Kayne Anderson Rudnick
Investment Management

Small-Mid Cap Core Portfolio
Managed Accounts
First Quarter 2018 Review

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Firm Overview

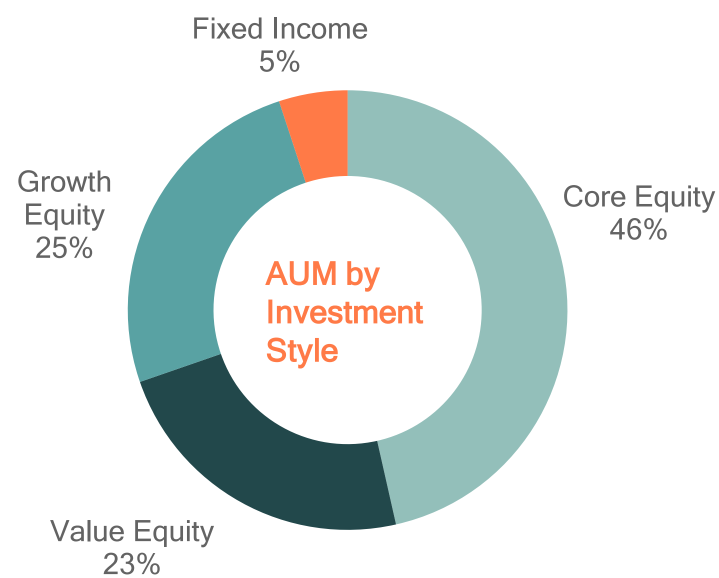
As of March 31, 2018

Kayne Anderson Rudnick
Investment Management

Profile

- Originally established to manage founder capital
- Specialization in small and mid 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	$20.4 billion
Number of Investment Professionals	13
Average Investment Experience	18 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 2500™ Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics

Tenets of Quality

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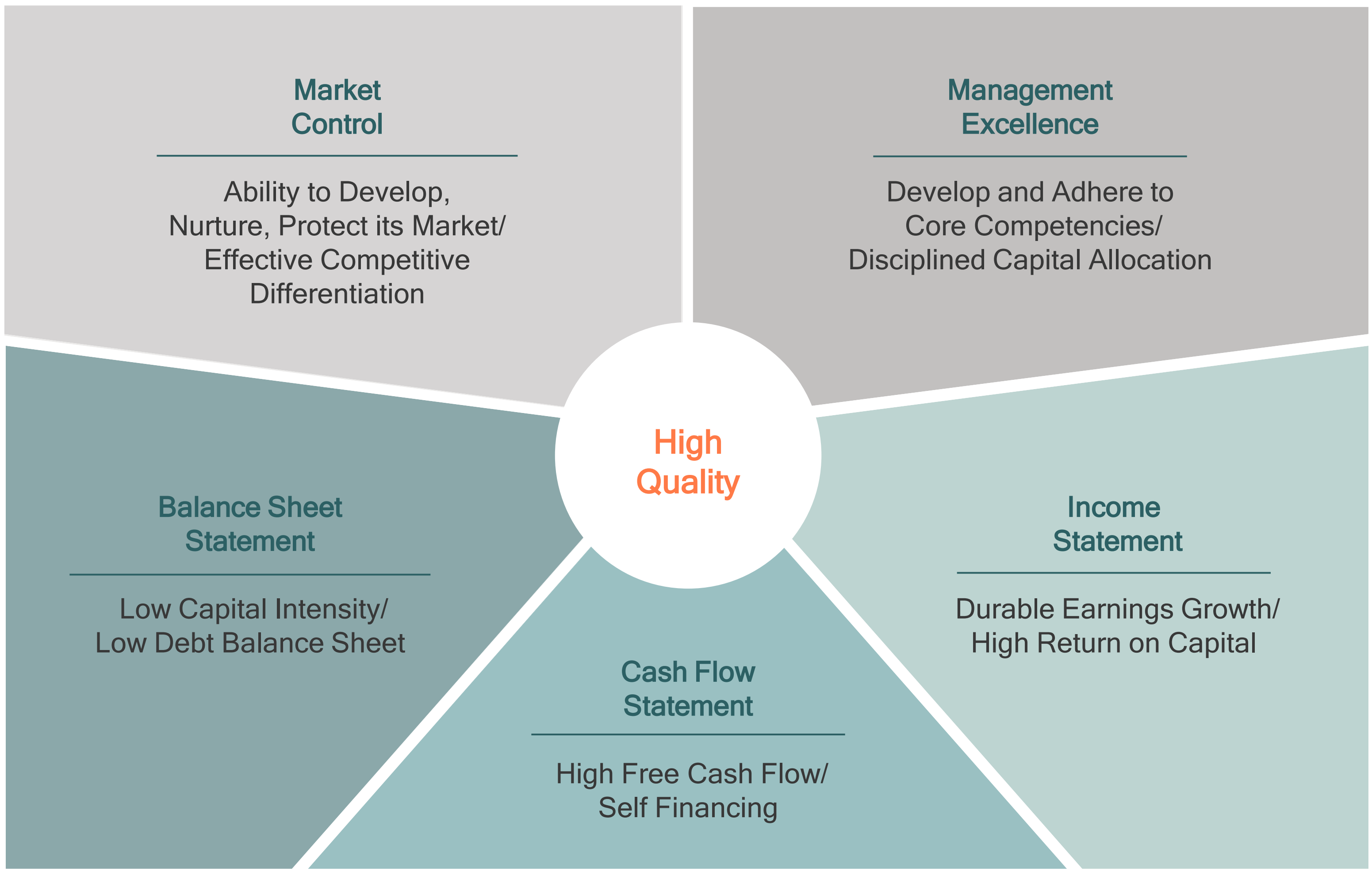

Small-Mid Cap Core Team

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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	32 Years	7 Years
Jon Christensen, CFA	Portfolio Manager & Senior Research Analyst Sector Coverage: Health Care	23 Years	17 Years
Julie Kutasov	Portfolio Manager & Senior Research Analyst Sector Coverage: Energy and Financials	17 Years	17 Years
Craig Stone	Portfolio Manager & Senior Research Analyst Sector Coverage: Producer Durables	29 Years	18 Years
Todd Beiley, CFA	Senior Research Analyst Sector Coverage: Financials and Producer Durables	19 Years	16 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Consumer Discretionary, Consumer Staples, and Financials	8 Years	6 Years
Julie Biel, CFA	Research Analyst Sector Coverage: Technology and Consumer Discretionary	10 Years	5 Years
Jordan Greenhouse	Portfolio Specialist	21 Years*	2 Years

