10.6	-2.6	21.3
Average		-11.9	-20.7	-11.9	3.4	-12.8	4.1
Median		-5.9	-14.3	-5.1	7.0	-12.0	9.8

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Market Review

Bad Starts Have Not Always Deterred Small Caps from Posting Gains for the Full Year Russell 2000® Index



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Historically, after posting negative performance in the first quarter, the Russell 2000 Index has regularly performed strongly in the subsequent 9 months. This has often led to positive performance for the full annual period in many years where 1Q performance was negative, as shown in the chart below.

Year	1Q Performance	Performance Over Next 9 Months	Full Year Performance
2020	-30.6	72.9	20.0
2009	-15.0	49.5	27.2
1980	-12.8	59.0	38.6
2008	-9.9	-26.5	-33.8
1982	-9.3	37.8	24.9
2022	-7.5	?	?
1984	-6.7	-0.6	-7.3
2001	-6.5	9.6	2.5
1999	-5.4	28.2	21.3
2005	-5.3	10.5	4.6
1997	-5.2	29.1	22.4
Average	-10.4	26.9	12.0
Median	-7.5	28.6	20.6

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Market Review

Performance of Quality Relative to the Performance of Value

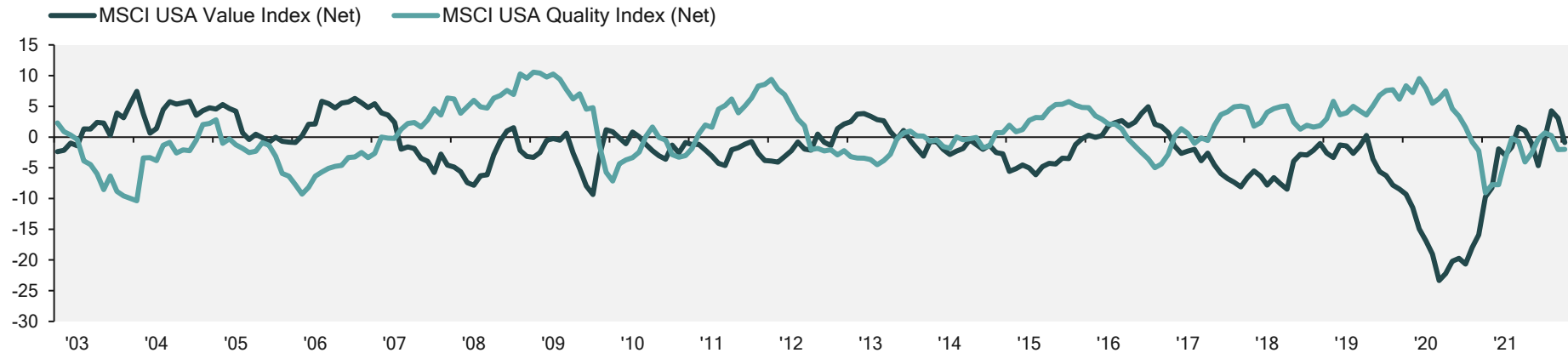


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Quality Performance is Typically Negatively Correlated to Value Performance

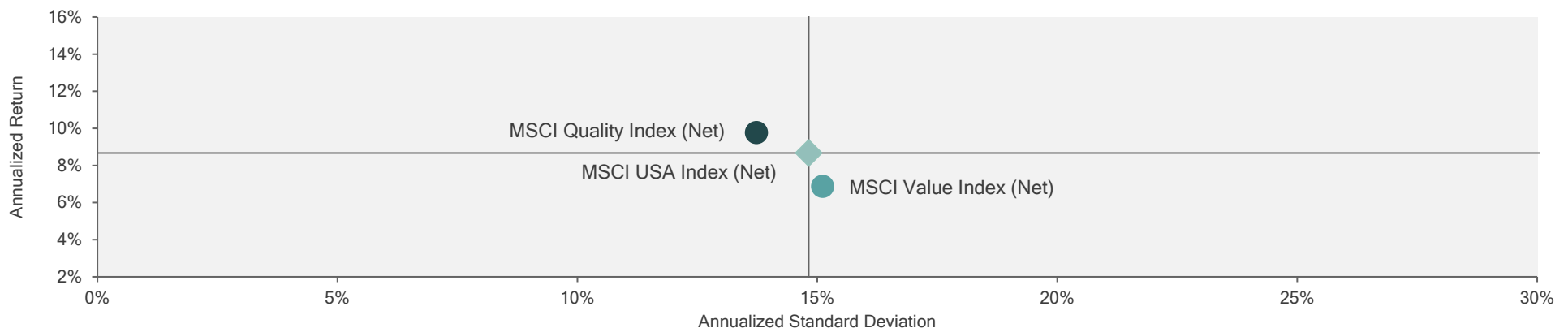
20 Year Correlation of Rolling 1 Year Excess Returns

Rolling 1 Year Excess Returns to MSCI USA Index



High Quality Outperformed Over the Long Term

20 Years Ending March 31, 2022



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Data is obtained from FactSet Research Systems and is assumed to be reliable. The MSCI USA Quality Index is based on the MSCI USA Index, its parent index, which includes large and mid cap stocks in the US equity market. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. The MSCI USA Value Index captures large and mid cap US securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

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Quarterly Performance Overview

Small Cap Core Portfolio
Periods Ending March 31, 2022



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Monthly and Quarterly Performance

