



Kayne Anderson Rudnick
Investment Management

Small Cap Quality Value Portfolio
Managed Accounts
Second Quarter 2020 Review

Firm Overview

As of June 30, 2020



Kayne Anderson Rudnick
Investment Management

Profile

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

At a Glance

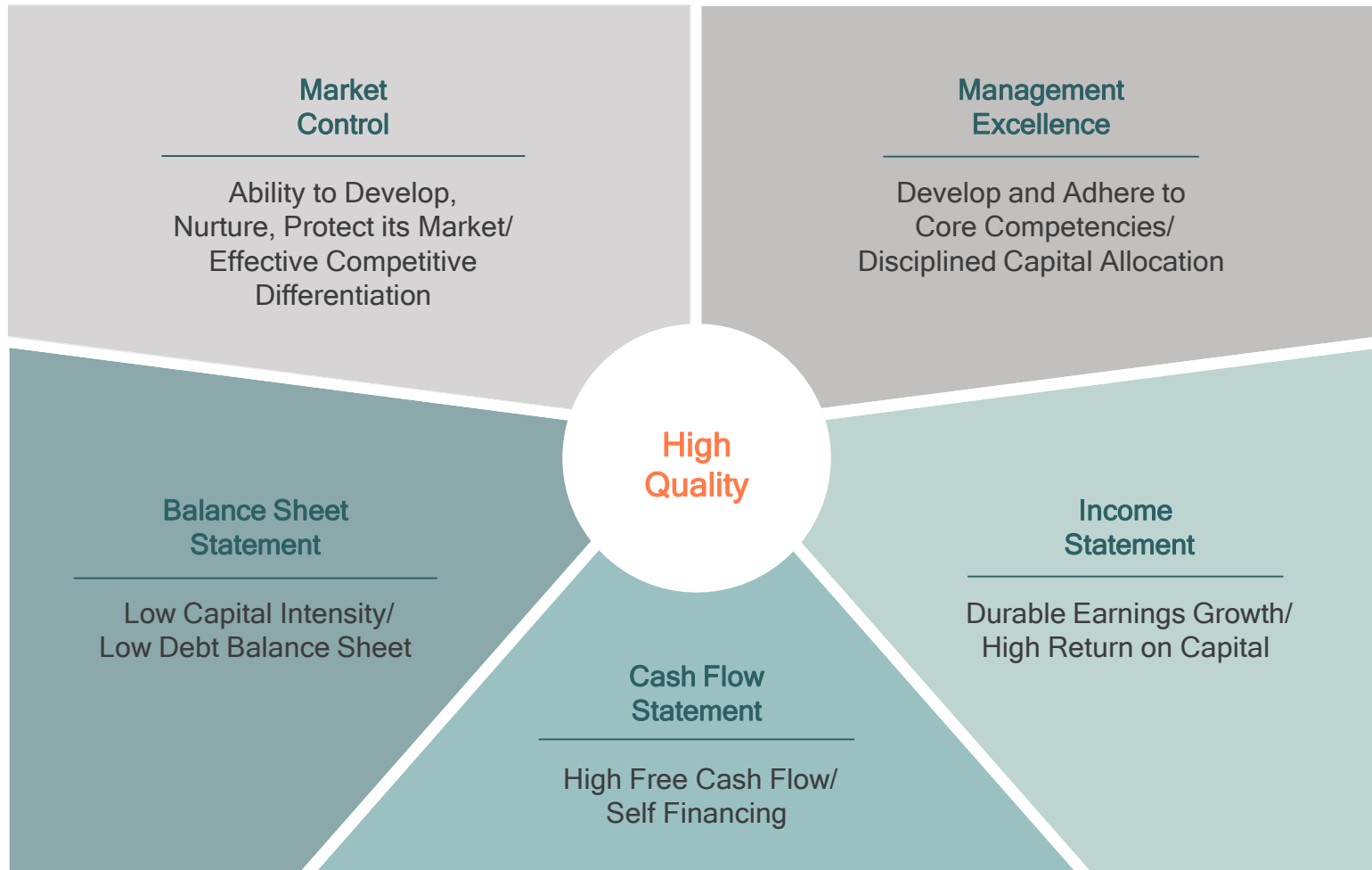
| | |
|-------------------------------------------|-----------------|
| Year Founded | 1984 |
| Headquarters | Los Angeles, CA |
| AUM | \$37.0 billion |
| Number of Equity Investment Professionals | 16 |
| Average Investment Experience | 17 Years |

Investment Philosophy

We believe that purchasing high-quality businesses with competitive protections at attractive valuations will achieve excess returns over a complete market cycle

Investment Objectives

- To achieve a return meaningfully above that of the Russell 2000® Value Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics



How Are We Different?

We 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>8 years of negative returns since 1998</p> <p>No stock can help or hurt more than 2%</p> | <p>stock portfolio 20-35</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 4 years of negative returns since 1998 |
| | | |
| RETURNS | Average companies producing average returns on capital | Exceptional companies producing exceptional returns on capital |
| | Buying cheap and selling dear required for above-average portfolio returns | Buy at attractive price and let exceptional returns on capital drive exceptional growth and income over extended period of time |
| | 6 months average holding period | 36 to 60 months average holding period, but often longer |
| | High frictional costs due to RAPID trading | Low frictional costs due to LESS trading |
| | Poor tax efficiency due to short holding periods | Inherent tax efficiency |

*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.

Past performance is no guarantee of future results.