**Represents years of industry experience.*

Market Review

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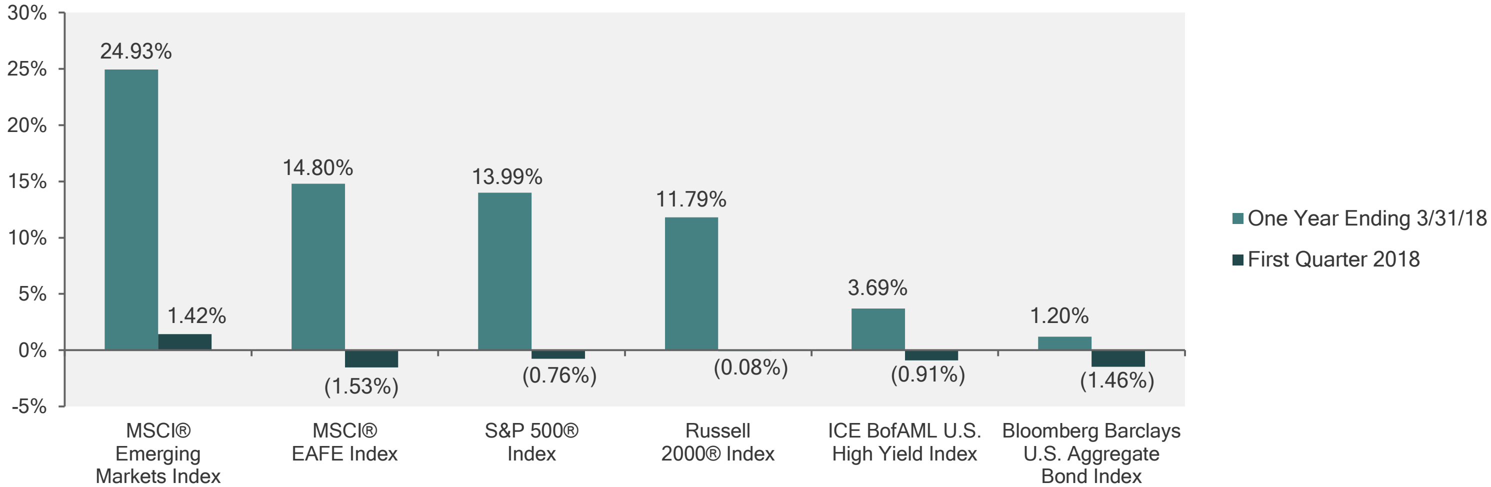
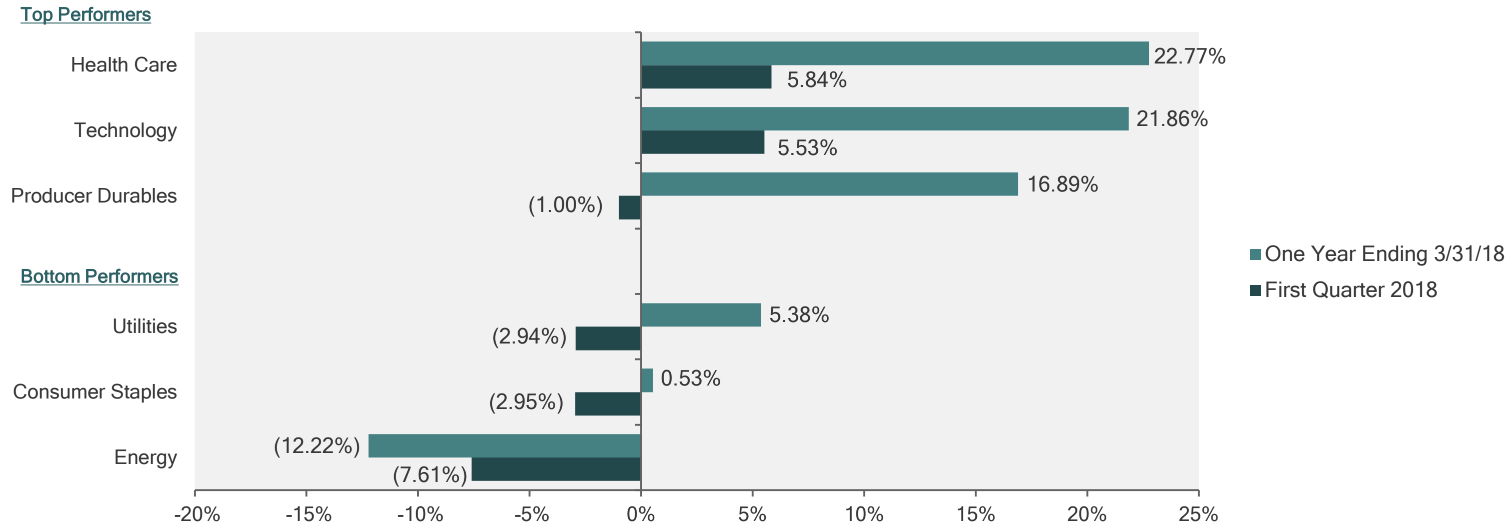
Index Performance



