Kayne Anderson Rudnick
Investment Management

Small Cap Quality Value Portfolio
Managed Accounts
Fourth Quarter 2017 Review

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Firm Overview

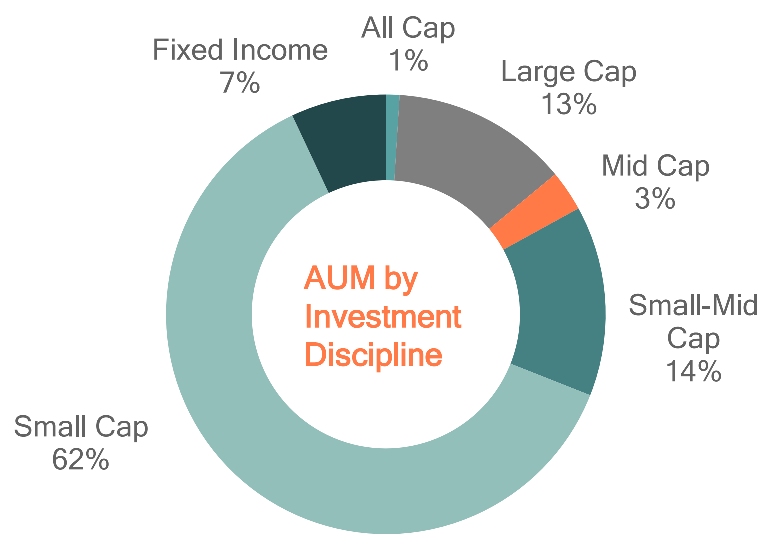
As of December 31, 2017

Kayne Anderson Rudnick
Investment Management

Profile

- Originally established to manage founder capital
- Specialization in small cap equity strategies with 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	$18.9 billion
Number of Investment Professionals	14
Average Investment Experience	16 Years



Numbers may not always add up due to rounding.

Disciplined Investment Approach

Investment Philosophy & Objectives

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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® Value Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics

Tenets of Quality

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Market Control

Ability to Develop, Nurture, Protect its Market/ Effective Competitive Differentiation

Management Excellence

Develop and Adhere to Core Competencies/ Disciplined Capital Allocation

High Quality

Balance Sheet Statement

Low Capital Intensity/ Low Debt Balance Sheet

Income Statement

Durable Earnings Growth/ High Return on Capital

Cash Flow Statement

High Free Cash Flow/ Self Financing

Small Cap Quality Value Team

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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	31 Years	6 Years
Julie Kutasov	Portfolio Manager & Senior Research Analyst Sector Coverage: Energy and Financials	16 Years	16 Years
Craig Stone	Portfolio Manager & Senior Research Analyst Sector Coverage: Producer Durables	28 Years	17 Years
Todd Beiley, CFA	Senior Research Analyst Sector Coverage: Financials and Producer Durables	18 Years	15 Years
Jon Christensen, CFA	Senior Research Analyst Sector Coverage: Health Care	22 Years	16 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Consumer Discretionary, Consumer Staples, and Financials	7 Years	5 Years
Chris Benway, CFA	Research Analyst Sector Coverage: Materials and Processing and Producer Durables	8 Years	3 Years
Julie Biel, CFA	Research Analyst Sector Coverage: Technology and Consumer Discretionary	9 Years	4 Years
Jordan Greenhouse	Portfolio Specialist	20 Years*	1 Year

**Represents years of industry experience.*

Market Review

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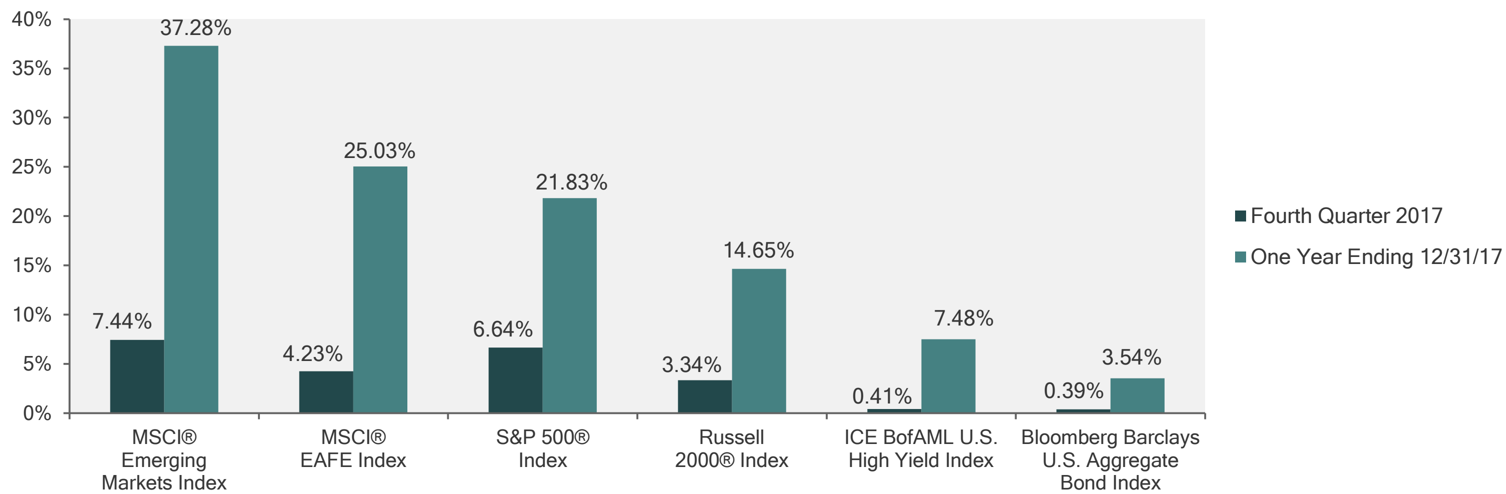
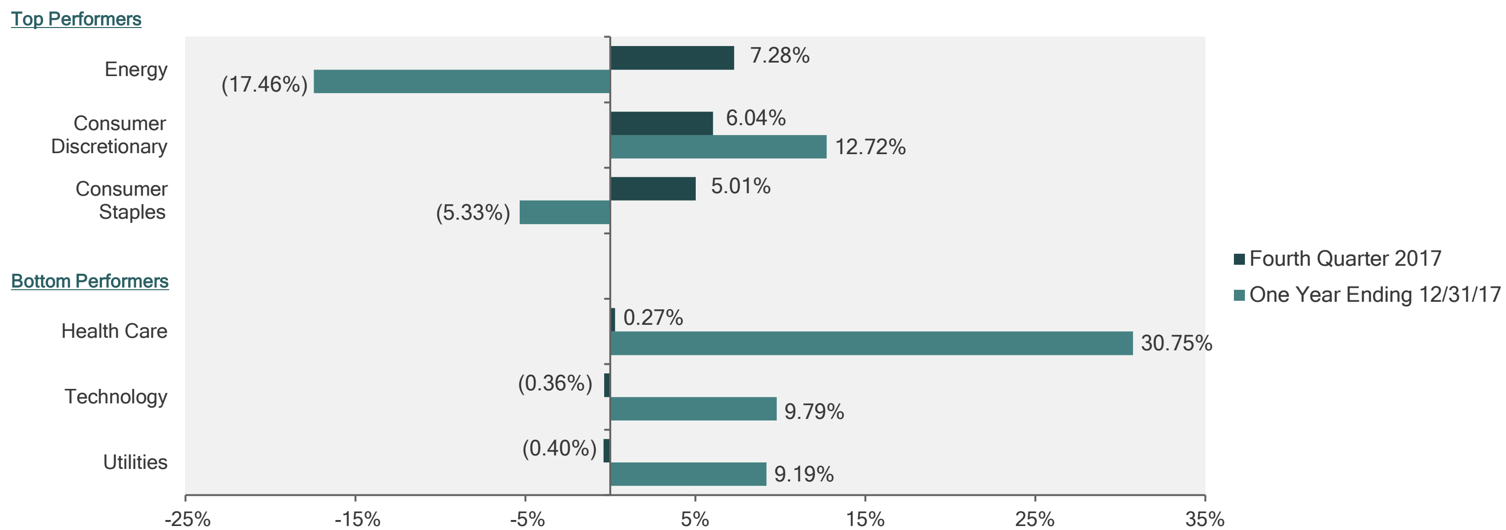
Index Performance