Small Cap Quality Value Team

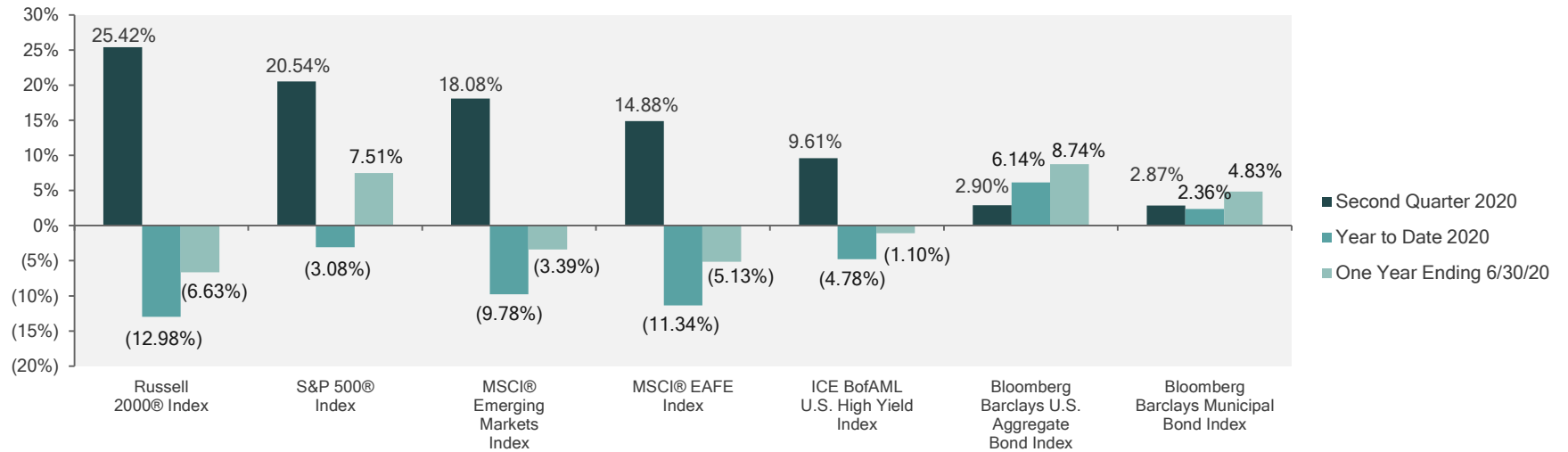


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| Portfolio Manager/Analysts | Responsibility | Research Experience | Years with KAR |
|----------------------------|--------------------------------------------------------------------------------------------|-----------------------|----------------|
| Douglas S. Foreman, CFA | Chief Investment Officer | 34 Years | 9 Years |
| Julie Kutasov | Portfolio Manager and Senior Research Analyst Sector Coverage: Materials and Processing | 19 Years | 19 Years |
| Craig Stone | Portfolio Manager and Senior Research Analyst Sector Coverage: Producer Durables | 31 Years | 20 Years |
| Todd Bailey, CFA | Senior Research Analyst Sector Coverage: Energy and Consumer Discretionary | 21 Years | 18 Years |
| Julie Biel, CFA | Senior Research Analyst Sector Coverage: Technology | 12 Years | 7 Years |
| Jon Christensen, CFA | Senior Research Analyst Sector Coverage: Health Care | 25 Years | 19 Years |
| Chris Wright, CFA | Senior Research Analyst Sector Coverage: Financials | 8 Years | 8 Years |
| Sean Dixon | Research Analyst Sector Coverage: Consumer Discretionary and Producer Durables | 11 Years | 2 Years |
| Adam Xiao, CFA | Research Analyst Sector Coverage: Consumer Staples, Financials and Producer Durables | 5 Years | 2 Years |
| Jordan Greenhouse | Managing Director - Senior Portfolio Specialist and Relationship Manager | 23 Years [†] | 4 Years |
| James B. May, CFA | Managing Director - Portfolio Specialist | 32 Years [†] | 1 Year |

[†]Represents years of industry experience.