Sector Performance

Russell 2500™ 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 Yield

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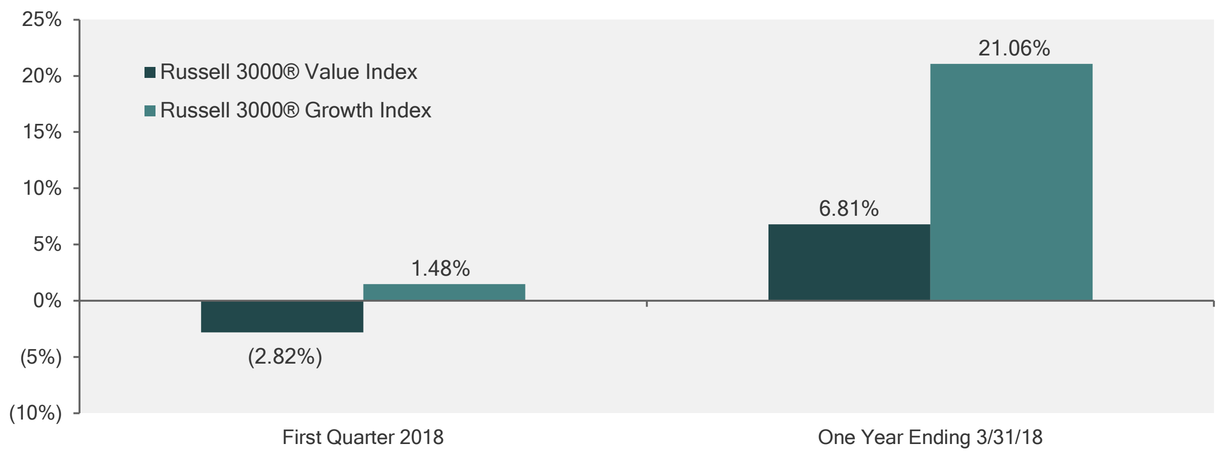
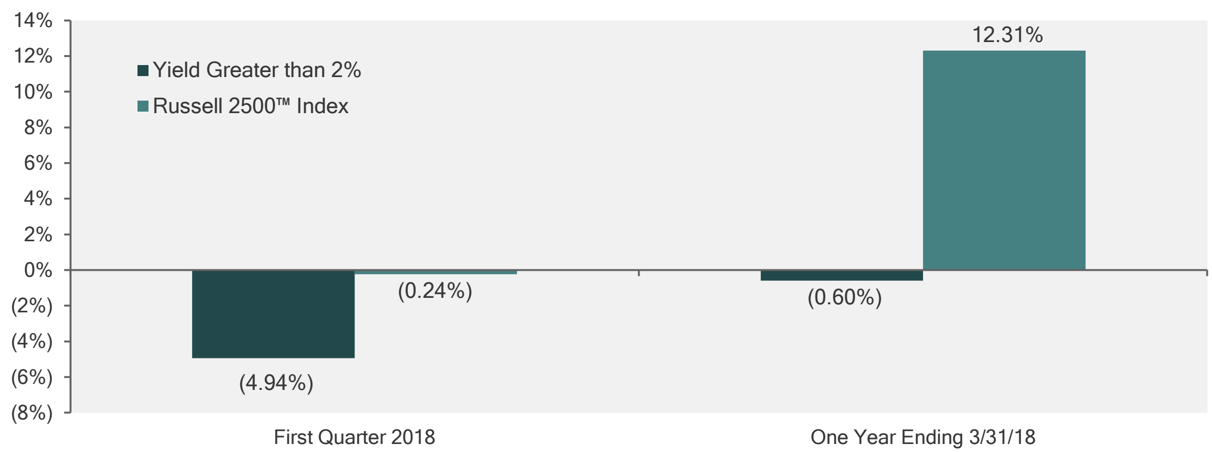
Performance by Style
Russell 3000® Value Index vs. Russell 3000® Growth Index



Performance by Yield
Underperformance of Bond Proxies



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Quarterly Performance Overview

Small-Mid Cap Core Portfolio
Periods Ending March 31, 2018

Kayne Anderson Rudnick Investment Management

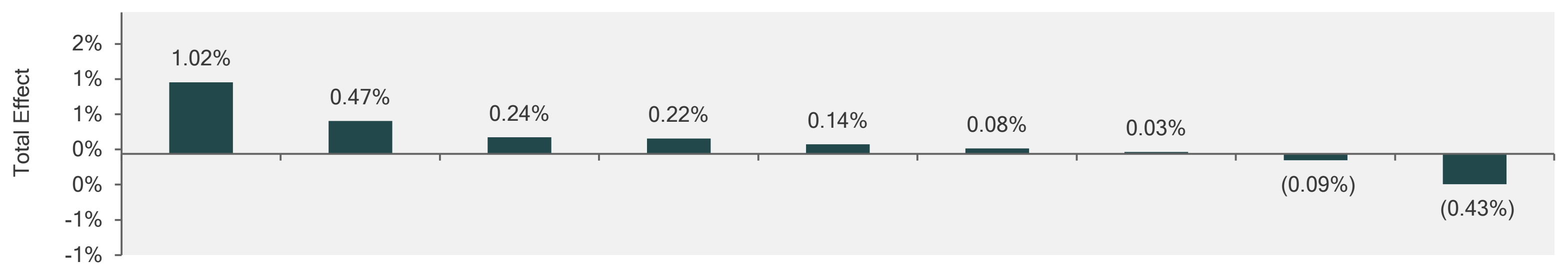
Monthly and Quarterly Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
January	4.66	4.41	3.05	161
February	(4.09)	(4.34)	(4.11)	2
March	0.88	0.63	0.96	(8)
First Quarter	1.26	0.50	(0.24)	150

Contributors

Highest	Contribution
Aspen Technology	+0.77%
MSCI	+0.65%
Copart	+0.44%
Lowest	**Contribution**
Manhattan Associates	(0.62%)
Snap-on	(0.61%)
Nordson	(0.29%)

Attribution by Sector
Quarter Ending March 31, 2018



	Financial Services	Consumer Discretionary	Materials & Processing	Energy	Utilities	Consumer Staples	Health Care	Technology	Producer Durables	Total Effect
Russell 2500™ Returns	(0.79%)	(1.62%)	(5.42%)	(7.61%)	(2.94%)	(2.95%)	5.84%	5.53%	(1.00%)	(0.24%)
KAR Returns	3.61%	2.13%	(2.01%)	(2.59%)	0.00%	0.00%	8.13%	3.58%	(3.02%)	1.26%
KAR Selection Effect	0.98%	0.45%	0.35%	0.34%	0.00%	0.00%	0.25%	(0.39%)	(0.41%)	1.56%
KAR Allocation Effect	0.04%	0.03%	(0.11%)	(0.12%)	0.14%	0.08%	(0.22%)	0.29%	(0.02%)	0.11%

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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-Mid Cap Core Portfolio
Periods Ending March 31, 2018