Sector Performance

Russell 2000® Value 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 Style and Market Cap

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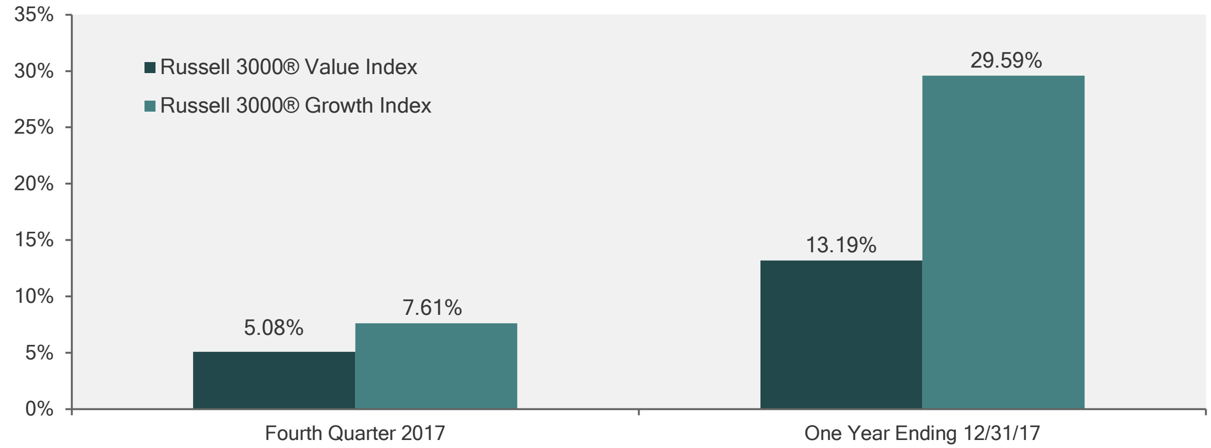
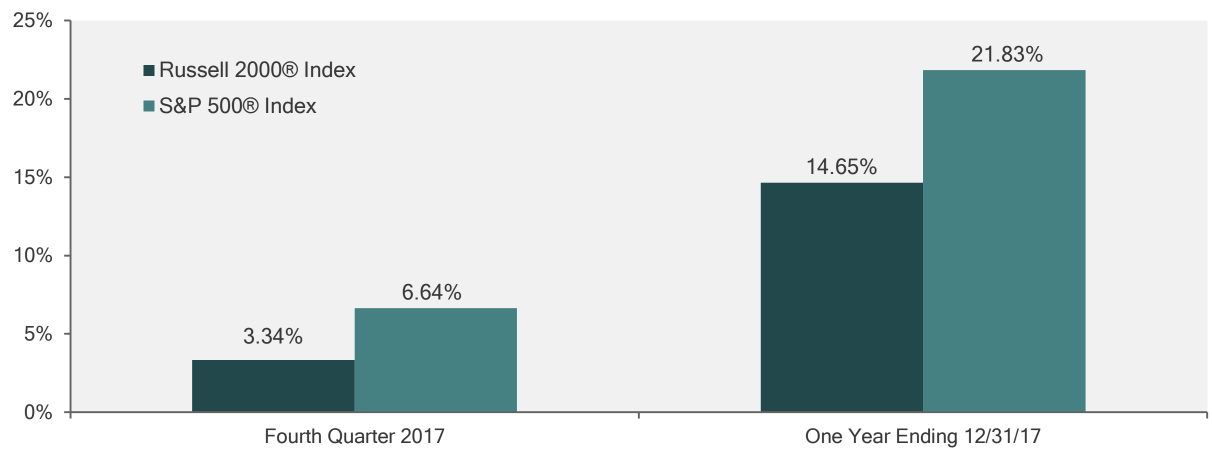
Performance by Style

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



Performance by Market Cap

Russell 2000® Index vs. S&P 500® Index



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Quarterly Performance Overview