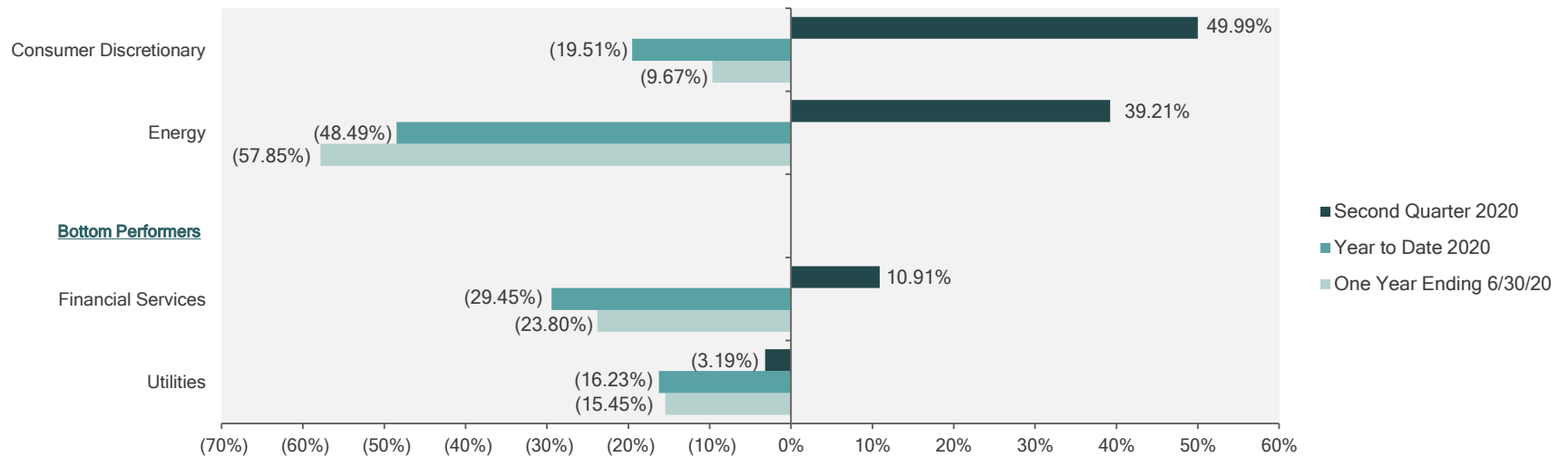
Index Performance



Sector Performance

Russell 2000® Value Index

Top Performers



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

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Market Review

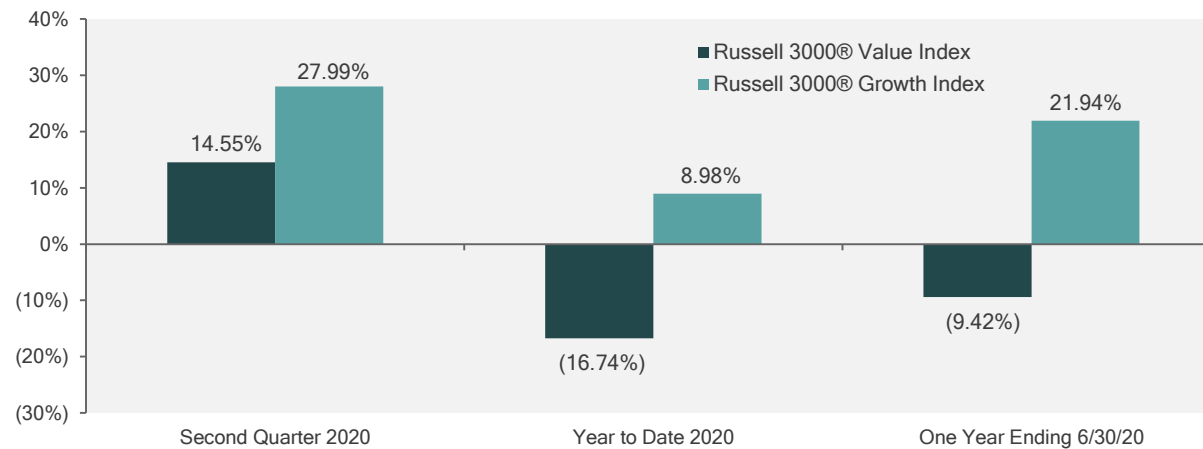
Performance by Style and Quality



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Investment Management

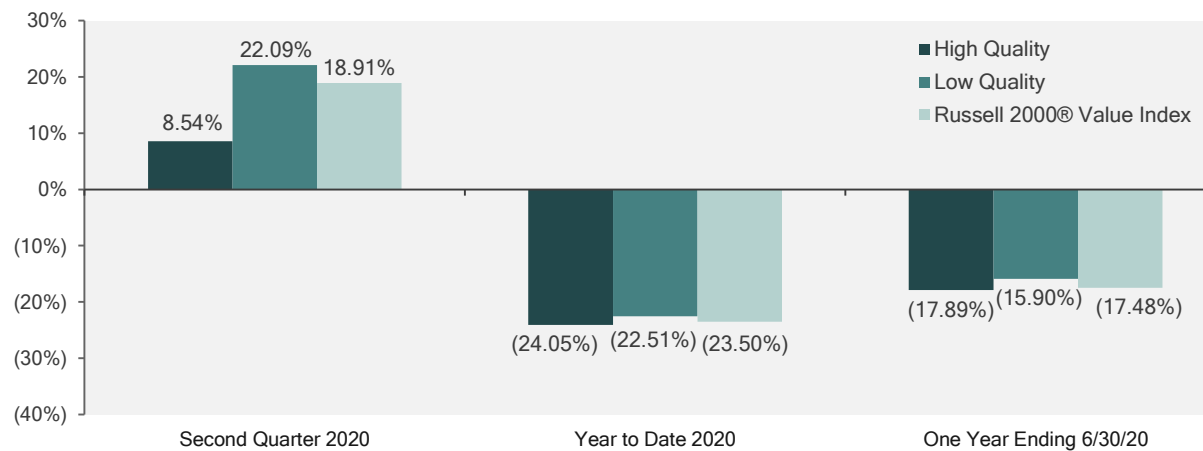
Performance by Style

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



Performance by Quality

Russell 2000® Value 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 Quality Value Portfolio

Periods Ending June 30, 2020



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Monthly, Quarterly and Year to Date Performance

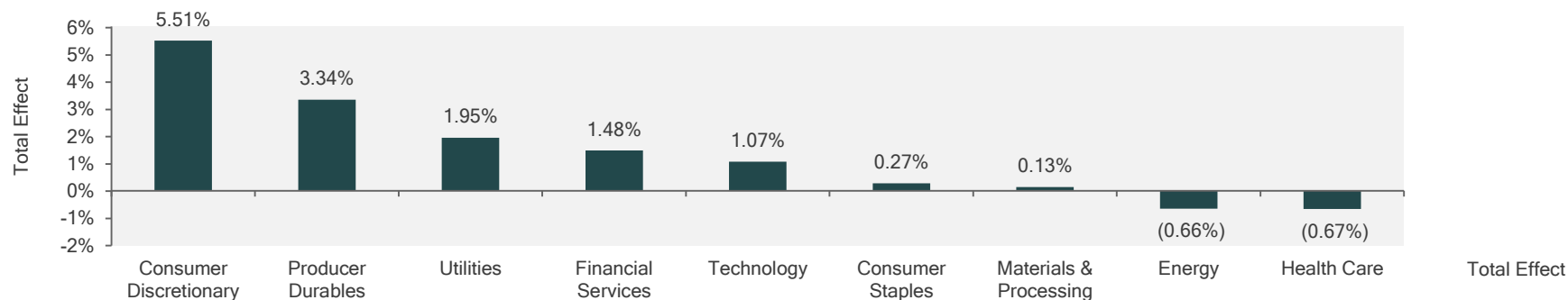
| | Gross (%) | Net (%) | Index (%) | Excess Returns (bps) |
|----------------|-----------|---------|-----------|----------------------|
| April | 12.34 | 12.09 | 12.34 | 0 |
| May | 10.71 | 10.46 | 2.87 | 784 |
| June | 3.38 | 3.13 | 2.90 | 49 |
| Second Quarter | 28.57 | 27.69 | 18.91 | 967 |
| Year to Date | 0.14 | (1.36) | (23.50) | 2363 |

Contributors

| Highest | Contribution |
|----------------------------|--------------|
| Thor Industries | +5.97% |
| CoreLogic | +3.80% |
| Scotts Miracle-Gro | +3.17% |
| SiteOne Landscape Supply | +2.92% |
| Brooks Automation | +2.17% |
| Lowest | Contribution |
| RLI | (0.52%) |
| WD-40 | (0.32%) |
| Graco | (0.17%) |
| Cass Information Systems | (0.03%) |
| First Financial Bankshares | 0.20% |

Attribution by Sector

Quarter Ending June 30, 2020



| | Consumer Discretionary | Producer Durables | Utilities | Financial Services | Technology | Consumer Staples | Materials & Processing | Energy | Health Care | Total Effect |
|-----------------------------|------------------------|-------------------|-----------|--------------------|------------|------------------|------------------------|---------|-------------|--------------|
| Russell 2000® Value Returns | 49.99% | 15.18% | (3.19%) | 10.91% | 19.54% | 15.71% | 32.63% | 39.21% | 34.13% | 18.91% |
| KAR Returns | 80.11% | 31.46% | 0.00% | 12.26% | 35.04% | 20.62% | 24.75% | 0.00% | 30.51% | 28.57% |
| KAR Selection Effect | 4.04% | 3.65% | 0.00% | 0.55% | 1.13% | 0.36% | (1.49%) | 0.00% | (0.05%) | 8.18% |
| KAR Allocation Effect | 1.48% | (0.32%) | 1.95% | 0.93% | (0.06%) | (0.09%) | 1.62% | (0.66%) | (0.61%) | 4.25% |

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

The attribution data provided herein is based upon a buy and hold methodology 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 Quality Value Portfolio

Periods Ending June 30, 2020



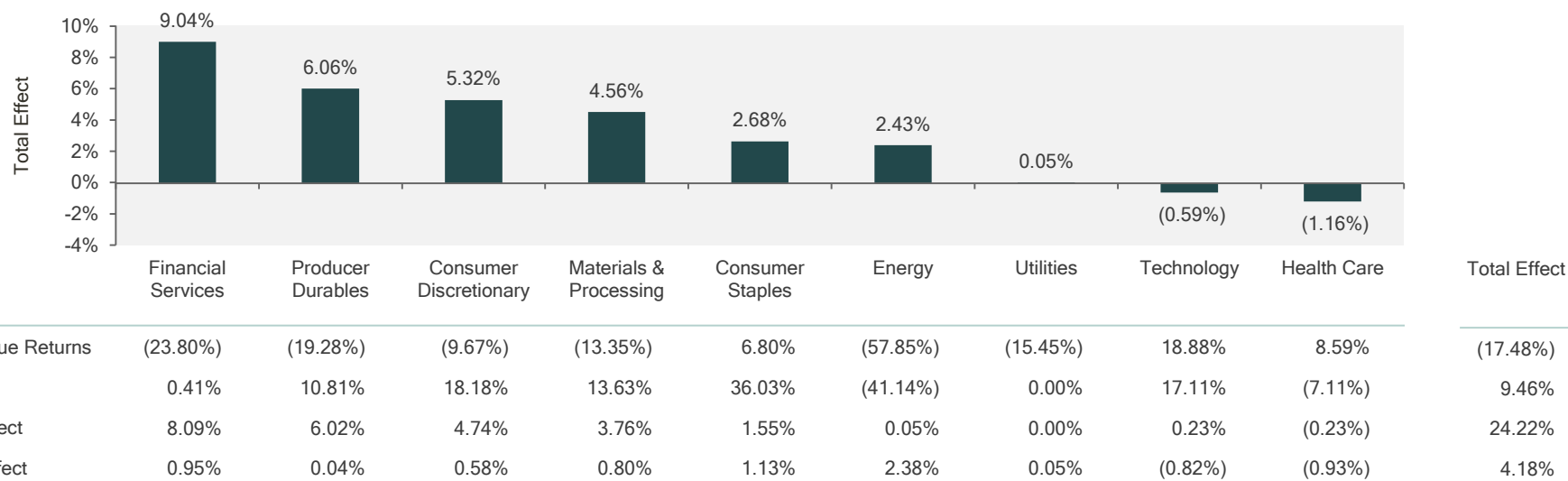
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Quarterly and Annual Performance

| | Gross (%) | Net (%) | Index (%) | Excess Returns (bps) |
|-----------------------|-----------|---------|-----------|----------------------|
| Third Quarter 2019 | 3.22 | 2.45 | (0.57) | 379 |
| Fourth Quarter 2019 | 5.90 | 5.13 | 8.49 | (259) |
| First Quarter 2020 | (22.12) | (22.75) | (35.66) | 1354 |
| Second Quarter 2020 | 28.57 | 27.69 | 18.91 | 967 |
| 1 Year Ending 6/30/20 | 9.46 | 6.24 | (17.48) | 2694 |