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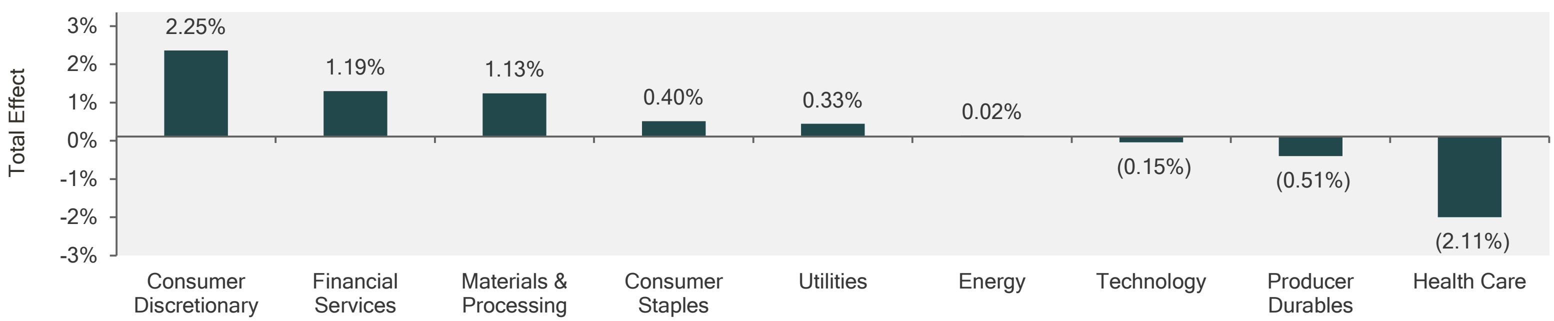
Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
Second Quarter 2017	0.68	(0.07)	2.13	(146)
Third Quarter 2017	2.91	2.14	4.74	(183)
Fourth Quarter 2017	8.28	7.49	5.24	304
First Quarter 2018	1.26	0.50	(0.24)	150
1 Year Ending 3/31/18	13.60	10.27	12.31	128

Attribution by Sector
One Year Ending March 31, 2018



	Consumer Discretionary	Financial Services	Materials & Processing	Consumer Staples	Utilities	Energy	Technology	Producer Durables	Health Care	Total Effect
Russell 2500™ Returns	12.89%	8.24%	9.16%	0.53%	5.38%	(12.22%)	21.86%	16.89%	22.77%	12.31%
KAR Returns	32.57%	14.71%	21.38%	0.26%	0.00%	(9.98%)	18.71%	12.19%	3.20%	13.60%
KAR Selection Effect	2.15%	1.03%	1.19%	0.13%	0.00%	0.23%	(0.62%)	(0.83%)	(1.91%)	1.38%
KAR Allocation Effect	0.09%	0.16%	(0.06%)	0.27%	0.33%	(0.21%)	0.47%	0.32%	(0.21%)	1.21%

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Highest Contributors

Small-Mid Cap Core Portfolio
One Year Ending March 31, 2018

Kayne Anderson Rudnick
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Security	Contribution	Comments
Wynn Resorts	+2.24%	Wynn shares have outperformed as Macau traffic that had been in a precipitous decline in 2015 and 2016 has now seen stabilization. With several large infrastructure projects and adjacent property builds currently going on, we believe that this provides a longer-term path for further traffic increases into the Macau region. Despite recent management issues, which we believe are on the path to being resolved, the core business continues to perform well.
MSCI	+1.75%	MSCI continued to benefit from its leading position in the rapidly expanding exchange-traded fund segment and an improved growth and profitability profile. Importantly, MSCI remains a strong free-cash-flow generator, returning excess capital to shareholders in the form of regular cash dividends and share repurchases.
RBC Bearings	+1.64%	RBC shares outperformed over the past year as the company continues to benefit from an influx of commercial aircraft deliveries, improving industrial end markets and margin expansion. We remain optimistic regarding RBC's competitive position in aerospace and defense and the long-term outlook for the business.

Lowest Contributors

Small-Mid Cap Core Portfolio
One Year Ending March 31, 2018

Kayne Anderson Rudnick
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Security	Contribution	Comments
Manhattan Associates	(0.76%)	Manhattan's retail customers continue to struggle with their core business, making it hard to justify investments in Manhattan's supply chain software. Additionally, the company is transitioning to a cloud software model, whereby it will recognize revenue ratably but costs as incurred. This makes it harder for investors to ascertain Manhattan's progress with its new cloud offering. Following our call with the CFO, we believe the company still has the strongest offering in the market but that customers under duress may not be willing to pay for that premium offering. We will continue to monitor this position closely.
Cotiviti Holdings	(0.59%)	Cotiviti saw its shares underperform despite posting solid financial results. The company did project weaker-than-expected revenue guidance due to timing issues with some clients, as their implementation and revenue recognition had taken longer than expected. We view these issues as transitory and not indicative of any structural competitive issue.
Equifax *(Sold Q3 2017)*	(0.56%)	Equifax shares declined sharply after its disclosure on Sept. 7, 2017, of a massive cybersecurity breach. We were disappointed not just by the vast scale of the breach but also by its duration, as well as a disclosure lag of over a month. These were particularly concerning, considering the importance of the credit bureau's reputation as a trusted consumer data repository. Even assuming the best-case scenario of a "contained" outcome, it was clear that the company would remain under significant pressure in the near-to medium term, affected by additional investment in data security infrastructure, potential litigation liability, increased regulatory oversight, and negative media coverage. With these considerations in mind we exited our position in Equifax on Sept. 8.

Purchases
Small-Mid Cap Core Portfolio
Quarter Ending March 31, 2018

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Purchases	Descriptions/Reasons
AMN Healthcare Services–Initiated Position	Founded in 1985, AMN Healthcare Services Inc. (AMN) provides health care workforce solutions and staffing services in the U.S. The company operates through three segments: Nurse and Allied Solutions, Locum Tenens Solutions, and Other Workforce Solutions.
Scotts Miracle-Gro–Initiated Position	Scotts Miracle-Gro manufactures and sells lawn and garden products. These products consist of four main brands: Scotts (lawn care), MiracleGro (soil and plant food), Ortho (insect and weed killer) and Roundup (weed and crab-grass killer). In addition to the primary brands above, Scotts has multiple secondary, mid-tier brands, and the company is building out its organic and hydroponic gardening offerings. Scotts has 8,000 employees and is headquartered in Marysville, Ohio.
Cotiviti Holdings–Increased Position	We are taking up our weighting in Cotiviti slightly, driven by the recent underperformance in the shares versus the benchmark and our continued confidence in the business.