Small Cap Quality Value Portfolio
Periods Ending December 31, 2017

Kayne Anderson Rudnick Investment Management

Monthly and Quarterly Performance

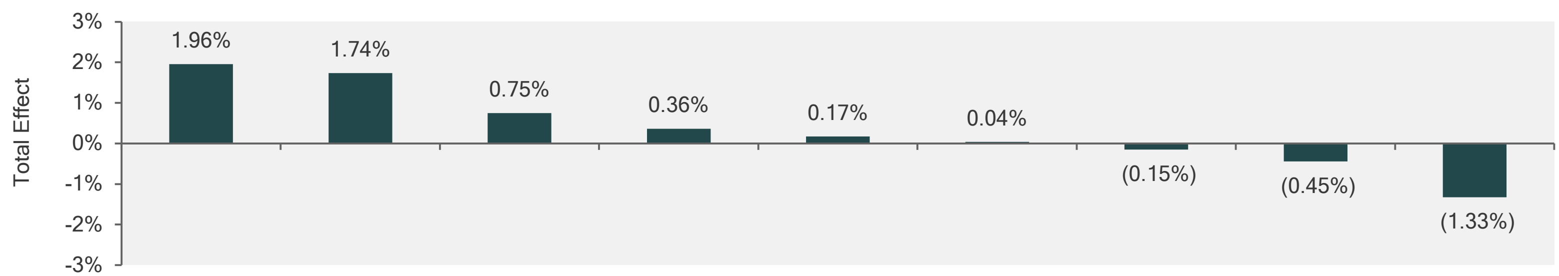
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
October	0.86	0.61	0.13	73
November	4.48	4.23	2.89	159
December	(0.58)	(0.83)	(0.95)	37
Fourth Quarter	4.77	4.00	2.05	272

Contributors

Highest	Contribution
SiteOne Landscape Supply	+1.46%
Thor Industries	+0.96%
Primerica	+0.77%
Lowest	**Contribution**
National Beverage	(1.21%)
RE/MAX Holdings	(1.16%)
Anika Therapeutics	(0.29%)

Attribution by Sector

Quarter Ending December 31, 2017



	Consumer Discretionary	Financial Services	Technology	Materials & Processing	Utilities	Energy	Producer Durables	Health Care	Consumer Staples	Total Effect
Russell 2000® Value Returns	6.04%	0.27%	(0.36%)	3.38%	(0.40%)	7.28%	4.41%	0.27%	5.01%	2.05%
KAR Returns	14.62%	5.12%	11.69%	5.81%	0.00%	11.68%	3.11%	(6.62%)	(14.47%)	4.77%
KAR Selection Effect	1.59%	1.59%	0.71%	0.29%	0.00%	0.15%	(0.18%)	(0.44%)	(1.45%)	2.26%
KAR Allocation Effect	0.37%	0.15%	0.04%	0.07%	0.17%	(0.11%)	0.02%	(0.01%)	0.13%	0.84%

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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 Quality Value Portfolio
Periods Ending December 31, 2017

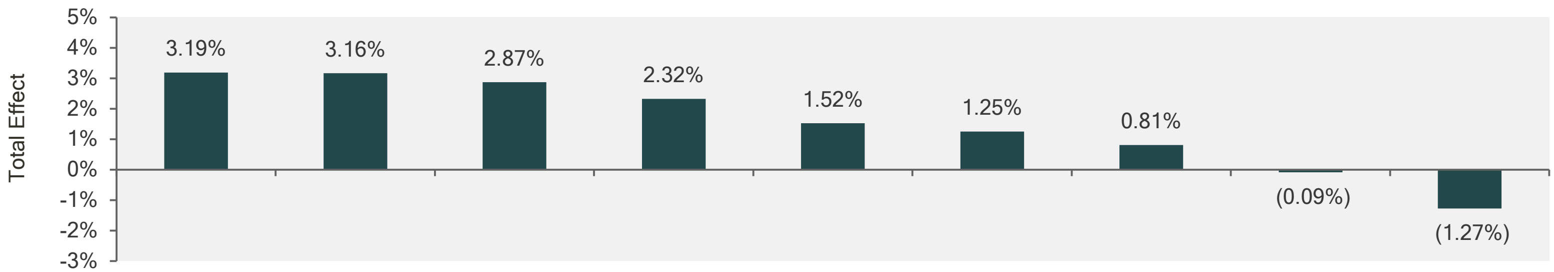
Kayne Anderson Rudnick Investment Management

Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
First Quarter 2017	4.94	4.16	(0.13)	507
Second Quarter 2017	2.15	1.39	0.67	148
Third Quarter 2017	7.06	6.28	5.11	195
Fourth Quarter 2017	4.77	4.00	2.05	272
1 Year Ending 12/31/17	20.23	16.73	7.84	1240

Attribution by Sector

One Year Ending December 31, 2017



	Producer Durables	Financial Services	Consumer Staples	Materials & Processing	Consumer Discretionary	Technology	Energy	Utilities	Health Care	Total Effect
Russell 2000® Value Returns	18.79%	3.76%	(5.33%)	9.05%	12.72%	9.79%	(17.46%)	9.19%	30.75%	7.84%
KAR Returns	39.93%	12.93%	51.84%	28.09%	18.88%	29.33%	(6.82%)	0.00%	6.84%	20.23%
KAR Selection Effect	2.94%	2.76%	3.44%	2.27%	1.02%	1.45%	0.61%	0.00%	(1.45%)	13.03%
KAR Allocation Effect	0.25%	0.40%	(0.56%)	0.05%	0.50%	(0.20%)	0.21%	(0.09%)	0.18%	0.77%

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Highest Contributors

Small Cap Quality Value Portfolio
One Year Ending December 31, 2017

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Security	Contribution	Comments
SiteOne Landscape Supply *(Purchased Q1 2017)*	+3.47%	SiteOne continues to consolidate the industry and has seen accelerating organic daily sales growth. With the increased scale for the company and initiatives such as improving supply chain, SiteOne has been able to expand gross margins, and we expect that to translate into improving operating margin as well over time. Longer term, the company only has 10% market of the entire wholesale landscape market and should have plenty of runway for growth and further margin leverage.
National Beverage	+3.19%	While National Beverage's carbonated soft drink brands have been weak like the rest of the industry, these declines have been more than offset by growth in the company's sparkling water portfolio, particularly the LaCroix brand. La Croix sales have been growing at a rapid clip the past several years as that brand gains additional points of distribution. As a result, National Beverage grew its consolidated revenue and profits over the past 12 months by double digits. We believe LaCroix has additional opportunities to grow and the recent launch of a new Shasta branded line of flavored sparkling water may be rewarding as well. At the same time, the company will continue to return capital to shareholders via special dividends.
Graco	+2.26%	Throughout 2017, the company reported good growth in all segments and regions of its business. With incremental margins in all three segments greater than 40%, the company's operating margin is higher but still below previous cycle peaks, which will allow Graco room to improve over the medium term. While there were modest commodity cost pressures in the fourth quarter, management is confident that, similar to prior commodity inflationary periods, the company has the ability to pass through price increases to help offset the cost inflation.