Attribution by Sector

One Year Ending June 30, 2020



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Highest Contributors

Small Cap Quality Value Portfolio

One Year Ending June 30, 2020



Kayne Anderson Rudnick
Investment Management

| Security | Contribution | Comments |
|--------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Thor Industries | +3.91% | Due to COVID-19 and its impact on consumers' lack of interest in utilizing airplanes and hotels for travel purposes, the RV industry has experienced healthy demand for Thor's products as traveling in an RV can permit physical distancing and personal living space. |
| Scotts Miracle-Gro | +3.25% | Early 2020 demand for inputs for edible gardening grew as a result of the COVID-19 pandemic. We view the franchise strength of Scotts Miracle-Gro's lawn & garden brands, including its hydroponics segment, as intact. |
| SiteOne Landscape Supply | +2.57% | In many states, construction was deemed as an essential service and work continued despite the stay-at-home orders. This helped SiteOne continue to service its landscape contractor customers. Additionally, with the stay-at-home orders, many homeowners are increasingly spending or looking to spend on home improvement projects instead of taking vacations this year. With still only 12% of total industry market share, SiteOne still has plenty of runway for further consolidation and to increase its leverage over smaller distributors. |
| National Beverage | +1.70% | National Beverage's fastest growing and most profitable brand is La Croix. In the last 12 months, the company has overcome the impact of an October 2018 highly publicized and ultimately retracted lawsuit alleging La Croix ingredients are not all-natural. Over this period, Nielsen data showed continued improvement of La Croix sales growth relative to its sparkling water category. As a result, the company reported recovering sales growth and profitability. |
| Houlihan Lokey | +1.55% | Despite a slowdown in M&A activity over the past year, Houlihan Lokey has continued to show growth in the number of deals and revenue. This was on display over the last 12 months as the company reported revenue and profit growth of 7% and 8%, respectively. The emergence of COVID-19 will be a headwind to M&A growth in 2020, but with a team of approximately 250 dedicated Restructuring bankers, which is the largest on Wall Street, the company appears well-positioned to thrive in the current environment. |

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Lowest Contributors

Small Cap Quality Value Portfolio

One Year Ending June 30, 2020



Kayne Anderson Rudnick
Investment Management

| Security | Contribution | Comments |
|--------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cheesecake Factory | (2.60%) | The Cheesecake Factory has come under pressure recently due to the impacts and restrictions from physical distancing orders across the United States. As a result of these restrictions, dining within opened Cheesecake Factory's restaurants are at a limited capacity as permitted by state and local governments. |
| Cinemark Holdings | (2.51%) | Cinemark has experienced pressure recently due to the impacts and restrictions from shelter-in-place orders across geographies. The result of human isolation restrictions has been a halt to its current business. |
| RBC Bearings | (1.37%) | RBC Bearings' shares lagged driven by pandemic-related disruptions in the aerospace segment as well as Boeing 737 MAX aircraft production delays. We view these issues as temporary in nature. We believe RBC's solid market positioning is intact. The company remains a solid free-cash-flow generator and its balance sheet is pristine. |
| Bank of Hawaii | (1.26%) | Bank of Hawaii shares sold off sharply at the end of the first quarter due to investor concerns about future credit losses triggered by COVID-19, which has sharply reduced tourist traffic to Hawaii and caused unemployment to spike. While the share price rose in the second quarter, it has not fully recovered due to ongoing investor concerns about future credit losses. While we expect the impact of COVID-19 to be meaningful on the Hawaiian economy, we think the bank's conservative balance sheet will allow it to navigate this tough environment. |
| Cass Information Systems | (0.97%) | The operating environment for Cass's business is likely to be challenged due to the economic impact from COVID-19, a flat yield curve and a weak trucking environment. Therefore, we sold our position to fund other investment opportunities. |

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Purchases

Small Cap Quality Value Portfolio Quarter Ending June 30, 2020



Kayne Anderson Rudnick
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| Purchases | Descriptions/Reasons |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ServiceMaster Global Holdings–Initiated Position | ServiceMaster Global Holdings offers residential and commercial termite and pest control, national accounts pest control services, restoration, commercial cleaning, residential cleaning, cabinet and furniture repair and home inspections. It operates through the following segments: Terminix, ServiceMaster Brands and Corporate. |
| Albany International–Increased Position | Albany’s Machine Clothing segment has remained fully operational during the ongoing COVID-19 pandemic (continuing to supply products including those critical in the production of materials used in essential health and hygiene applications) while the company’s Albany Engineered Composites operations have been disrupted along with those of aerospace industry peers. Importantly, Albany’s balance sheet remains strongly supported by the Machine Clothing segment’s solid free-cash-flow stream and the company’s liquidity has been further enhanced by recent borrowing actions. We believe that Albany’s long-term positioning in both segments remains intact. We used weakness in the stock to increase our position in the company. |
| UniFirst–Increased Position | Shares of UniFirst along with those of uniform rental industry peers suffered from rapid decline in volumes driven by customer closures and disruptions amid the COVID-19 pandemic. While the near-to-medium term outlook remains uncertain, we believe that UniFirst’s long-term positioning is intact and the company’s solid cash-rich balance sheet will allow it to withstand an extended period of disruption. We used weakness in the stock to increase our position in the company. |

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New Position

Small Cap Quality Value Portfolio
Quarter Ending June 30, 2020



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ServiceMaster Global Holdings (SERV)

- Terminix is the best known brand in termite control and number two in size in the U.S. pest and termite industry. Brand and reputation is important for both residential and commercial customers due to the mission-critical and time-sensitive need for success in removing potentially disease-carrying bugs and rats and in removing potentially building-value destroying termites. Due to its size, Terminix can get more return on investment in national marketing than local and regional competitors, providing it a customer-acquisition cost advantage.
- Route density provides local scale advantages to the pest and termite control businesses with the most customer stops in a region. More stops close together increases the number of stops technicians can do in a day, which reduces the number of facilities, vehicles and employees needed per job in that area. This gives denser players a structural cost advantage to less dense players. In addition, time spent by a technician driving does not generate revenue and technicians are paid a percentage of the revenue they generate. Therefore, improving route density also increases technician pay, satisfaction and retention.
- Pest and termite control is a very attractive industry, especially for the larger and better-known businesses. The business has qualities of capital-light high profitability, low-ticket-cost, highly non-discretionary demand and scale advantages that accrue to the largest players.