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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.

AMN Healthcare Services (AMN)

- AMN is an established leader in the $16 billion health care staffing services market that provides clients with access to a vast network of talented professionals. Demand for these positions is being driven by the aging population, an increased shortage of clinicians and physicians, increased access to health care services, and emergence of new clinical roles.

- AMN's Workforce Solutions allows customers to leverage their cost structure and improve operational efficiencies. Labor usually accounts for about half of hospital budgets, and these solutions can help improve those metrics over time. AMN's organic and bolt-on M&A strategy should allow them to further differentiate versus peers.

- AMN operational effectiveness and strategic growth vision have positioned the company to gain share in the massive, highly fragmented health care staffing market. We believe the company's evolution from a traditional staffing business to a health care workforce solutions leader should drive long-term value creation for their clients and shareholders.

Scotts Miracle-Gro (SMG)

- Scotts has established four superior brands in the lawn and garden industry. Brand is important to many consumers as most only make one soil- or weed-related purchase each year. At a relatively low price point of about $15, consumers are willing to pay a little more for a superior brand that will work the first time. All four of Scotts' lines have brand-awareness scores greater than 80%. This pervasive strength translates into pricing power.

- Scotts enjoys multiple scale advantages. One key benefit is the size of the company's advertising budget. Scotts spends approximately 5% of sales ($146 million) annually on marketing, as compared to only $35 million for rival Spectrum Brands. Additionally, Scotts' three largest customers are Home Depot, Lowe’s and Wal-Mart. To effectively supply these customers, Scotts transformed its operations to integrate supply chains, electronic systems and infrastructure. Smaller competitors don’t have the capabilities to supply Home Depot or Lowe’s.

Sales

Small-Mid Cap Core Portfolio
Quarter Ending March 31, 2018

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Sales	Reasons
RBC Bearings–Trimmed Position	Since our last increase over 3 years ago, the RBC shares have vastly outperformed the Russell 2500 Index. The company's industrial segment has been performing well as energy end markets and semiconductors sales have improved. While the company is well positioned for growth, we believe current valuations reflect this scenario. We took the opportunity to trim our weight and redeploy the funds to a new name for the portfolio.
Wynn Resorts–Trimmed Position	Since our in Wynn over a year and a half ago, Wynn shares have handsomely outperformed the Russell 2500 Index. The recent allegations of sexual misconduct against Chairman and CEO Steve Wynn have created many new and unique uncertainties regarding the direction of the company. The uncertainty comes as new developments in Macau, Boston, and Las Vegas are in the pipeline over the next several years. We believe this weakness in the stock has nothing to do with the structural strength of the business, and we are confident that Wynn has a solid bench behind him running the operations. But given the difficulty of assessing how the uncertainties will play out, we trimmed our weight in this position.

Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Small-Mid Cap Core Portfolio – As of March 31, 2018

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	KAR Small-Mid Cap Core	Russell 2500™ Index
Quality		
Return on Equity–Past 5 Years	22.0%	12.3%
Total Debt/EBITDA	2.2 x	4.8 x
Earnings Variability–Past 10 Years	40.0%	70.9%
Growth		
Earnings Per Share Growth–Past 5 Years	13.4%	9.8%
Earnings Per Share Growth–Past 10 Years	15.4%	8.8%
Capital Generation–{ROE x (1-Payout)}	17.4%	9.1%
Value		
P/E Ratio–Trailing 12 Months	25.5 x	30.2 x
Dividend Yield	0.7%	1.5%
Free Cash Flow Yield†	3.8%	2.5%
Market Characteristics		
$ Weighted Average Market Cap–3-Year Average	$7.2 B	$4.4 B
Largest Market Cap–3-Year Average	$19.4 B	$14.5 B
Annualized Standard Deviation–Since Inception*	14.7%	18.4%

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.

*April 1, 1992

†Free cash flow data is as of December 31, 2017. Prices are as of March 31, 2018. 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.

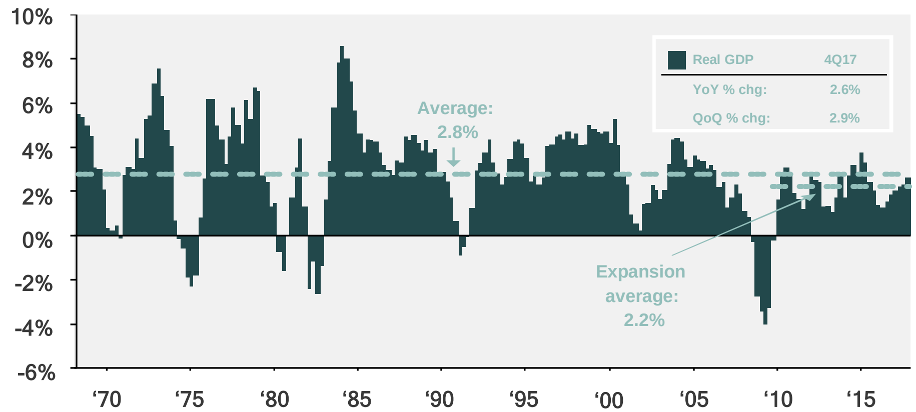
Market Outlook
U.S. Economy

Kayne Anderson Rudnick Investment Management

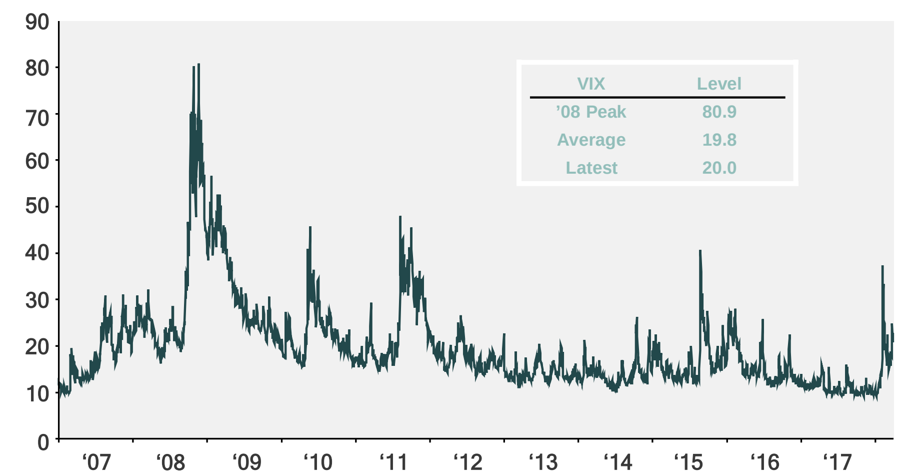
The U.S. economy should accelerate modestly. International economies have finally started to accelerate, improving the outlook for global economic growth rates.