Lowest Contributors

Small Cap Quality Value Portfolio
One Year Ending December 31, 2017

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Security	Contribution	Comments
Sally Beauty Holdings	(1.35%)	Throughout the year, Sally Beauty Supply, one of the two core segments of Sally Beauty Holdings, continued to struggle to drive positive traffic into stores. The core business underwent a major transformation in terms of look, branding, service and assortment. Sally has also slowly been tinkering with its loyalty program, which will hopefully launch chain-wide in 2018. The company has also taken price cuts in certain SKUs to try to drive more traffic to its stores and to be more consistent with its value image. The professional segment had better results, with some execution missteps when it came to promotions.
Cass Information Systems	(0.66%)	Cass shares lagged, driven by the persistently low interest rate environment. Importantly, our investment thesis in the company remains intact, and Cass remains a solid generator of free cash flow, returning excess cash to shareholders in the form of regular cash dividends (paid continuously since 1934), opportunistic stock dividends and sizeable share repurchases.
Cheesecake Factory	(0.45%)	This year, Cheesecake struggled with driving strong traffic growth. Significantly higher wage costs forced the company to take higher-than-normal pricing as well. While traffic remained subdued, the company worked to offer lower-priced options to encourage a more marginal diner and saw some success in that effort. Looking ahead, the company still faces additional wage headwinds and is actively working to counter those challenges with better productivity and cost savings in its restaurant execution.

Purchases

Small Cap Quality Value Portfolio
Quarter Ending December 31, 2017

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Purchases	Descriptions/Reasons
Cheesecake Factory–Increased Position	Cheesecake is feeling the effects of mall traffic decline, which in particular is hurting the company’s lunch business. But this is an industry issue that is affecting casual dining broadly and is not an issue unique to Cheesecake. The malls that Cheesecake restaurants are in cannot be fully insulated from the structural challenges in retail, but we believe that they will be better protected than weaker malls. Additionally, there are some potential growth prospects for the company in the in the form of continued success with international partners and call options on new concepts like Flower Child and North Italia. In terms of capital allocation, management has always been prudent and conservative, and we expect them to remain so. Lastly, the sharp decline in stock price has led the shares to trade at compelling valuations. These factors, combined with the stock’s dividend yield of 3% and the company’s nearly debt-free balance sheet, led us to increase our weight in the portfolio.
Core Laboratories–Increased Position	Shares of Core Labs have underperformed the Russell 2000 Value benchmark since our last increase a year ago. While the company can’t be immune to persistent commodity pricing pressures, we continue to believe that it is better protected as a vendor and that, with its comprehensive portfolio of value-added products, it is well positioned to assist major oil companies in enhancing project economics through improved recovery. Importantly, the company remains the industry’s “go to” innovation leader with the majority of these innovations targeting the attractive unconventional drilling segment expected to expand sustainably over a longer term on a global basis. Furthermore, the company continues to generate strong free cash flow, returning excess cash to shareholders in the form of regular cash dividends and share repurchases while maintaining a solid balance sheet. We believe that Core Labs’ long-term market positioning remains intact and took advantage of the shares’ weakness to increase our position in this high-quality company.

Sales

Small Cap Quality Value Portfolio
Quarter Ending December 31, 2017

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Sales	Reasons
Monotype Imaging Holdings—Sold Entire Position	Though Monotype has finally seen some stabilization in its core font business, the company once again lowered its guidance for its acquired business Olapic. The lower guidance for Olapic was attributed to the revenue recognition similar to the SaaS recognition. But the fact that the company just realized this after almost a year of Olapic ownership speaks to the fast-changing nature of the industry that Olapic competes in, and thus gives us less conviction in the long-term operating model of this new business segment. The stock reacted positively to the stabilization of the core business, and we used this strength to sell the stock.

Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Small Cap Quality Value Portfolio – As of December 31, 2017

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	KAR Small Cap Quality Value	Russell 2000® Value Index
Quality		
Return on Equity–Past 5 Years	**22.8%**	7.4%
Total Debt/EBITDA	**1.7 x**	8.4 x
Earnings Variance–Past 10 Years	**22.1%**	85.0%
Growth		
Earnings Per Share Growth–Past 5 Years	**8.2%**	5.0%
Earnings Per Share Growth–Past 10 Years	**11.0%**	5.6%
Dividend Per Share Growth–Past 5 Years	**11.2%**	7.3%
Dividend Per Share Growth–Past 10 Years	**11.7%**	3.0%
Capital Generation–{ROE x (1-Payout)}	**12.1%**	5.2%
Value		
P/E Ratio–Trailing 12 Months	**27.2 x**	30.0 x
Dividend Yield	**1.6%**	1.8%
Free Cash Flow Yield†	**3.8%**	1.7%
Market Characteristics		
$ Weighted Average Market Cap–3 Qtr. Average	**$3.7 B**	$2.0 B
Largest Market Cap–3 Qtr. Average	**$9.4 B**	$6.7 B
Annualized Standard Deviation–Since Inception*	**18.0%**	19.7%

In a market of average businesses, we own protected proprietary businesses that generate exceptional returns on shareholders' capital without employing significant debt.

In a market of cyclical businesses requiring growth capital from fickle markets, we own companies producing self-funded strong, consistent growth sustainable into the future.

And we are able to achieve this high quality and strong growth at a discount valuation to the market.

**Actual inception date is June 1, 1998. July 1, 1998 is used for calculation purposes of quarterly information.*

†Free cash flow data is as of September 30, 2017. Prices are as of December 31, 2017. 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.