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Sales

Small Cap Quality Value Portfolio

Quarter Ending June 30, 2020



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| Sales | Reasons |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cass Information Systems—Sold Entire Position | We sold Cass Information Systems as we believe there are major hurdles for the company that will be hard to overcome, specifically issues related to interest rates at zero and low oil prices. With the stock holding up well in the market decline due to its debt-free balance sheet, we sold our position to help fund increases to existing portfolio positions. |
| Cinemark—Sold Entire Position | With most movie theaters closed globally, Cinemark has had no revenues during the past couple of months. It will be difficult for the company to match past profitability with social distancing leading to lower capacity, consumers' adoption of streaming services and movie studios producing fewer box office titles. |
| First Financial Bankshares—Trimmed Position | We trimmed our position in First Financial and utilized the proceeds to invest in another smaller market capitalization regional bank that has similar quality characteristics, but a better valuation. |
| Primerica—Trimmed Position | We trimmed our position in the stock after strong performance to help fund new purchases. |
| RBC Bearings—Trimmed Position | Since our position increase nearly five years ago, RBC Bearings has significantly outperformed the benchmark. We still believe that the business has unique qualities that will continue to allow it to generate high returns. The proceeds were utilized to increase positions of existing names in the portfolio. |
| SiteOne Landscape Supply—Trimmed Position | Since our increase in October 2018, SiteOne has significantly outperformed the benchmark and the overall equity market. We still believe that the company is on track over the long-term to sustain its current growth trajectory as well as continue to gain scale and leverage over smaller regional competitors. We trimmed our position due to the performance leading to an oversized weight. |
| Thor Industries—Trimmed Position | Thor and its peers have reported increasing interest and uptake in RV sales as consumers started to focus in on out-of-home getaways and vacation opportunities, particularly during the summer months. Accordingly, Thor's stock price has surged since the March lows. While we still believe that Thor is a terrific business as noted by its ability to stay profitable even with temporary factory shut downs, we trimmed our position due to the strong recent performance. |

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Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Small Cap Quality Value Portfolio – As of June 30, 2020



Kayne Anderson Rudnick
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| | KAR Small Cap Quality Value | Russell 2000® Value Index |
|------------------------------------------------|-----------------------------|---------------------------|
| Quality | | |
| Return on Equity—Past 5 Years | 21.8% | 8.4% |
| Total Debt/EBITDA | 3.1 x | 9.4 x |
| Earnings Variability—Past 10 Years | 34.3% | 70.6% |
| Growth | | |
| Earnings Per Share Growth—Past 5 Years | 9.6% | 6.3% |
| Earnings Per Share Growth—Past 10 Years | 8.6% | 6.6% |
| Dividend Per Share Growth—Past 5 Years | 11.9% | 6.4% |
| Dividend Per Share Growth—Past 10 Years | 8.9% | 7.2% |
| Capital Generation—{ROE x (1-Payout)} | 13.3% | 5.8% |
| Value | | |
| P/E Ratio—Trailing 12 Months | 30.0 x | 23.5 x |
| Dividend Yield | 1.5% | 2.3% |
| Free Cash Flow Yield† | 4.1% | 6.3% |
| Market Characteristics | | |
| \$ Weighted Average Market Cap—3-Year Average | \$3.6 B | \$2.0 B |
| Largest Market Cap—3-Year Average | \$10.8 B | \$6.8 B |
| Annualized Standard Deviation—Since Inception* | 19.2% | 21.3% |

In a market of average businesses, we seek to 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 seek to own companies producing self-funded strong, consistent growth sustainable into the future.

And we have historically been 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 March 31, 2020. Prices are as of June 30, 2020. Excludes financials.

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

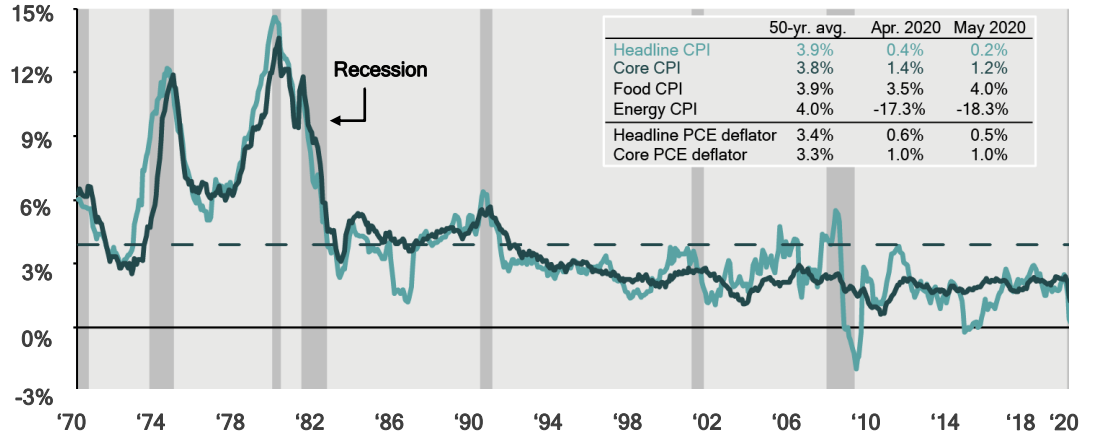
Estimates are based on certain assumptions and historical information. **Past performance is no guarantee of future results.**

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

- We believe U.S. 2020 growth will decline slightly with a major decline felt in Q2 2020. We expect there will be a slow, but steady recovery from here through year end 2021.
- Consumer behavior is more likely to change longer-term since the virus is still a threat.
- Corporate earnings are going to suffer significantly in the near future due to the shutdown. Visibility on earnings is very low and many companies have withdrawn guidance for the year.
- The yield curve is still fairly flat despite the Fed pushing short-term rates to effectively zero. The Fed may be on hold for an extended period. Low-to-no inflation has given the Fed even more room to lower rates.
- The strength of the consumer had been supporting the global economy, but unemployment has soared in the near-term hurting confidence. Fiscal policy is attempting to bridge the gap between the shutdown and resumption of normal activity.
- Volatility is likely to decline from here as the health crisis peaks out globally and business conditions slowly return to normal, assuming no major second wave of infections globally.
- Innovation and disruption is continuing at a breathtaking pace in the U.S. in a variety of industries, creating clear winners and losers in many industries. Stock picking is key particularly in this environment.