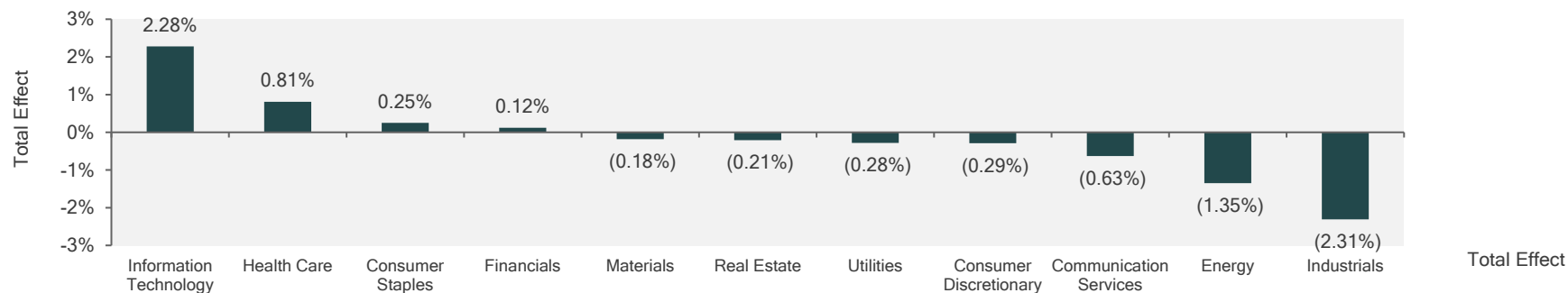
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
January	(8.66)	(8.91)	(9.63)	72
February	(1.51)	(1.76)	1.07	(283)
March	0.62	0.37	1.24	(87)
First Quarter	(9.48)	(10.18)	(7.53)	(265)

Contributors

Highest	Contribution
Dril-Quip	+0.76%
Aspen Technology	+0.41%
Jack Henry & Associates	+0.36%
Teledyne Technologies	+0.29%
FTI Consulting	+0.20%
Lowest	Contribution
Watts Water Technologies	(1.45%)
Acushnet Holdings	(1.22%)
Rightmove	(1.16%)
Simpson Manufacturing	(1.15%)
CorVel	(0.92%)

Attribution by Sector

Quarter Ending March 31, 2022



Russell 2000® Index Returns	(13.53%)	(14.63%)	(7.29%)	(6.89%)	(1.59%)	(4.59%)	3.18%	(17.18%)	(6.63%)	41.77%	(5.94%)	(7.53%)
KAR Returns (Gross)	1.91%	(14.14%)	8.45%	(6.40%)	(3.75%)	0.00%	0.00%	(26.66%)	(16.80%)	89.79%	(12.93%)	(9.48%)
KAR Selection Effect	2.30%	(0.01%)	0.25%	0.12%	(0.02%)	0.00%	0.00%	(0.73%)	(0.66%)	0.33%	(2.68%)	(1.08%)
KAR Allocation Effect	(0.02%)	0.82%	(0.01%)	0.00%	(0.16%)	(0.21%)	(0.28%)	0.44%	0.03%	(1.68%)	0.36%	(0.70%)

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

Annual Performance Overview

Small Cap Core Portfolio

Periods Ending March 31, 2022



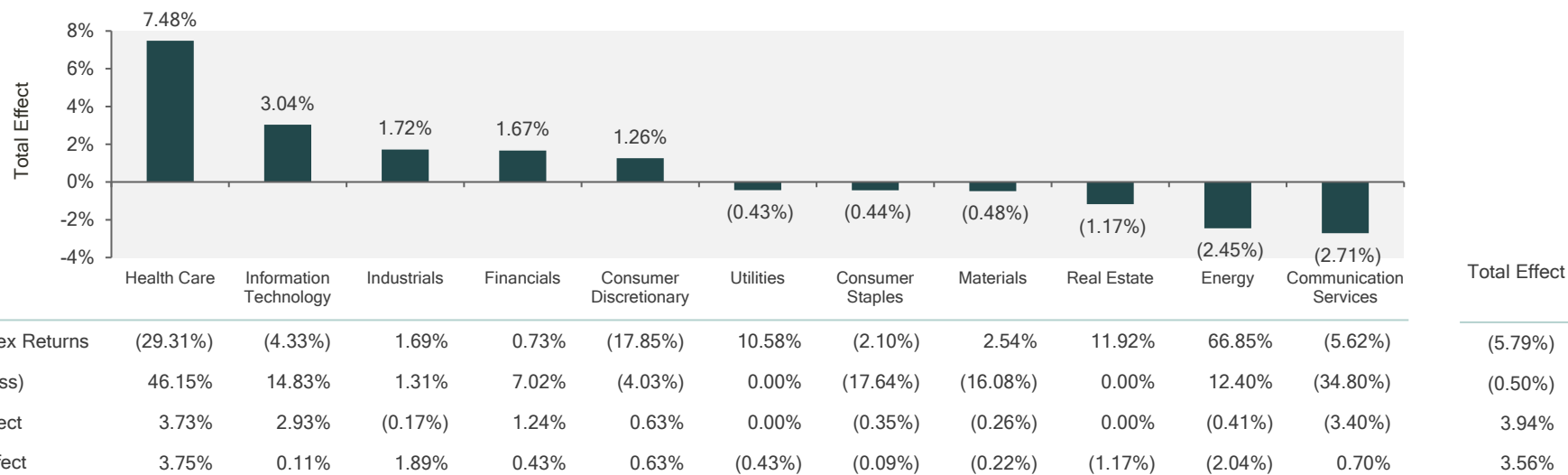
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Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Second Quarter 2021	3.26	2.50	4.29	(180)
Third Quarter 2021	(0.75)	(1.50)	(4.36)	286
Fourth Quarter 2021	7.25	6.47	2.14	432
First Quarter 2022	(9.48)	(10.18)	(7.53)	(265)
1 Year Ending 3/31/22	(0.50)	(3.45)	(5.79)	233