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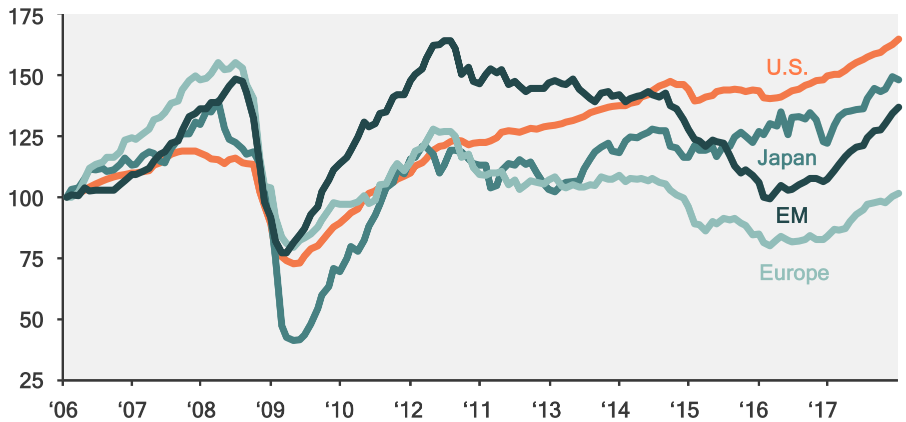
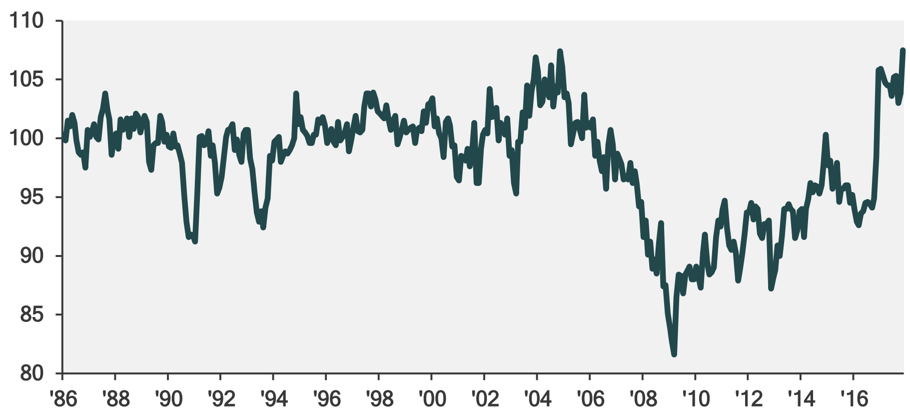
The U.S. economy should accelerate modestly. International economies have finally started to accelerate, improving the outlook for global economic growth rates.

- Corporate earnings and revenue continue to grow in constant currency and companies are maintaining historically high operating margins. 2017 earnings per share (EPS) for the S&P 500 was up double-digits. S&P 500 EPS should continue to grow in the mid-to-high single-digit growth range over the next 12-to-18 months. Additionally, international and emerging markets reported earnings are improving.
- U.S. GDP should improve to the 2.5% to 3.5% range over the next two years due to tax reform. The stock market has already discounted some of these benefits.
- Corporate cash is at all-time highs and improving, leading to share buybacks, dividend increases and acquisitions. Companies have become more disciplined about their capital allocation. M&A should pick up in 2018 due to repatriation, and IPO activity should increase as well.
- Household net wealth continues to hit a new high. Consumer confidence is back to 2007 levels. The labor market continues to improve meaningfully. Wage growth remains under control despite very low levels of unemployment. Small business optimism has substantially improved since the election.
- Many energy-related businesses are quickly recovering from recession conditions. Sustainability of the price of energy is an important issue over the next couple of years.
- Innovation is alive and well with the U.S. creating many investment opportunities in industries such as technology, health care and industrials.
- Bond yields and mortgage rates have continued to stay fairly low by historical standards, which has helped real estate markets continue to recover.

Global Earnings
EPS, U.S. Dollar, NTMA, January 2006 = 100



NFIB Small Business Optimism Index



Data as of December 31, 2017.

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, which may differ from earnings estimates elsewhere in the materials. MSCI Europe includes the Eurozone as well as countries not in the currency bloc, such as the U.K., Switzerland, Sweden and Norway (which collectively make up 49% of the overall index). Data is obtained from FactSet Research Systems, MSCI, Thomson Reuters, Standard and Poor's, J.P. Morgan Asset Management and Strategas and is assumed to be reliable. Past performance is no guarantee of future results.

Market Outlook
International Economy

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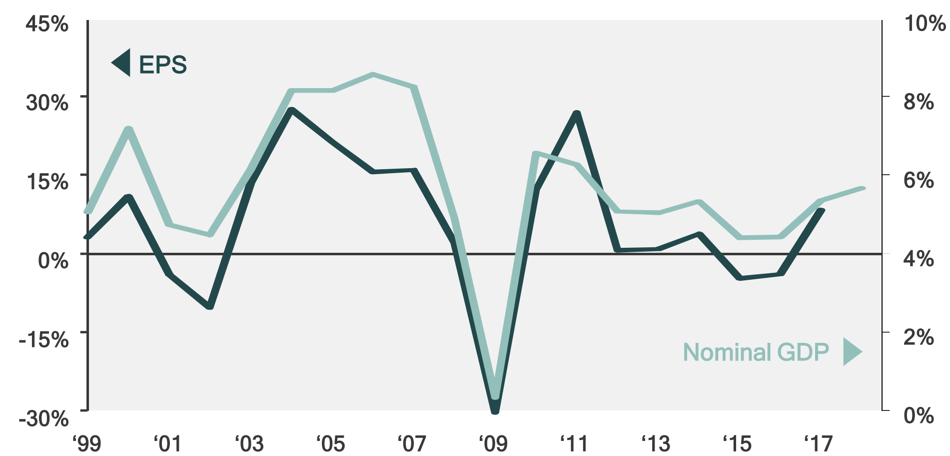
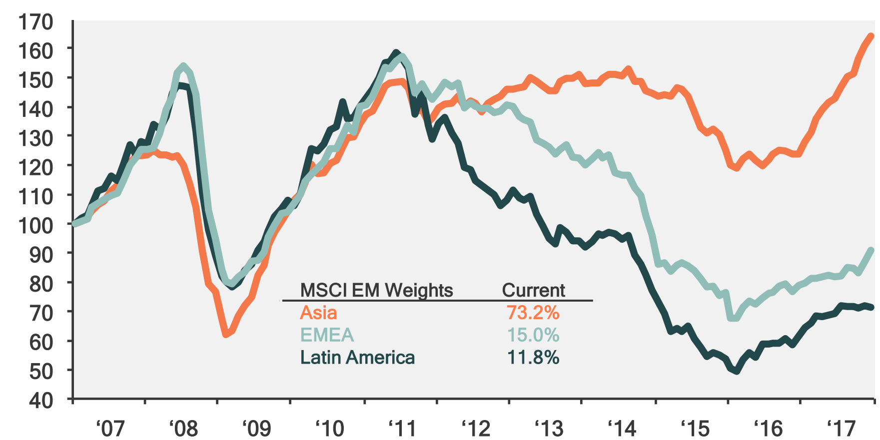
Global growth prospects are solid through year end, providing support for risk-based assets globally.