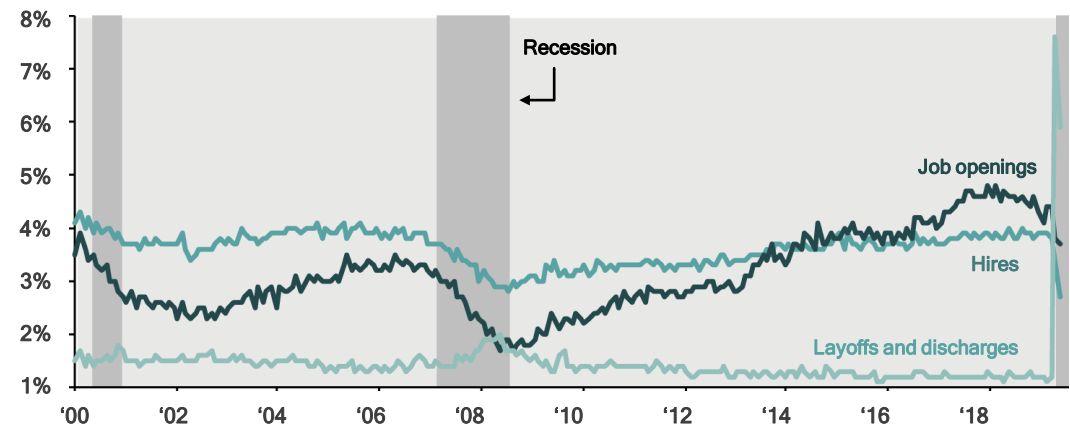
CPI and Core CPI

% Change vs. Prior Year, Seasonally Adjusted



Hires, Job Openings and Layoffs and Discharges

Share of Total Nonfarm Employment, Seasonally Adjusted, Percent



Data as of June 30, 2020.

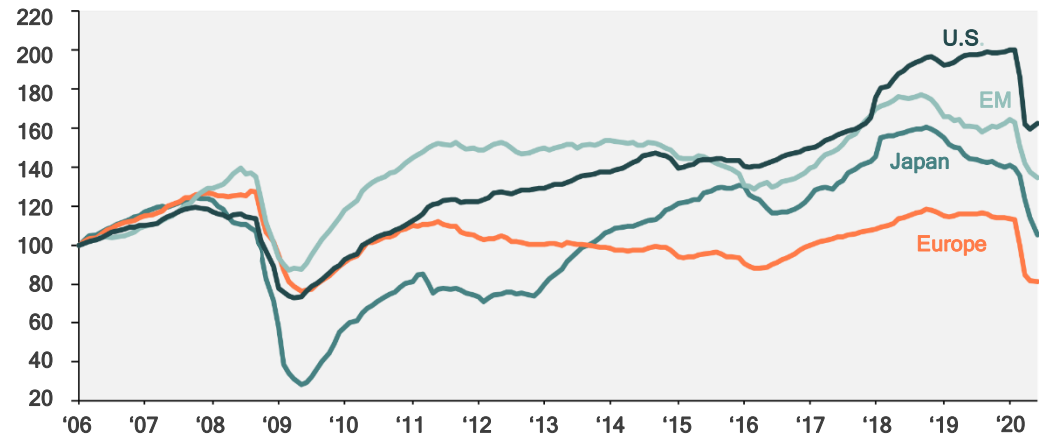
Data is obtained from BLS, FactSet, Bureau of Labor Statistics and J.P. Morgan Asset Management and is assumed to be reliable. CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed weight basket used in CPI calculations. **Past performance is no guarantee of future results.**

Global growth prospects were already weak before the health crisis. The global economy has not escaped a recession either.

- Europe and emerging market economies weakened in early 2019 due to trade disputes with China. COVID-19 has weakened these markets further in 2020. Recession has set in.
- Despite the negative impact to emerging markets and international growth rates due to the trade disputes and COVID-19, Asia has done an excellent job of containing the virus and is already starting to see improving business conditions in China.
- Global inflation expectations are still very benign and this gives central banks the opportunity to keep low short-term rates for an extended timeframe. Global competition, oil prices and modest wage growth are the key drivers behind this longer-term. Global deflation is still the principal threat to developed nations.

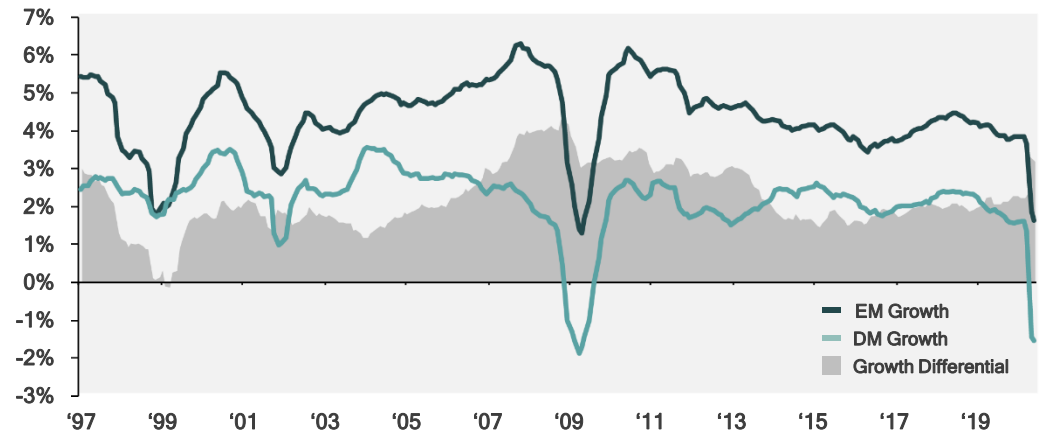
Global Earnings

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



Emerging Markets vs. Developed Markets Growth

Monthly, Consensus Expectations for GDP Growth in 12 Months



Data as of June 30, 2020.

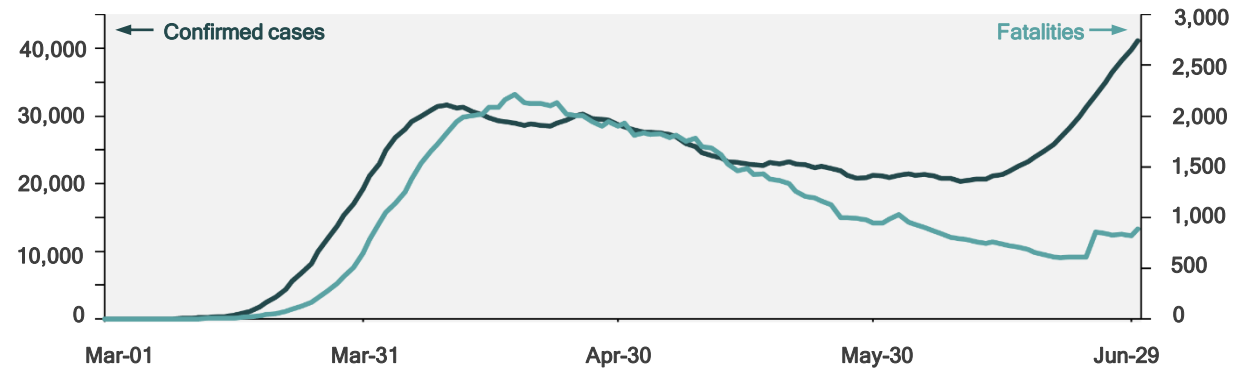
Data is obtained from Consensus Economics, FactSet, MSCI, Standard & Poor's, Thomson Reuters and J.P. Morgan Asset Management and is assumed to be reliable.