Attribution by Sector

One Year Ending March 31, 2022



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Highest Contributors

Small Cap Core Portfolio

One Year Ending March 31, 2022



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Security	Contribution	Comments
CorVel	+1.58%	CorVel shares experienced strong performance driven by operating leverage and broad-based new sales. We believe the company's fully integrated platform and expanded use of telemedicine has been particularly vital in the current pandemic environment.
FactSet Research Systems	+1.11%	Over the last 12 months, FactSet Research Systems reported expansion of the company's recurring subscription sales across customer types, causing the stock to rally. The company also successfully acquired CUSIP, an industry standard.
Manhattan Associates	+0.87%	Manhattan Associates recently launched a cloud version of its dominant warehouse management software, which was met with enthusiasm and tracking ahead of expectations.
Aspen Technology	+0.75%	Aspen Technology saw some slowing of its business as a result of weaker demand from oil and gas clients. That business has stabilized and improved over the last twelve months. Additionally, the company is finding some new success in other verticals. We believe having more diverse end markets that are less dependent on commodity markets should be a positive for the company.
FTI Consulting	+0.74%	FTI Consulting reported strong revenue growth, profits, and sustained through-the-cycle investments into headcount. Market participants viewed the company's results and business outlook favorably, causing shares to rally.

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*A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. Holdings are subject to change. All information is provided for informational purposes only and should not be deemed as a recommendation to purchase the securities mentioned. Kayne Anderson Rudnick has chosen to review the securities in this document based upon objective criteria. It should not be assumed that securities recommended in the future will be profitable. Data is obtained from FactSet Research Systems and is assumed to be reliable. **Past performance is no guarantee of future results.** Returns could be reduced, or losses incurred, due to currency fluctuations.*

Lowest Contributors

Small Cap Core Portfolio

One Year Ending March 31, 2022



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Security	Contribution	Comments
Autohome	(3.43%)	Autohome's business weakened as car makers pulled back on digital advertising amid declining new car sales caused by supply chain constraints. Intensified Chinese government regulatory actions have also pressured China technology shares.
Toro	(0.69%)	Toro continues to experience solid demand for the company's products, but recently, inflation and supply chain issues have negatively impacted the company's performance.
LCI Industries	(0.52%)	LCI Industries experienced downward pressure from near-term uncertainty in end-market RV component demand, which negatively impacted the company's performance.
PriceSmart	(0.39%)	PriceSmart experienced ongoing government mandated business restrictions through the majority of 2021 that has limited its ability to fully operate its business. However, the company has exhibited positive momentum in membership retention, and we believe this illustrates the value proposition of the membership to consumers.
Artisan Partners Asset Management	(0.39%)	Broader market turmoil caused by inflation, higher interest rates, and increasing global uncertainty created headwinds for assets under management at Artisan Partners Asset Management.

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Purchases

Small Cap Core Portfolio
Quarter Ending March 31, 2022



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Purchases	Descriptions/Reasons
CorVel–Initiated Position	Founded in 1987, CorVel provides medical cost containment services primarily to the workers' compensation market. Services include third-party administration, medical bill review, PPO network, case management, and independent medical examination tied together through a technology platform linking employers, employees, health care providers, third-party administrators (TPAs), and insurance carriers in a manner that integrates case management data and removes administrative costs and delays.

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New Position

Small Cap Core Portfolio

Quarter Ending March 31, 2022



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CorVel (CRVL)

- We believe CorVel has built a proprietary and defensible position in a relatively small but growing market with unique competitive attributes. In our view, the company brings efficiencies and cost containment practices to a segment that has not benefited from automation to the extent of other areas of health care. The workers' compensation market requires unique expertise that is difficult to develop. In addition, at a fraction of the volume of the group health market, workers' compensation is not a big enough opportunity to attract intense competition from large group health players.
- Administering workers' compensation claims involves numerous processes and multiple parties, including claimants, employers, insurers, TPAs, and medical-care providers. From our perspective, the complexity and service-based nature of this administration makes vendor-customer relationships crucial with CorVel's reputation and long-term track record of execution, providing significant protection.
- CorVel's unique, fully integrated service offering includes a proprietary national PPO network. We believe this network coupled with the company's ability to invest in both advanced technology solutions and labor brings efficiencies to customers that are meaningfully superior to those offered by peers. With workers' compensation being state-legislated and most of the processes local in nature, CorVel employs a decentralized operating structure that gives local managers broad authority in managing their operations, leveraging their local knowledge and expertise. We view the company's extensive office network as vital and believe it would be difficult for a new entrant to replicate.
- Once in place, CorVel's software becomes integrated with customers' operations, making switching to a new vendor both costly and potentially disruptive. A change would require additional employee training and may temporarily impair claims management workflows.

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Sales

Small Cap Core Portfolio
Quarter Ending March 31, 2022



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- There were no sales during the 1st Quarter 2022.

