



Kayne Anderson Rudnick
Investment Management

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

kayne.com

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Firm Overview

As of September 30, 2018



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

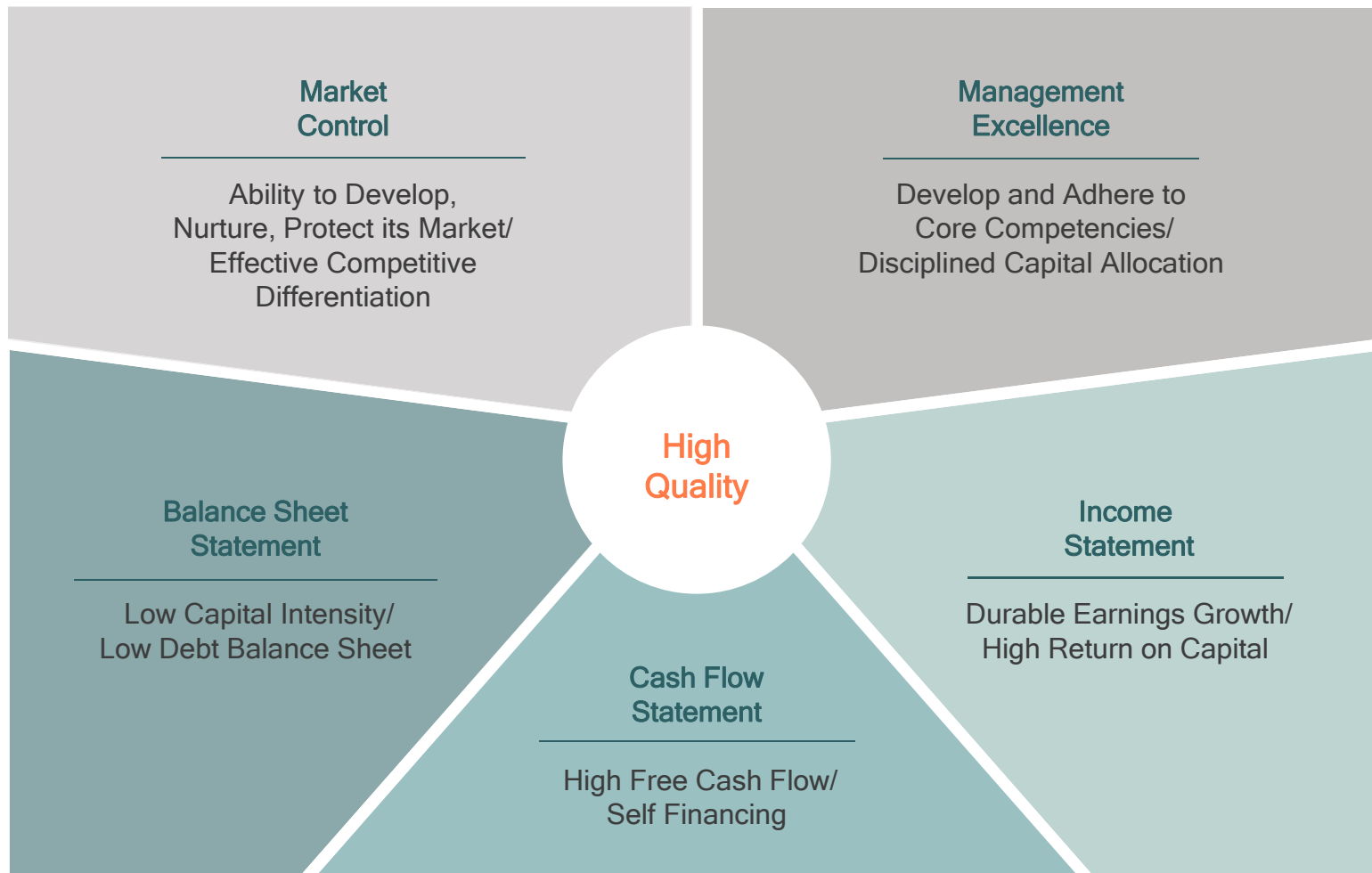
Year Founded	1984
Headquarters	Los Angeles, CA
AUM	\$26.8 billion
Number of Investment Professionals	17
Average Investment Experience	15 Years

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 2500™ 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>📅 5 years of negative returns since 1992</p> <p>No stock can help or hurt more than 2%</p>	<p>stock portfolio 25-35</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 📅 2 years of negative returns since 1992
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