The Global Earnings chart uses MSCI indices for all regions/countries, except for the U.S., which is the S&P 500. All indices use IBES aggregate earnings estimates. MSCI Europe includes the eurozone as well as countries not in the currency bloc, such as Norway, Sweden, Switzerland and the UK (which collectively make up 45% of the overall index). "Growth differential" is consensus estimates for EM growth in the next 12 months minus consensus estimates for DM growth in the next 12 months, provided by Consensus Economics.. **Past performance is no guarantee of future results.**

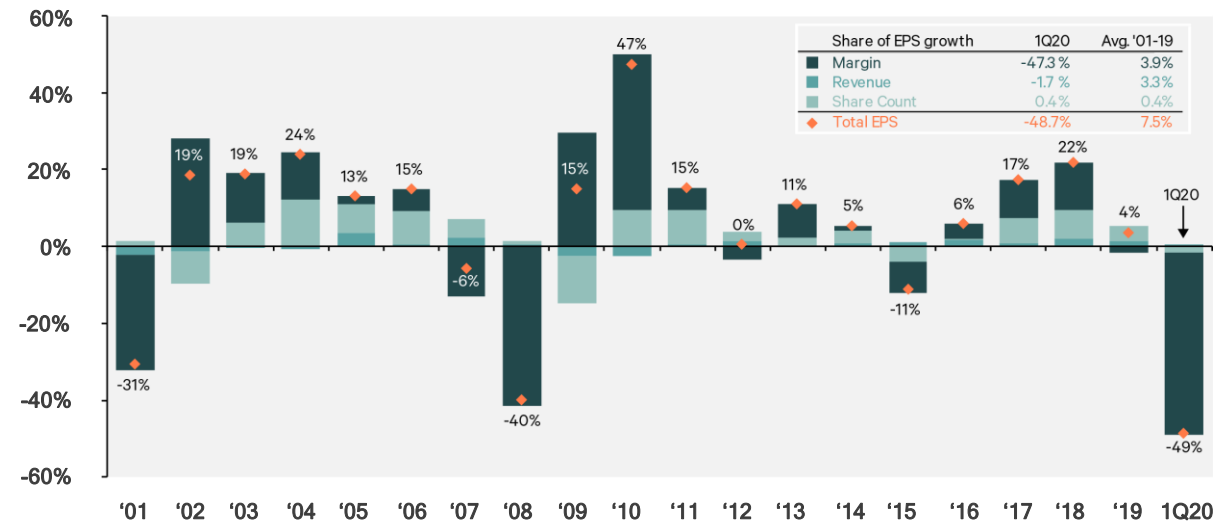
We continue to believe that the risk/reward ratio for equities over the long-term is favorable on an absolute basis and particularly relative to fixed income.

- Business is improving as states reopen, but we are a long way from normal activity. A second wave of infections is threatening reopening plans already. It will take time to fully restore consumer confidence.
- Equity valuations remain reasonable by historic measures on absolute levels, but particularly relative to interest rates.
- Foreign markets should recover gradually, particularly China and Asia since the health crisis is fading there. Europe has also been relatively successful at containing the virus.
- Cash is king right now and investors are solidly focused on debt and balance sheets during this health crisis. Many buybacks have been suspended.
- Corporate profit margins will contract dramatically near-term due to declining revenue and still significant employee costs.
- We believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets.
- We believe that the outlook for the equity markets continues to be favorable going forward. Volatility will likely decline and we believe the longer term outlook is still favorable.

Change in Confirmed Cases and Fatalities in the U.S.
7-Day Moving Average



S&P 500 Year-Over-Year Operating EPS Growth
Annual Growth Broken into Revenue, Changes in Profit Margin & Changes in Share Count



Data as of June 30, 2020.

Data is obtained from Compustat, FactSet, Johns Hopkins CSSE, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. EPS levels are based on annual operating earnings per share. Percentages may not sum due to rounding. **Past performance is no guarantee of future results.**

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

Sector Weights

Small Cap Quality Value Portfolio

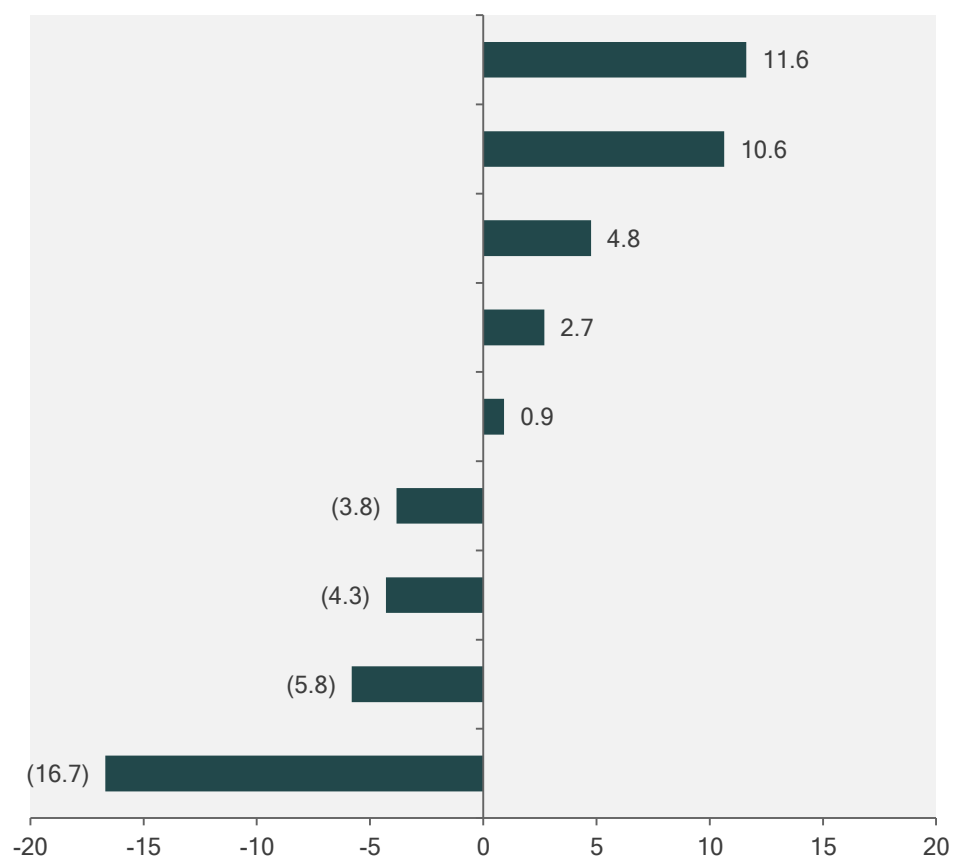
As of June 30, 2020



Kayne Anderson Rudnick
Investment Management

| Sectors | KAR Small Cap Quality Value (%) | Russell 2000® Value Index (%) |
|------------------------|---------------------------------|-------------------------------|
| Materials & Processing | 19.1 | 7.5 |
| Producer Durables | 25.2 | 14.6 |
| Consumer Staples | 8.0 | 3.2 |
| Consumer Discretionary | 16.0 | 13.3 |
| Technology | 6.9 | 6.0 |
| Health Care | 2.2 | 6.0 |
| Energy | — | 4.3 |
| Utilities | — | 5.8 |
| Financial Services | 22.7 | 39.4 |

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 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 June 30, 2020