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Portfolio Characteristics

Small Cap Core Portfolio – As of March 31, 2022



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	KAR Small Cap Core	Russell 2000® Index
Quality		
Return on Equity—Past 5 Years	24.2%	8.1%
Total Debt/EBITDA	1.3 x	4.6 x
Earnings Variability—Past 10 Years	27.2%	85.5%
Growth		
Earnings Per Share Growth—Past 10 Years	14.1%	8.8%
Dividend Per Share Growth—Past 10 Years	13.0%	5.4%
Capital Generation—{ROE x (1-Payout)}	18.1%	6.6%
Value		
P/E Ratio—Trailing 12 Months	21.4 x	36.1 x
Dividend Yield	1.2%	1.2%
Free Cash Flow Yield†	3.3%	1.5%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$7.7 B	\$2.9 B
Largest Market Cap—3-Year Average	\$18.2 B	\$13.8 B
Annualized Standard Deviation—Since Inception*	16.3%	20.9%

*April 1, 1992

†Free cash flow data is as of December 31, 2021. Prices are as of March 31, 2022. Excludes financials.

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We believe the economy will grow in 2022, but at a slower pace than 2021. Just as COVID disruptions started to ease globally and particularly in the U.S., high commodity prices and continued supply chain issues have persisted due to the Russian invasion of Ukraine and several Chinese COVID-19 lockdowns.

- Corporate earnings were particularly robust in 2021 with S&P 500 operating margins at all-time highs. We believe corporate profit growth will moderate in 2022, but remain positive.
- Inflation concerns have grown during the quarter in response to Russian sanctions, which impact global commodity prices (oil, wheat, corn, and many raw materials). The two-year U.S. Treasury yield rose from 0.73% to 2.29% during the quarter, reflecting the belief the Fed will have to get more hawkish. We believe the Fed is attempting to fight inflation without pushing the economy into a recession.
- Fiscal stimulus is decreasing over the next several years even if a reduced Build Back Better bill gets passed.
- Short-term interest rate increases, slowing GDP and corporate profits, and mid-term elections could lead to much more volatility in 2022 than the S&P 500 experienced in 2021.

Figure 1: Fed Global Supply Chain Pressure Index*
Standard Deviation From Average Value

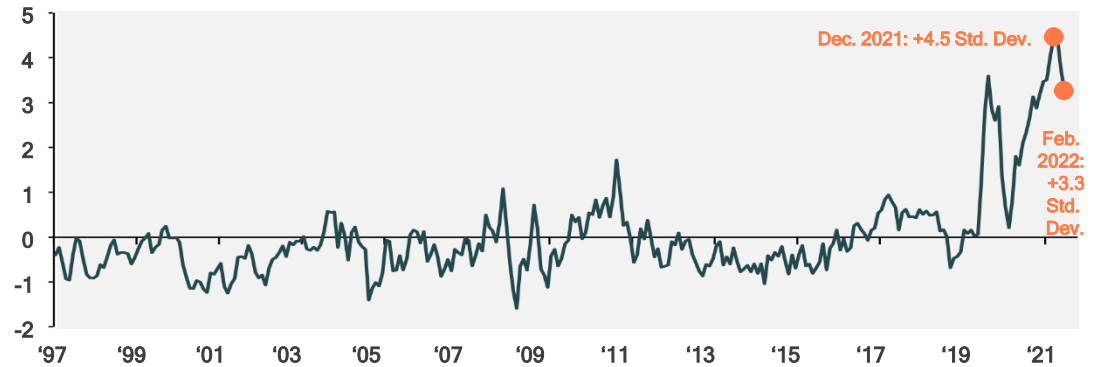
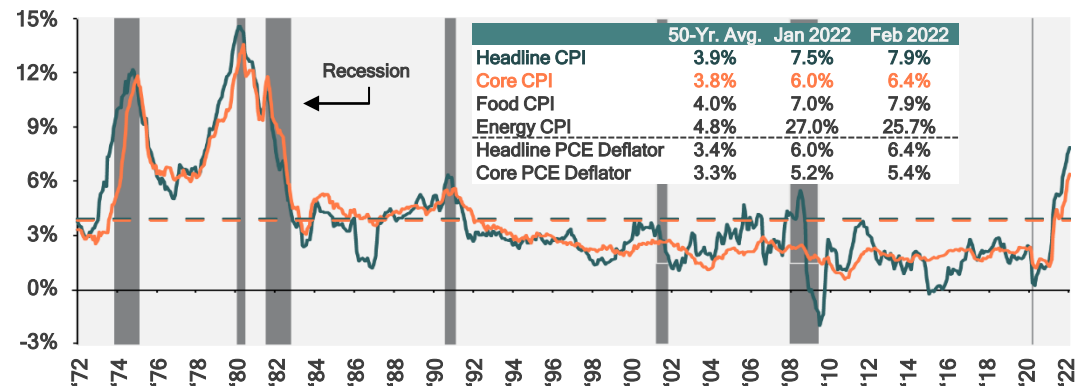


Figure 2: Inflation—CPI and Core CPI
% Change vs. Prior Year, Seasonally Adjusted



Data as of March 31, 2022. Figure 1 data is obtained from Federal Reserve Bank of New York, IHS Markit and J.P. Morgan Asset Management and is assumed to be reliable. Figure 2 data is obtained from BLS, FactSet and J.P. Morgan Asset Management and is assumed to be reliable. *The Federal Reserve Bank of New York bases its Global Supply Chain Pressure Index on the Baltic Dry Index (benchmark for the price of moving raw materials by sea), Harpex Index (benchmark for the rate liners pay to charter ships), BLS airfreight cost indices (benchmarks for measuring change in rates for air transportation) and 3 PMI supply chain-related components: delivery times (the amount of time elapsed between the time an order is placed and the time it is shipped), backlogs (the volume of orders that a company has received, but not yet fulfilled) and purchased stocks (the level of inventory of materials purchased in the current month compared to the month prior) for manufacturing firms across seven interconnected economies: China, the euro area, Japan, South Korea, Taiwan, the United Kingdom and the United States. 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

The global economy is still in a recovery mode, but COVID-19 continues to impact economies in an unpredictable way.