- 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.
- Stock market volatility will likely increase from very low levels in 2017.
- 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 should pick up given the 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.
- Despite the back up in Q1 yields, mortgage rates have continued to stay fairly low by historical standards, which has helped real estate markets continue to recover.

Real GDP
Year-over-year % change



CBOE Market Volatility Index (VIX)
Index Level



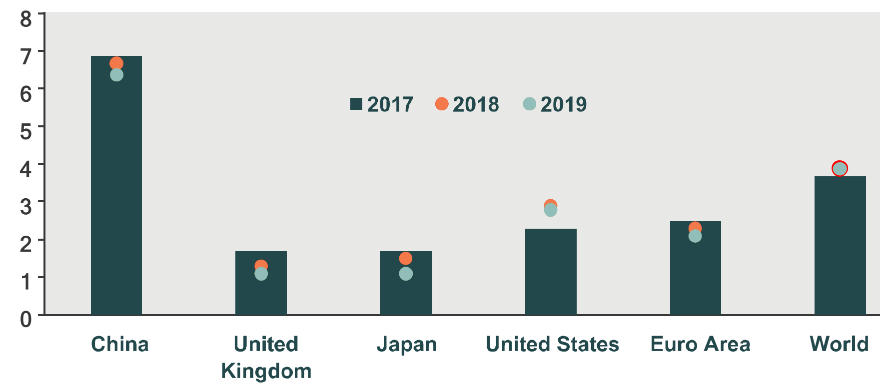
Data as of March 31, 2018.

Quarter-over-quarter percent changes are at an annualized rate. Average represents the annualized growth rate for the full period. Expansion average refers to the period starting in the third quarter of 2009. Stock market returns are based on calendar year peak to trough declines experienced during VIX spike. Average is based on the period shown from 12/31/2006-3/31/2018. Data is obtained from FactSet Research Systems, J.P. Morgan Asset Management, BEA and CBOE and is assumed to be reliable. Past performance is no guarantee of future results.

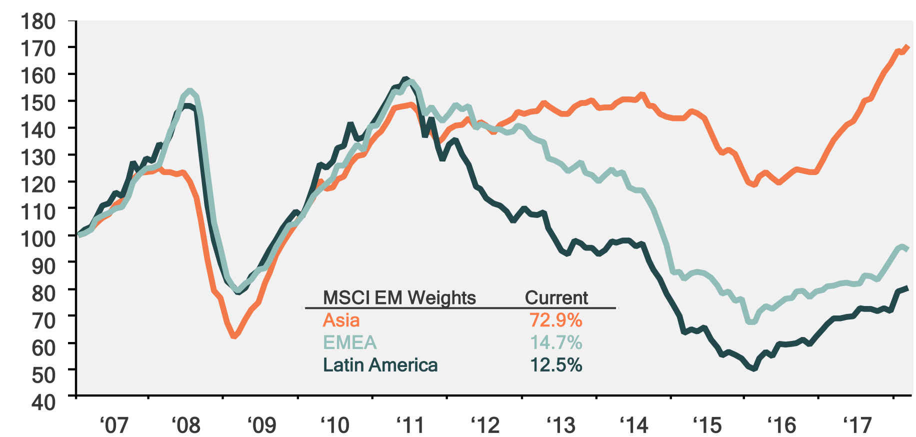
Global growth prospects are solid through year end, providing support for risk-based assets globally.

- We don't believe a global trade war will occur. Negotiations will take time with China, but a trade war is in no country's interest.
- At a 2.7% 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.

OECD Economic Projections
Annual GDP Growth



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



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Market Outlook

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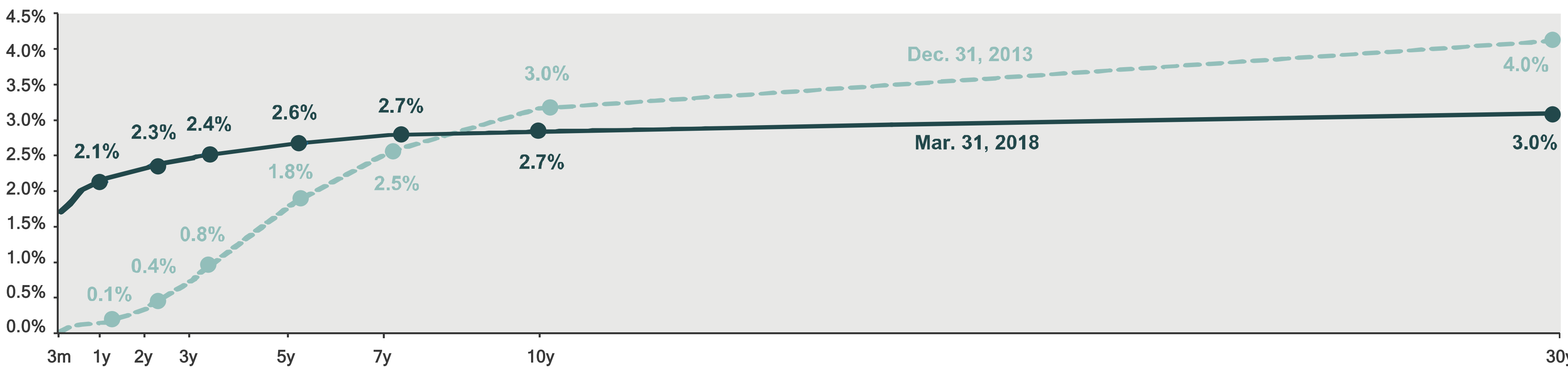
Investment Management

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.
- Does government over-regulate the technology industry?