- At a 2.4% yield on the U.S. 10-year bond, a higher initial yield combined with a fairly stable U.S. dollar makes the U.S. bond market very attractive to foreign investors.
- European sovereign debt rates continue to be fairly stable, business activity has improved, and European banks have started to recover due to a steepening yield curve. Italy is finally addressing some of their banking problems.
- European inflation is very benign but is getting closer to its targets. Yields have risen this quarter, lifting many European countries out of a negative interest rate environment.
- Chinese economic growth rates have stabilized in 2017, albeit at lower rates than historically. The transition to a consumption-led economy will take time, but is clearly occurring.
- Emerging market growth rates and currencies are showing signs of improvement over the last year. Uncertainty about U.S. trade policies may slow down the recovery in progress, but initial negotiations appear much better than expected with NAFTA still a risk.

Global GDP Growth and Corporate Profits
Year-Over-Year Growth, Nominal GDP, MSCI AC World Trailing EPS



EM Earnings by Region
EPS for Next 12-Month Consensus, U.S. Dollar, Rebased to 100



Data as of December 31, 2017.

Nominal GDP used is based on purchasing power parity (PPP) valuation of coutnry GDP. 2017 and 2018 nominal GDP figures are IMF estimates. Earnings used are U.S. dollar trailing 12-month sum earnings per share figures. Data is obtained from FactSet Research Systems, IMF, MSCI, Consensus Economics and J.P. Morgan Asset Management and is assumed to be reliable. Past performance is no guarantee of future results.

Market Outlook

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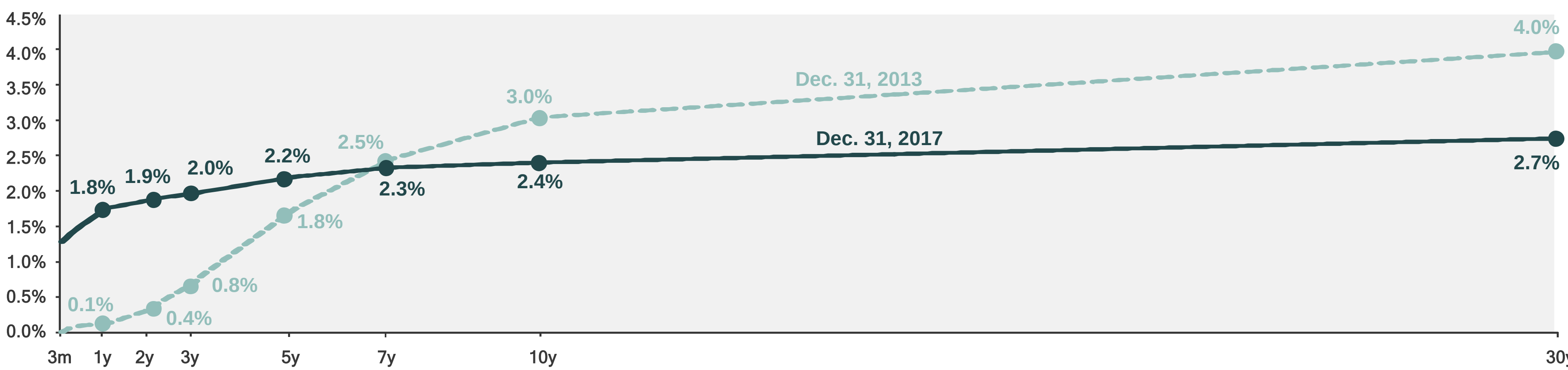
Potential Economic Risks:

- How will the long end of the bond market continue to react to the Fed's desire to raise short-term rates three times in 2018 and unwind the balance sheet?
- Significant increases in energy prices and wage gains could lead to a surge in the inflation outlook.
- A hard landing in China could slow global GDP materially. Although receding, it is still a risk due to debt levels.
- Does the European Central Bank pull back prematurely on QE as Europe is recovering?
- Global deflation, not inflation, continues to be principal risk, but inflation expectations are finally rising somewhat, although still short of targets.
- Continued uncertainty surrounding global trade, travel and immigration policy in the U.S.

Price of Oil
Brent Crude, Nominal Prices, USD/Barrel

Yield Curve
U.S. Treasury Yield Curve



Data as of December 31, 2017.

Bent crude prices are monthly averages in USD using global spot ICE prices. Data is obtained from FactSet Research Systems, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Past performance is no guarantee of future results.

Market Outlook

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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.

- As consumer confidence stays strong, there is potential for P/E ratios to improve slightly. Retail investors still are not fully engaged in the equity market.
- Equity valuations remain reasonable by historic measures, both at absolute levels but particularly relative to interest rates.
- Foreign markets are finally supporting U.S. EPS growth rates, particularly for large multinationals.
- With favorable corporate cash flow, investors are being rewarded with increased share buybacks, dividends and occasional acquisitions.
- Corporate profit margins are still being maintained at very high historical levels.
- Due to tax reform, we believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets which will pass on these savings to their customers eventually.
- Investors should expect more modest equity returns going forward (6% to 8% range over time) based on the maturity of this economy and business cycle. Volatility has been very low since the election and we are overdue for some type of correction, but the longer term outlook is still favorable.