- 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.
- 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 better because of a lack of technology exposure in many of the international developed markets.
- Emerging markets struggled in 2021 with the prospect of rising interest rates in 2022 and continued COVID-19 variants causing economic disruptions. China's regulatory crackdown was a clear negative for many Chinese technology and educational companies.
- The invasion of Ukraine has negative implications for European economic growth. The longer the conflict lasts, the more likely Europe will slip into a recession.

Figure 3: MSCI EAFE and MSCI USA Relative Performance
U.S. Dollar, Total Return, Cumulative Outperformance*

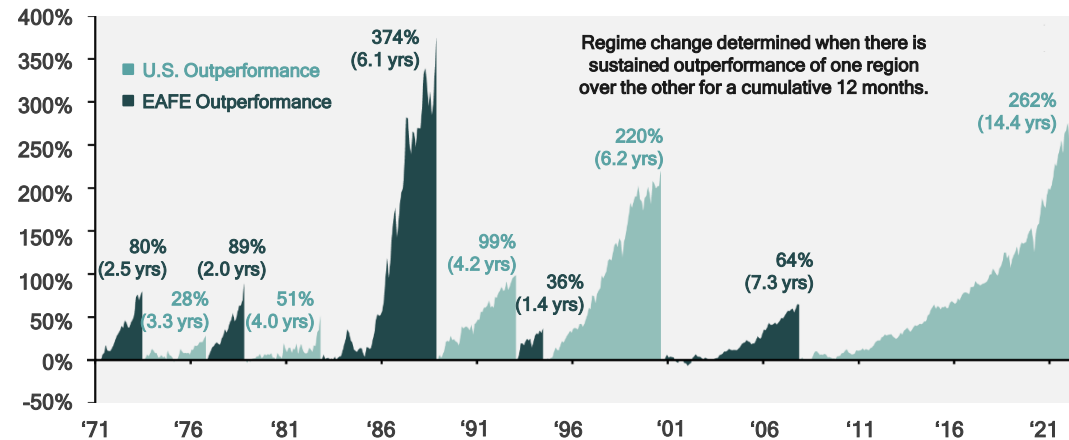
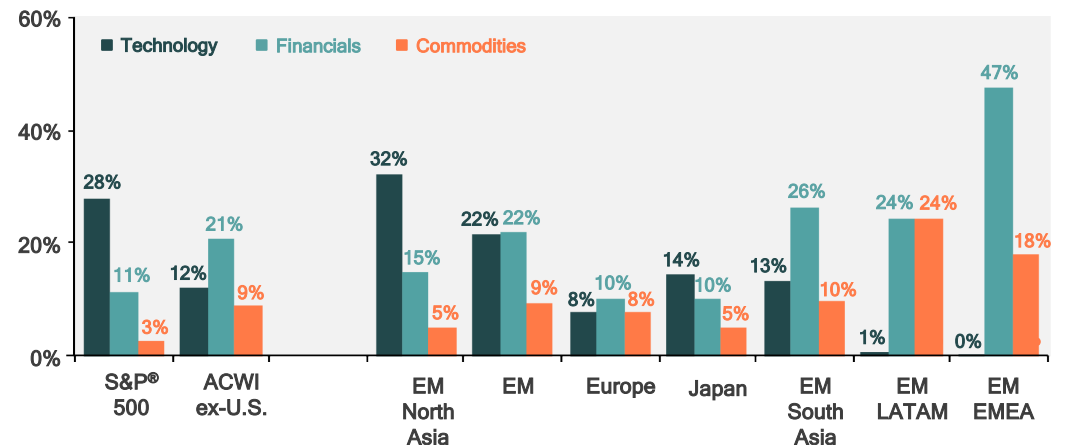


Figure 4: Representation of Key Sectors in International Markets
% of Index Market Capitalization



Data as of March 31, 2022. Figure 3 data is obtained from FactSet, MSCI and J.P. Morgan Asset Management and is assumed to be reliable. *Cycles of outperformance include a qualitative component to determine turning points in leadership. Figure 4 data is obtained from FactSet, Federal Reserve, MSCI, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. All return values are MSCI Gross Index data. EM North Asia includes China, Taiwan and South Korea. EM South Asia includes India, Indonesia, Malaysia, Pakistan, Philippines, Taiwan and Thailand. **Past performance is no guarantee of future results.** Returns could be reduced, or losses incurred, due to currency fluctuations.

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.

- From our perspective, business should continue to improve, but we are still not back to normal activity. The rate of improvement in 2022 could be slower than 2021.
- Equity valuations are above normal by historic measures on absolute levels, but still attractive relative to interest rates. We think earnings are likely to continue to improve from here on a multi-year basis, albeit at a slower rate.
- Geopolitical events have caused a more uncertain outlook for European and Chinese growth.
- Corporate profit margins have already recovered to all-time highs despite high input costs and transportation bottlenecks.
- In our view, the biggest risk is the Fed overshoots rate increases and slows the economy more than expected and we enter a 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.
- We believe that the outlook for the equity markets continues to be favorable going forward. As we see it, the longer-term outlook is still favorable as earnings recover.
- In our view, relatively tame interest rates historically combined with growing earnings is a powerful combination for reasonable equity performance.