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

Yield Curve
U.S. Treasury Yield Curve



Data as of March 31, 2018.

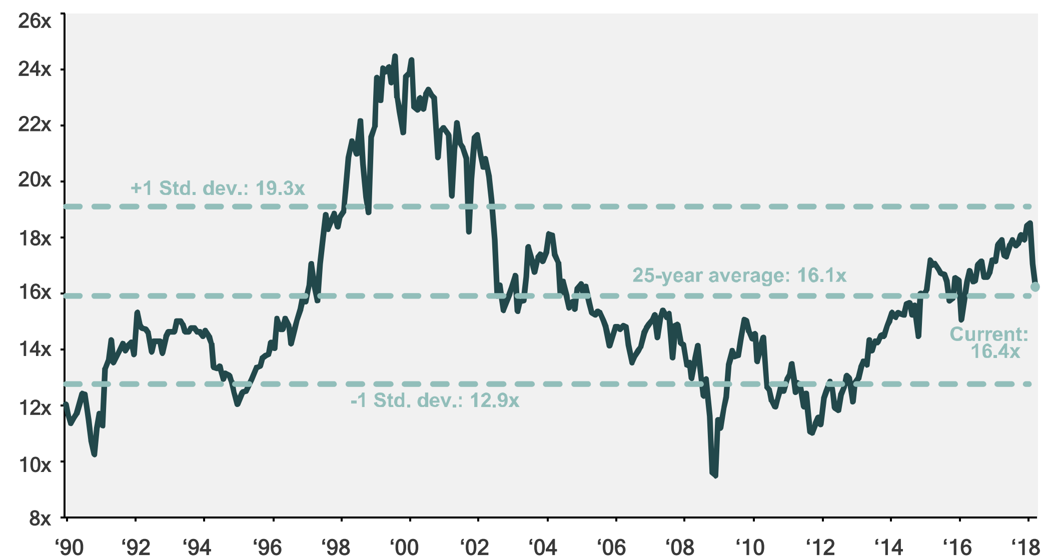
Brent crude prices are monthly averages in USD using global spot ICE prices. Data is obtained from FactSet Research Systems, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Past performance is no guarantee of future results.

Market Outlook

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 will likely pick up, but we believe the longer term outlook is still favorable.

S&P 500® Index: Forward P/E Ratio



Data as of March 31, 2018.

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 March 31, 2018. Average P/E and standard deviations are calculated using 25 years of FactSet history. 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-Mid Cap Core Portfolio
As of March 31, 2018

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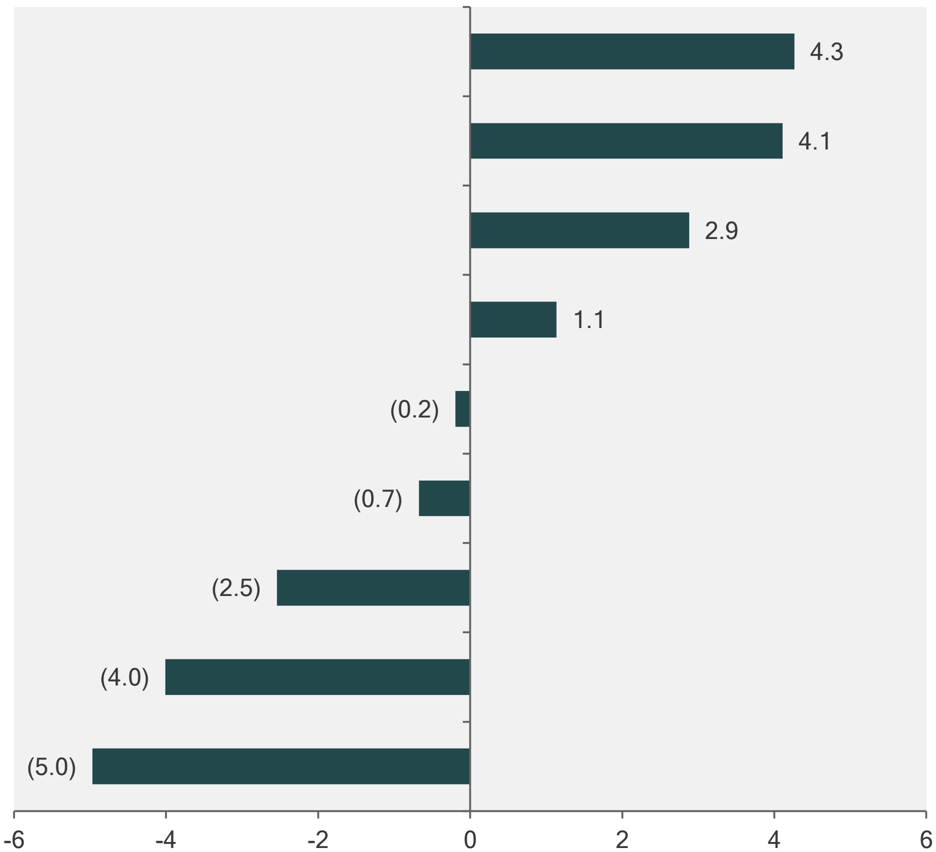
Sectors	KAR Small-Mid Cap Core (%)	Russell 2500™ Index (%)
Producer Durables	19.8	15.5
Technology	17.6	13.4
Materials & Processing	10.5	7.7
Energy	5.5	4.4
Health Care	11.6	11.8
Consumer Discretionary	12.9	13.6
Consumer Staples	–	2.5
Utilities	–	4.0
Financial Services	22.1	27.1

Underweight/Overweight (%)



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Conviction-Driven Investing Provides Opportunities for Excess Return

Small-Mid Cap Core Portfolio
As of March 31, 2018

Kayne Anderson Rudnick
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Top 10 Holdings	Russell Sector	% of Portfolio
Aspen Technology	Technology	4.8
RBC Bearings	Materials & Processing	4.7
CDW	Technology	4.4
Nordson	Producer Durables	4.4
Signature Bank	Financial Services	4.3
MSCI	Financial Services	4.2
Cooper Companies	Health Care	4.2
WABCO Holdings	Consumer Discretionary	4.1
Lennox International	Materials & Processing	3.9
Primerica	Financial Services	3.8
Total		**42.7**