S&P 500® Index: Forward P/E Ratio

Valuation Measure	Description	Latest	25-year avg.*	Std. dev. Over-/under-valued
P/E	Forward P/E	18.2x	16.0x	0.7
CAPE	Shiller's P/E	32.4	26.4	1.0
Div. Yield	Dividend Yield	2.0%	2.0%	0.1
P/B	Price to book	3.1	2.9	0.2
P/CF	Price to cash flow	12.8	10.7	1.1
EY Spread	EY minus Baa yield	1.3%	-0.2%	-0.8

Data as of December 31, 2017.

**P/CF is a 20-year average due to cash flow data availability.*

Price to earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since December 1989, and FactSet for December 31, 2017. Average P/E and standard deviations are calculated using 25 years of FactSet history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-month consensus dividend divided by most recent price. Price to book ratio is the price divided by book value per share. Price to cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 25 years for each measure. Data is obtained from FactSet Research Systems, FRB, Thomas Reuters, Robert Shiller, Standard and Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Past performance is no guarantee of future results.

Appendix

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- Portfolio Data
- Disclosure

Sector Weights

Small Cap Quality Value Portfolio
As of December 31, 2017

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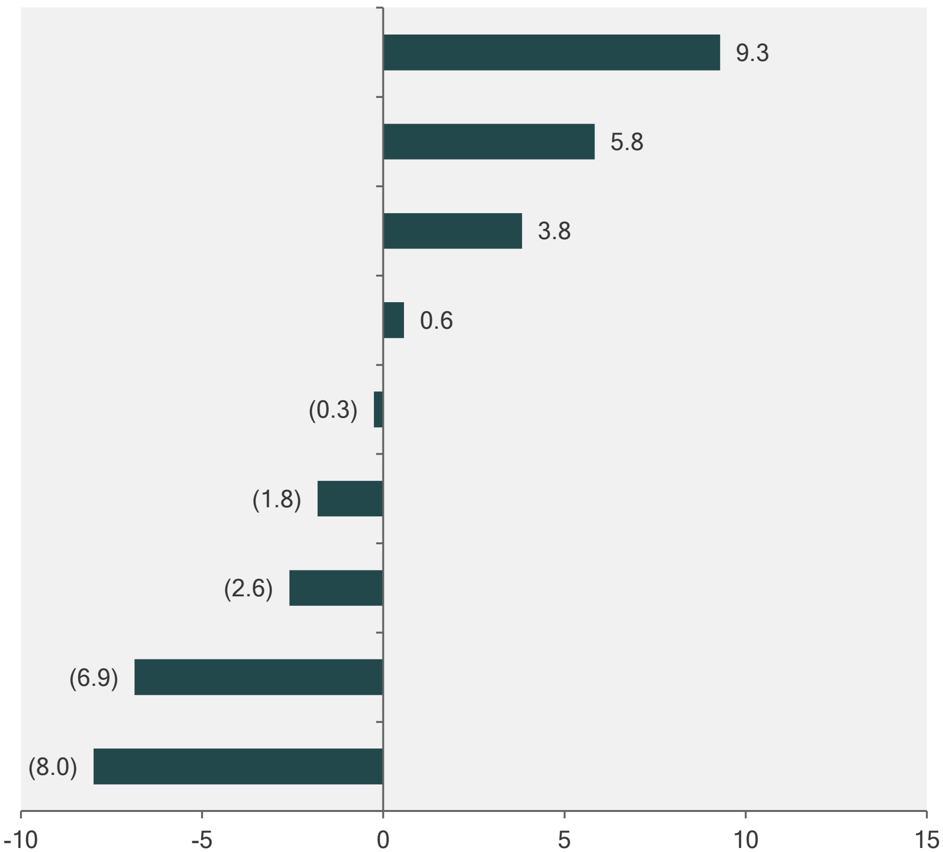
Sectors	KAR Small Cap Quality Value (%)	Russell 2000® Value Index (%)
Consumer Discretionary	21.0	11.7
Materials & Processing	12.1	6.2
Consumer Staples	6.2	2.4
Producer Durables	12.4	11.8
Health Care	5.8	6.0
Technology	5.9	7.7
Energy	4.0	6.6
Utilities	–	6.9
Financial Services	32.8	40.8

Underweight/Overweight (%)



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A complete list of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. The sector information represented above is based on Russell sector classifications. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Conviction-Driven Investing Provides Opportunities for Excess Return

Small Cap Quality Value Portfolio
As of December 31, 2017

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Top 10 Holdings	Russell Sector	% of Portfolio
SiteOne Landscape Supply	Consumer Discretionary	5.6
Thor Industries	Consumer Discretionary	5.3
Cheesecake Factory	Consumer Discretionary	4.6
Scotts Miracle-Gro	Materials & Processing	4.4
RBC Bearings	Materials & Processing	4.3
National Beverage	Consumer Staples	4.2
Core Laboratories	Energy	4.0
Bank of Hawaii	Financial Services	3.9
HFF	Financial Services	3.8
MGM Growth Properties	Financial Services	3.7
Total		**44.0**

Research confidence leads to large active weights

	KAR Small Cap Quality Value	Russell 2000® Value Index
# of Holdings	30	1,387
Average Position Size (%)	3.3	0.1
Weight of Top Ten Holdings (%)	44.0	4.6
Active Share (%)	99.8	–

The strategy benefits from diversification while still taking significant active positions