Figure 5: Federal Funds Rate Expectations
FOMC and Market Expectations for the Federal Funds Rate

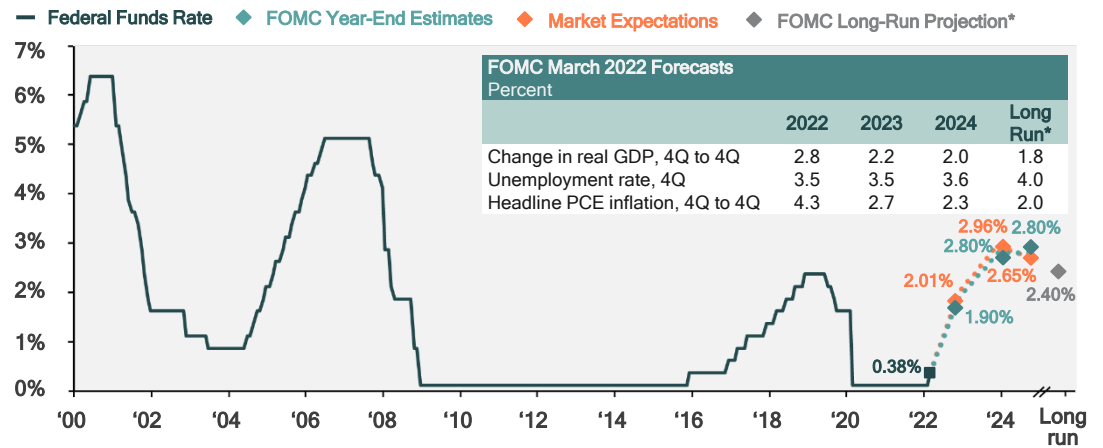
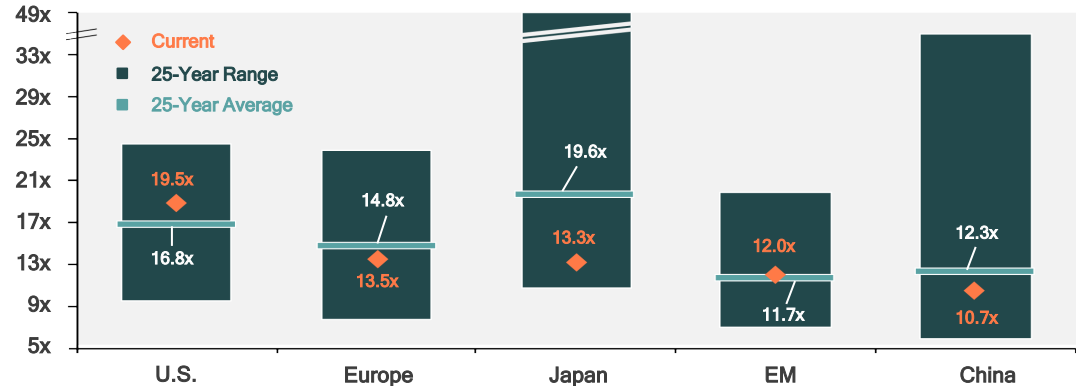


Figure 6: Global Valuations
Current and 25-Year Next 12 Months Price-to-Earnings Ratio



Data as of March 31, 2022. Figure 5 data is obtained from Bloomberg, FactSet, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Market expectations are based off of the respective Federal Funds Futures contracts for December expiry. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. Figure 6 data is obtained from FactSet, MSCI, Standard & Poor's, Thomson Reuters and J.P. Morgan Asset Management and is assumed to be reliable. Valuation 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, which may differ from earnings estimates used elsewhere in the book. 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