Kayne Anderson Rudnick
Investment Management

| Top 10 Holdings | Russell Sector | % of Portfolio |
|--------------------------|------------------------|----------------|
| Scotts Miracle-Gro | Materials & Processing | 8.0 |
| CoreLogic | Producer Durables | 5.5 |
| SiteOne Landscape Supply | Consumer Discretionary | 5.4 |
| Brooks Automation | Technology | 5.2 |
| Thor Industries | Consumer Discretionary | 4.8 |
| MGM Growth Properties | Financial Services | 4.8 |
| National Beverage | Consumer Staples | 4.6 |
| Watsco | Materials & Processing | 4.3 |
| Houlihan Lokey | Financial Services | 4.3 |
| RBC Bearings | Materials & Processing | 4.1 |
| Total | | 50.9 |

Research confidence leads to large active weights

| | KAR Small Cap Quality Value | Russell 2000® Value Index |
|--------------------------------|-----------------------------|---------------------------|
| # of Holdings | 30 | 1,439 |
| Average Position Size (%) | 3.3 | 0.1 |
| Weight of Top Ten Holdings (%) | 50.9 | 4.4 |
| Active Share (%) | 99.3 | — |

The strategy benefits from diversification while still taking significant active positions

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Strong Risk-Adjusted Returns

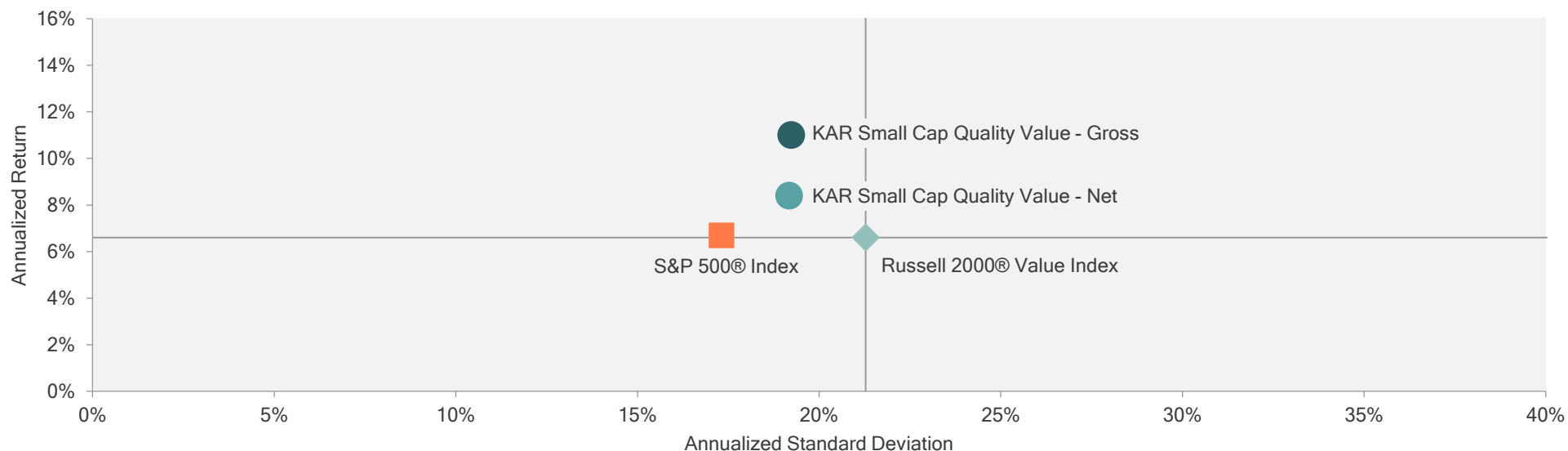
Small Cap Quality Value Portfolio
Inception* to June 30, 2020



Kayne Anderson Rudnick
Investment Management

Meaningful Excess Return with Lower Volatility

Annualized Since Inception*



Strong Risk-Adjusted Performance Metrics

Annualized Since Inception*

| | Alpha | Sharpe Ratio | Standard Deviation | Semi-Standard Deviation | Beta | Tracking Error |
|-----------------------------|-------|--------------|--------------------|-------------------------|------|----------------|
| KAR Small Cap Quality Value | 4.92 | 0.48 | 19.23 | 13.97 | 0.82 | 9.12 |
| Russell 2000® Value Index | 0.00 | 0.22 | 21.28 | 16.58 | 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 6/30/20 | Gross (%) | Net (%) | Index (%) | Excess Return (bps) |
|------------------------|-----------|---------|-----------|---------------------|
| Second Quarter | 28.57 | 27.69 | 18.91 | 967 |
| Year to Date | 0.14 | (1.36) | (23.50) | 2363 |
| 1 Year | 9.46 | 6.24 | (17.48) | 2694 |
| 3 Years | 6.61 | 3.47 | (4.35) | 1096 |
| 5 Years | 9.94 | 6.87 | 1.26 | 868 |
| 7 Years | 11.19 | 8.46 | 3.98 | 720 |
| 10 Years | 12.93 | 10.42 | 7.82 | 511 |
| Since Inception* | 10.97 | 8.40 | 6.35 | 462 |

Calendar Year Performance

| Periods Ending 12/31 | Gross (%) | Net (%) | Index (%) | Excess Return (bps) |
|----------------------|-----------|---------|-----------|---------------------|
| 2019 | 25.09 | 21.45 | 22.39 | 270 |
| 2018 | (14.14) | (16.72) | (12.86) | (128) |
| 2017 | 20.66 | 17.14 | 7.84 | 1282 |
| 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. **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 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, 2018.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Small Cap Quality Value Wrap Composite has been examined for the period from January 1, 1999 through December 31, 2018. The verification and performance examination reports are available upon request.

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

The composite includes all fully discretionary Small Cap 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 (%) | | | 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 |
|----------------------------------------|-----------|-----------|---------------------------------|--------------------------------------|----------------------------------------|----------------------|-------------------------------|-----------------------|---------------------------------------------|---------------------|
| December 31 | Composite | Benchmark | | | | | | | | |
| 2012 | 16.04 | 20.17 | 4,010 | 531 | 100% | 34 | 27.82 | 25.92 | 20.58 | 0.55 |
| 2013 | 14.24 | 16.05 | 4,729 | 651 | 100% | 38 | 24.75 | 22.81 | 24.50 | 0.75 |
| 2014 | 12.88 | 12.98 | 5,232 | 478 | 100% | 36 | 6.73 | 4.58 | (5.50) | 0.33 |
| 2015 | 13.64 | 13.65 | 6,545 | 622 | 100% | 31 | 10.01 | 8.32 | 18.05 | 0.43 |
| 2016 | 14.09 | 15.72 | 7,841 | 637 | 100% | 27 | 40.00 | 37.83 | 34.52 | 0.42 |
| 2017 | 12.17 | 14.17 | 7,989 | 648 | 100% | 26 | 2.51 | 0.85 | 4.22 | 0.43 |
| 2018 | 14.39 | 15.98 | 8,095 | 624 | 100% | 24 | (0.27) | (1.80) | (7.47) | 0.32 |
| | | | 9,989 | 641 | 100% | 26 | 26.17 | 22.50 | 31.74 | 0.55 |
| | | | 14,609 | 803 | 100% | 28 | 20.66 | 17.14 | 7.84 | 0.22 |
| | | | 17,840 | 644 | 100% | 30 | (14.14) | (16.72) | (12.86) | 0.19 |

*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.