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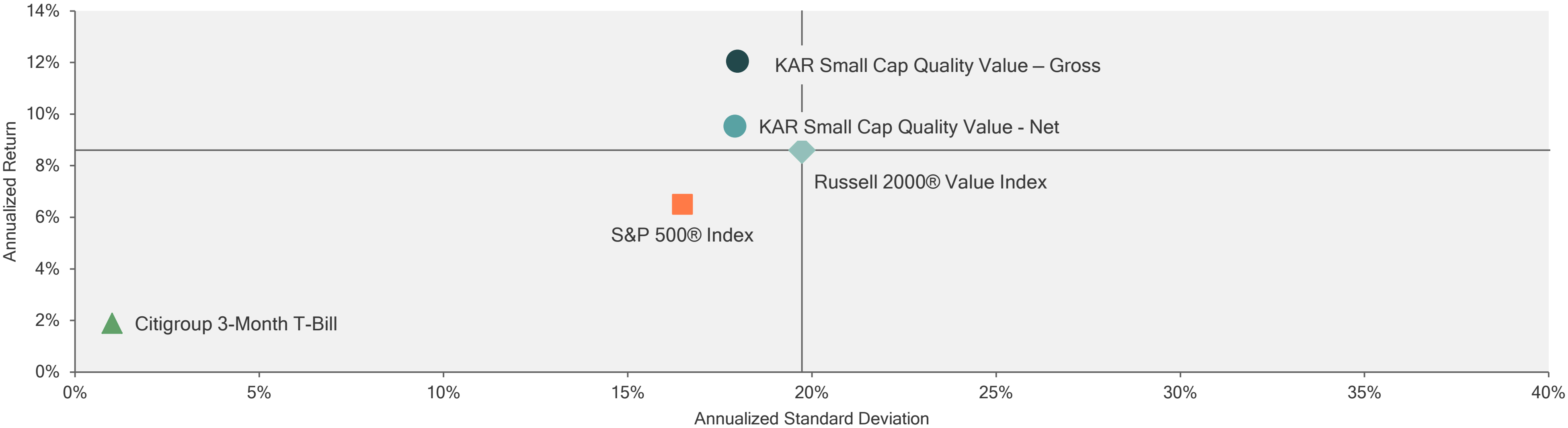
A complete list of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. The sector information represented above is based on Russell sector classifications. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Strong Risk-Adjusted Returns

Small Cap Quality Value Portfolio
Inception* to December 31, 2017

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 Quality Value	**4.43**	**0.57**	**17.98**	**12.99**	**0.82**	**8.78**
Russell 2000® Value Index	0.00	0.34	19.73	14.94	1.00	0.00

**Actual inception date is June 1, 1998. July 1, 1998 is used for calculation purposes of quarterly information.*

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

Small Cap Quality Value Portfolio

Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 12/31/17	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
Fourth Quarter	4.77	4.00	2.05	272
1 Year	20.23	16.73	7.84	1240
3 Years	14.80	11.98	9.55	525
5 Years	16.77	14.31	13.01	377
7 Years	14.30	12.00	10.84	346
10 Years	11.24	9.12	8.17	307
Since Inception*	12.06	9.54	8.53	352

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
2017	20.23	16.73	7.84	1240
2016	26.17	22.50	31.74	(557)
2015	(0.27)	(1.80)	(7.47)	720
2014	2.51	0.85	4.22	(170)
2013	40.00	37.83	34.52	548
2012	10.01	8.32	18.05	(805)
2011	6.73	4.58	(5.50)	1223
2010	24.75	22.81	24.50	25
2009	27.82	25.92	20.58	724
2008	(28.62)	(29.99)	(28.92)	30
2007	1.93	0.27	(9.78)	1171
2006	23.72	21.87	23.48	24
2005	8.53	5.31	4.71	382
2004	27.59	23.80	22.25	535
2003	22.12	18.59	46.03	(2391)
2002	0.48	(2.52)	(11.43)	1191
2001	19.42	16.06	14.02	540
2000	24.92	21.28	22.83	210
1999	(7.69)	(10.39)	(1.49)	(620)
1998†	9.61	7.99	(10.93)	2054

**June 1, 1998*

†Performance calculations are for the seven months ended December 31, 1998.

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

Returns for the Kayne Anderson Rudnick composite are preliminary. All periods less than one year are total returns and are not annualized. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding. Past performance is no guarantee of future results.

*IMPORTANT RISK CONSIDERATIONS: **Equity Securities**: The market price of equity securities may be adversely affected by financial market, industry, or issuer specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Limited Number of Investments:** Because the fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.*

Disclosure

Small Cap Quality Value Portfolio

Kayne Anderson Rudnick Investment Management

Kayne Anderson Rudnick Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Kayne Anderson Rudnick Investment Management, LLC has been independently verified for the period from January 1, 1999 through December 31, 2016.

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 Quality Value Wrap Composite has been examined for the period from January 1, 1999 through December 31, 2016. The verification and performance examination reports are available upon request.

Kayne Anderson Rudnick Investment Management, LLC, a wholly owned subsidiary of Virtus Investment Partners, Inc., is a registered investment advisor under the Investment Advisers Act of 1940. Registration of an Investment Advisor does not imply any level of skill or training. Kayne Anderson Rudnick Investment Management, LLC manages a variety of equity and fixed-income strategies focusing exclusively on securities the firm defines as high quality.

The composite includes all fully discretionary Small Cap Quality Value Wrap Portfolios. Small Cap Quality Value Wrap Portfolios are invested in equity securities with capitalizations consistent with the Russell 2000® Value 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® Value Index. The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks 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 January 2002. 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 exceeded 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 after 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 gross returns) and the benchmark for the 36-month period is presented starting December 31, 2012, because prior to January 1, 2010, the composite return was calculated quarterly and 36 monthly returns are not available.

	3-Yr Annualized Standard Deviation (%)	
December 31	Composite	Benchmark
2012	16.04	20.17
2013	14.24	16.05
2014	12.88	12.98
2015	13.64	13.65
2016	14.09	15.72

Year	Total Firm Assets ($ millions)	Total Composite Assets ($ millions)	Wrap Accounts as % of Composite Assets	Accounts at Year End	Pure Gross Annual Return (%)*	Net Annual Return (%)	Russell 2000® Value Index Annual Return (%)	Internal Dispersion
2007	5,392	765	100%	28	1.93	0.27	(9.78)	0.33
2008	3,445	441	100%	33	(28.62)	(29.99)	(28.92)	0.73
2009	4,010	531	100%	34	27.82	25.92	20.58	0.55
2010	4,729	651	100%	38	24.75	22.81	24.50	0.75
2011	5,232	478	100%	36	6.73	4.58	(5.50)	0.33
2012	6,545	622	100%	31	10.01	8.32	18.05	0.43
2013	7,841	637	100%	27	40.00	37.83	34.52	0.42
2014	7,989	648	100%	26	2.51	0.85	4.22	0.43
2015	8,095	624	100%	24	(0.27)	(1.80)	(7.47)	0.32
2016	9,989	641	100%	26	26.17	22.50	31.74	0.55

**Pure gross returns are supplemental to net returns.*

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