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

Sector Weights

Small Cap Core Portfolio

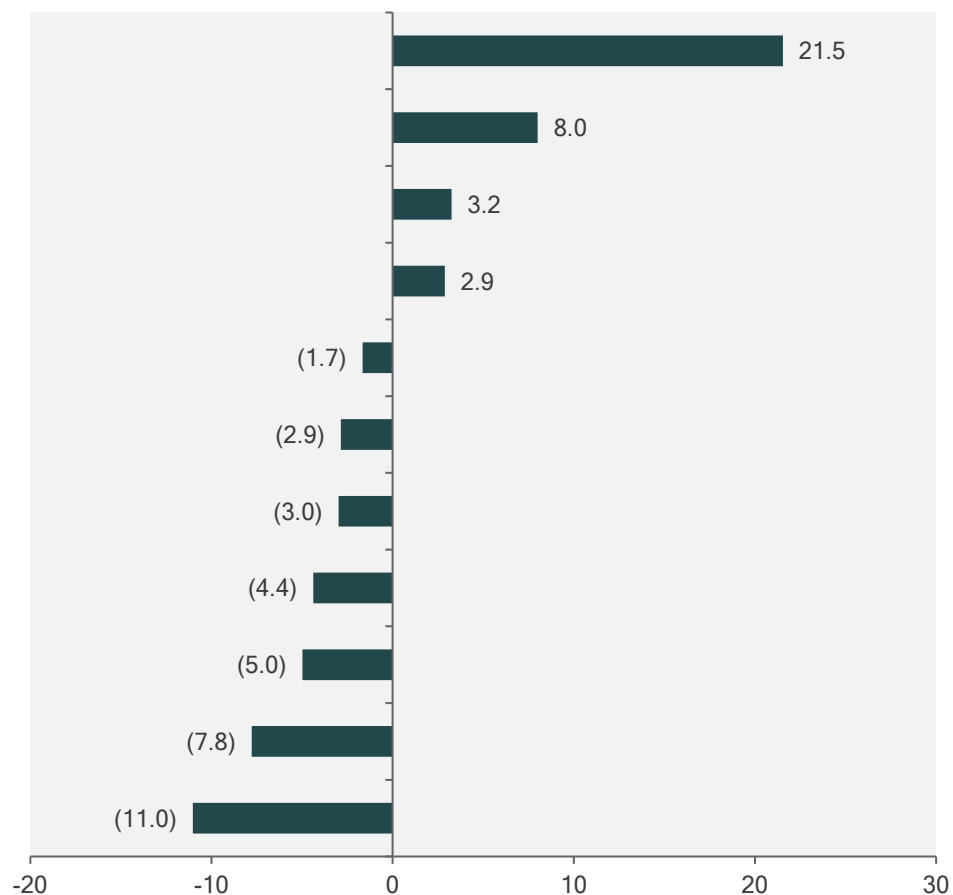
As of March 31, 2022



Kayne Anderson Rudnick
Investment Management

Sectors	KAR Small Cap Core (%)	Russell 2000® Index (%)
Industrials	37.0	15.5
Financials	23.9	15.9
Information Technology	17.0	13.7
Communication Services	6.0	3.2
Consumer Staples	1.9	3.5
Materials	1.2	4.0
Utilities	—	3.0
Consumer Discretionary	5.8	10.2
Energy	1.7	6.6
Real Estate	—	7.8
Health Care	5.6	16.6

Underweight/Overweight (%)



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

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

Conviction-Driven Investing Provides Opportunities for Excess Return

Small Cap Core Portfolio
As of March 31, 2022



Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
FTI Consulting	Industrials	6.9
EMCOR Group	Industrials	5.2
Aspen Technology	Information Technology	5.1
First Hawaiian	Financials	4.8
Manhattan Associates	Information Technology	4.7
Primerica	Financials	4.5
Simpson Manufacturing	Industrials	4.4
Rightmove	Communication Services	4.4
Graco	Industrials	4.4
Landstar System	Industrials	4.2
Total		48.6

Research confidence leads to large active weights

	KAR Small Cap Core	Russell 2000® Index
# of Holdings	30	2,018
Average Position Size (%)	3.3	0.05
Weight of Top Ten Holdings (%)	48.6	3.6
Active Share (%)	98.5	—

The strategy benefits from diversification while still taking significant active positions

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Strong Risk-Adjusted Returns

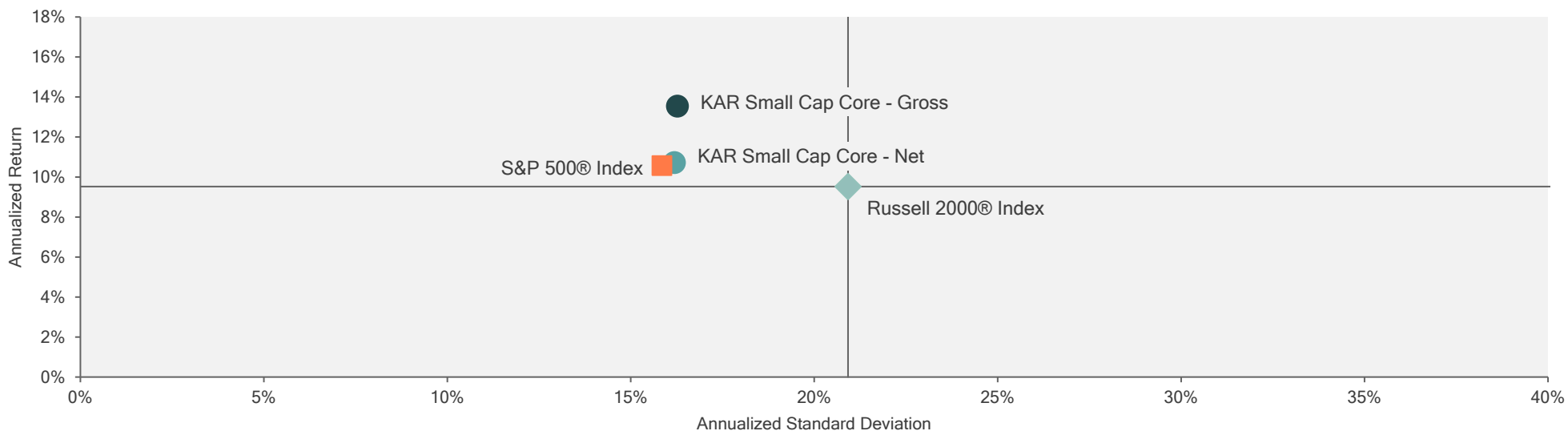
Small Cap Core Portfolio
Inception* to March 31, 2022



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	5.64	0.69	16.27	12.25	0.70	9.38
Russell 2000® Index	0.00	0.34	20.92	15.54	1.00	0.00