Research confidence leads to large active weights

	KAR Small -Mid Cap Core	Russell 2500™ Index
# of Holdings	29	2,470
Average Position Size (%)	3.4	0.04
Weight of Top Ten Holdings (%)	42.7	3.0
Active Share (%)	96.4	–

The strategy benefits from diversification while still taking significant active positions

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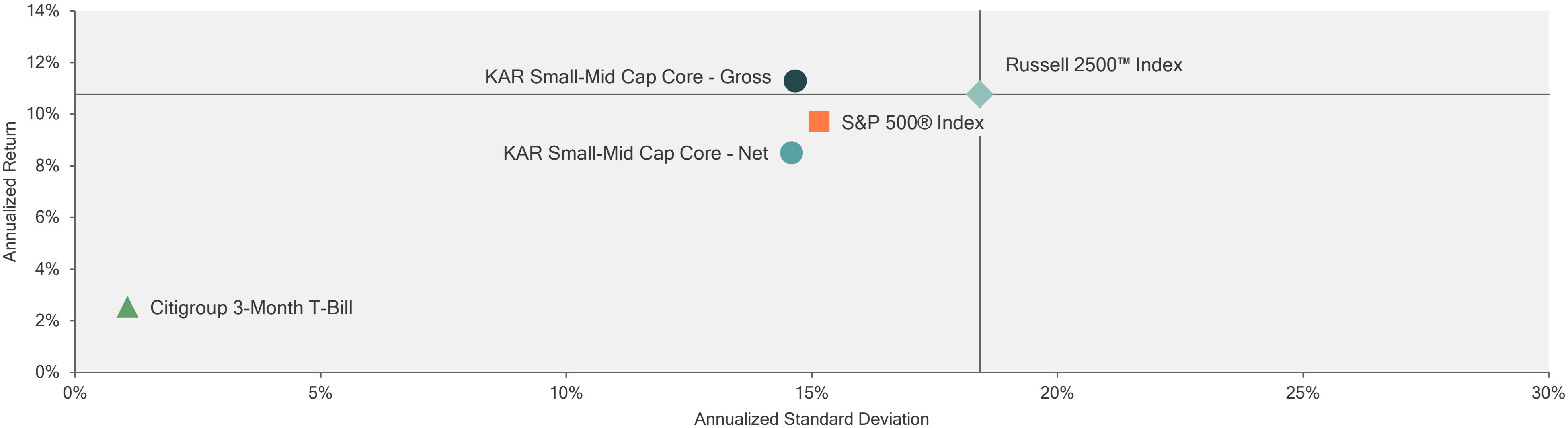
Strong Risk-Adjusted Returns

Small-Mid Cap Core Portfolio
Inception* to March 31, 2018

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-Mid Cap Core	**2.70**	**0.60**	**14.66**	**10.96**	**0.70**	**8.74**
Russell 2500™ Index	0.00	0.45	18.42	13.75	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

Small-Mid Cap Core Portfolio

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Annualized Performance

Periods Ending 3/31/18	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
First Quarter	1.26	0.50	(0.24)	150
1 Year	13.60	10.27	12.31	128
3 Years	11.77	8.88	8.15	361
5 Years	14.13	11.61	11.55	258
7 Years	12.68	10.34	10.88	181
10 Years	12.62	10.31	10.28	235
Since Inception*	11.29	8.50	10.77	52

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
2017	19.77	16.28	16.81	296
2016	17.03	13.61	17.59	(56)
2015	5.76	4.10	(2.90)	866
2014	9.25	7.37	7.07	218
2013	31.04	29.07	36.80	(576)
2012	9.25	7.55	17.88	(863)
2011	8.43	6.02	(2.51)	1094
2010	20.23	17.70	26.71	(647)
2009	31.12	28.86	34.39	(327)
2008	(29.90)	(31.33)	(36.79)	689
2007	0.26	(1.37)	1.38	(112)
2006	14.04	11.75	16.17	(213)
2005	3.24	0.14	8.11	(487)
2004	13.69	10.26	18.29	(460)
2003	25.54	21.91	45.51	(1997)
2002	(17.31)	(19.84)	(17.80)	48
2001	4.57	1.53	1.22	335
2000	23.47	19.85	4.27	1921
1999	7.02	3.93	24.14	(1712)
1998	20.98	17.42	0.38	2060
1997	21.00	17.45	24.36	(336)
1996	26.98	23.22	19.03	795
1995	18.57	15.07	31.70	(1313)
1994	2.75	(0.26)	(1.05)	379
1993	20.00	16.54	16.55	345
1992†	9.65	7.25	11.36	(170)

**April 1, 1992*

†Performance calculations are for the nine months ended December 31, 1992.

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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.

*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-Mid Cap Core 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-Mid Cap Core 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-Mid Cap Core Wrap Portfolios. Small-Mid Cap Core Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ 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 2500™ Index. The Russell 2500™ Index is a market capitalization-weighted index of the 2,500 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 July 2000. 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. Prior to December 31, 2005, net annual returns are calculated by deducting 1/4th of an assumed maximum annual wrap fee of 3% from the gross returns 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 of the composite 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	15.22	19.24
2013	12.17	15.85
2014	10.13	11.84
2015	12.17	12.59
2016	12.60	13.86

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 2500™ Index Annual Return (%)	Internal Dispersion
2007	5,392	738	100%	92	0.26	(1.37)	1.38	0.28
2008	3,445	309	100%	76	(29.90)	(31.33)	(36.79)	0.29
2009	4,010	342	100%	64	31.12	28.86	34.39	0.64
2010	4,729	316	100%	59	20.23	17.70	26.71	0.35
2011	5,232	337	100%	53	8.43	6.02	(2.51)	0.78
2012	6,545	422	100%	44	9.25	7.55	17.88	0.62
2013	7,841	362	100%	39	31.04	29.07	36.80	0.36
2014	7,989	373	100%	35	9.25	7.37	7.07	0.16
2015	8,095	378	100%	30	5.76	4.10	(2.90)	0.19
2016	9,989	369	100%	30	17.03	13.61	17.59	0.38

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

The Russell 2500™ Index is a trademark/service mark of Frank Russell Company. Russell® is a trademark of Frank Russell Company.