*April 1, 1992

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

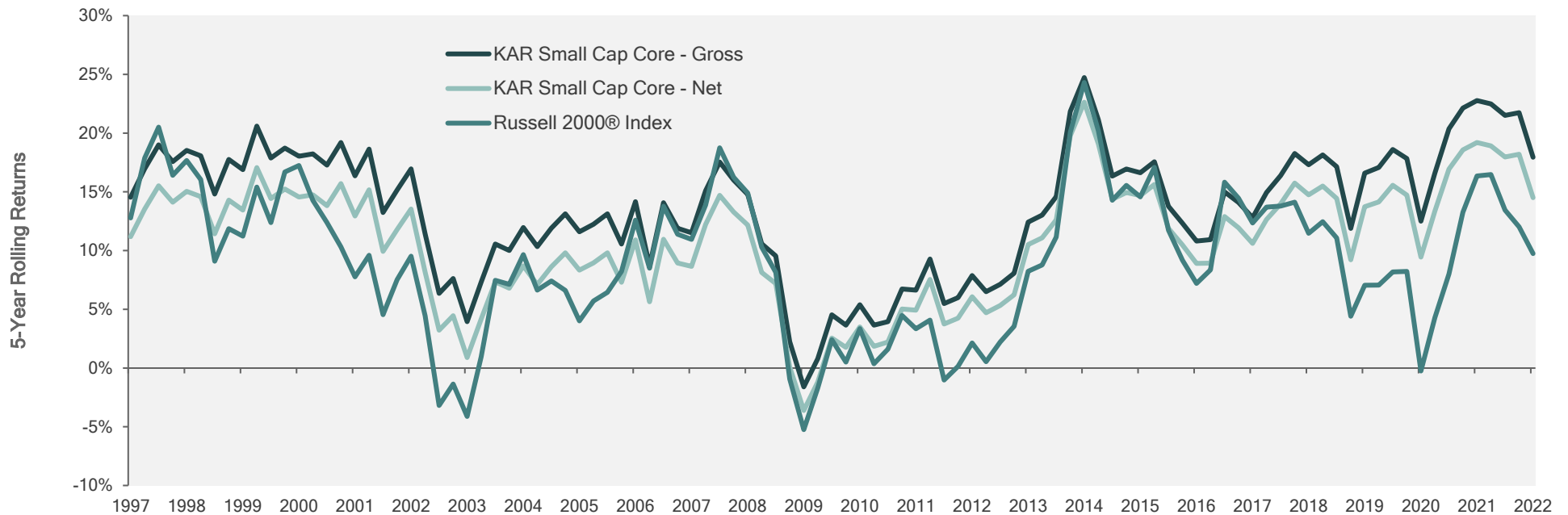
Returns for the Kayne Anderson Rudnick composite are preliminary and are gross of fees unless otherwise specified. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. **Past performance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

5-Year Rolling Returns

Small Cap Core Portfolio
Inception* to March 31, 2022



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

Peer Comparison

Small Cap Core Portfolio

Ten Years Ending March 31, 2022



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.** Returns could be reduced, or losses incurred, due to currency fluctuations. 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 3/31/22	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
First Quarter	(9.48)	(10.18)	(7.53)	(265)
1 Year	(0.50)	(3.45)	(5.79)	233
3 Years	14.25	10.90	11.74	(84)
5 Years	17.95	14.50	9.74	476
7 Years	15.91	12.70	8.87	383
10 Years	15.35	12.54	11.04	150
Since Inception*	13.55	10.72	9.52	120

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
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	(0.78)	(3.72)	(11.01)	729
2017	36.07	32.15	14.65	1,750
2016	18.55	15.09	21.31	(621)
2015	2.09	0.51	(4.41)	492
2014	7.31	5.57	4.89	67
2013	30.89	28.76	38.82	(1,007)
2012	13.75	11.80	16.35	(455)
2011	9.64	7.75	(4.18)	1,193
2010	24.83	22.56	26.85	(429)
2009	31.80	29.72	27.17	255
2008	(28.15)	(29.36)	(33.79)	443
2007	3.25	1.71	(1.57)	328
2006	13.46	11.87	18.37	(650)
2005	7.87	4.63	4.55	8
2004	23.07	19.42	18.33	109
2003	35.02	31.19	47.25	(1,606)
2002	(13.73)	(16.34)	(20.48)	415
2001	6.82	3.74	2.49	126
2000	20.98	17.42	(3.02)	2,044
1999	7.02	3.93	21.26	(1,733)
1998	20.98	17.42	(2.55)	1,997
1997	21.00	17.45	22.36	(492)
1996	26.98	23.22	16.49	672
1995	18.57	15.07	28.45	(1,338)
1994	2.75	(0.26)	(1.82)	156
1993	20.00	16.54	18.88	(234)
1992 [†]	9.65	7.25	10.16	(291)

*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. 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 or medium-sized companies may enhance that risk. **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: Local, regional, or global events such as war, acts of terrorism, the speed 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 (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2011	9.64	7.75	(4.18)	N/A	N/A	70	0.51	846	5,232
2012	13.75	11.80	16.35	15.37	20.48	71	0.31	1,073	6,545
2013	30.89	28.76	38.82	11.96	16.68	67	0.45	1,336	7,841
2014	7.31	5.57	4.89	9.77	13.31	70	0.27	1,294	7,989
2015	2.09	0.51	(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	36.07	32.15	14.65	11.38	14.11	67	0.50	1,818	14,609
2018	(0.78)	(3.72)	(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	102	0.19	3,131	39,582

*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, 2020.

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, 2020. 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 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 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.