Small-Mid Cap Core Team

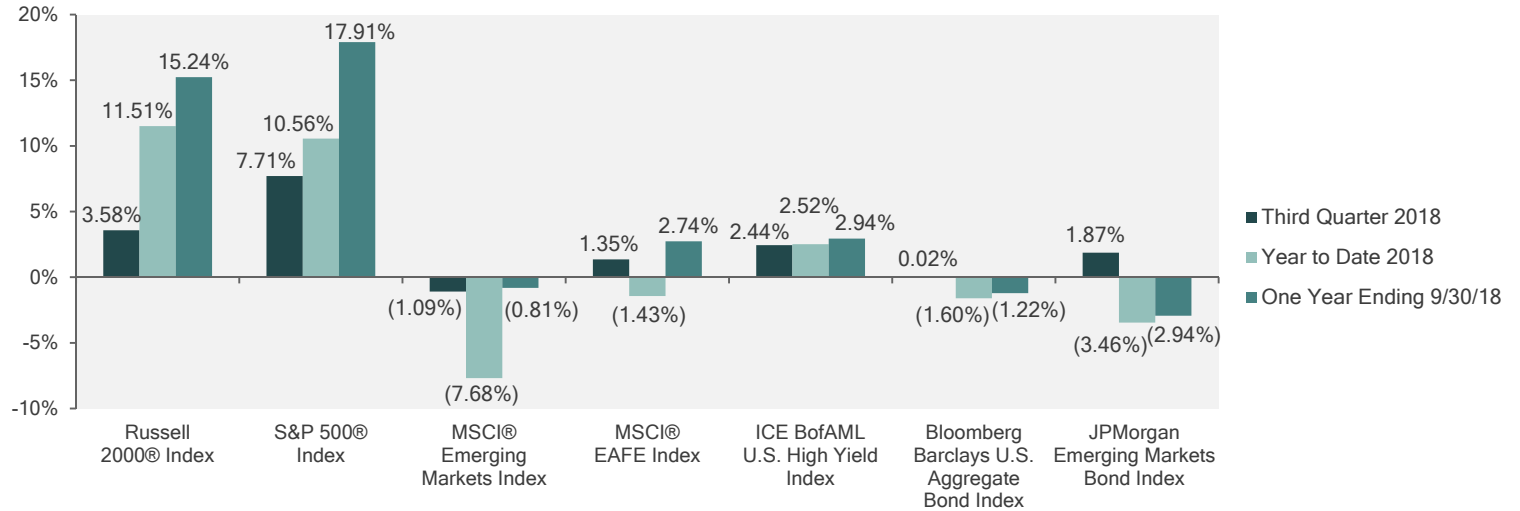


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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	32 Years	7 Years
Jon Christensen, CFA	Portfolio Manager & Senior Research Analyst Sector Coverage: Health Care	23 Years	17 Years
Julie Kutasov	Portfolio Manager & Senior Research Analyst Sector Coverage: Materials and Processing	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: Energy and Consumer Discretionary	19 Years	16 Years
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Technology	10 Years	5 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials	8 Years	6 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Producer Durables	9 Years	<1 Year
Adam Xiao, CFA	Research Analyst Sector Coverage: Consumer Staples, Financials and Producer Durables	3 Years	<1 Year
Jordan Greenhouse	Portfolio Specialist	21 Years [†]	2 Years

[†]Represents years of industry experience.

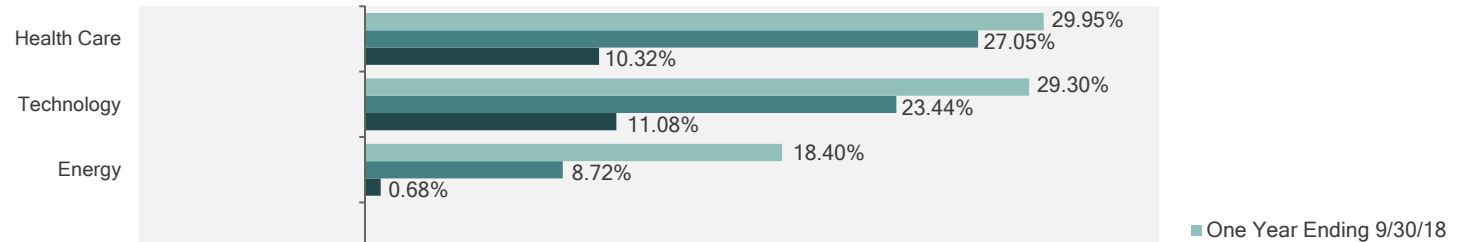
Index Performance



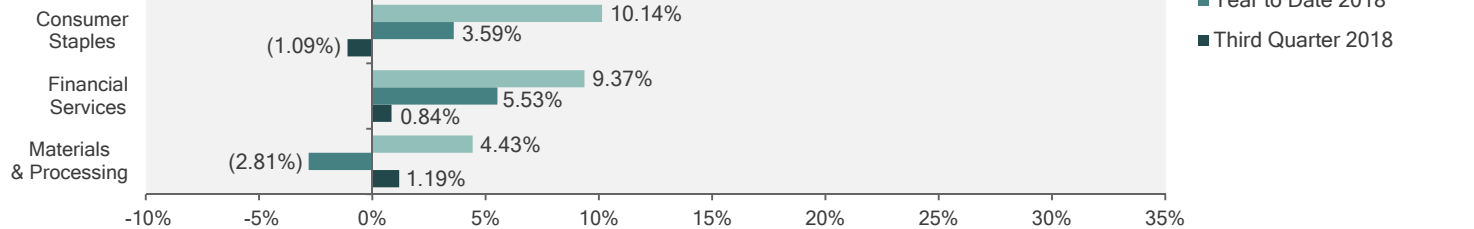
Sector Performance

Russell 2500™ Index

Top Performers



Bottom Performers



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Market Review

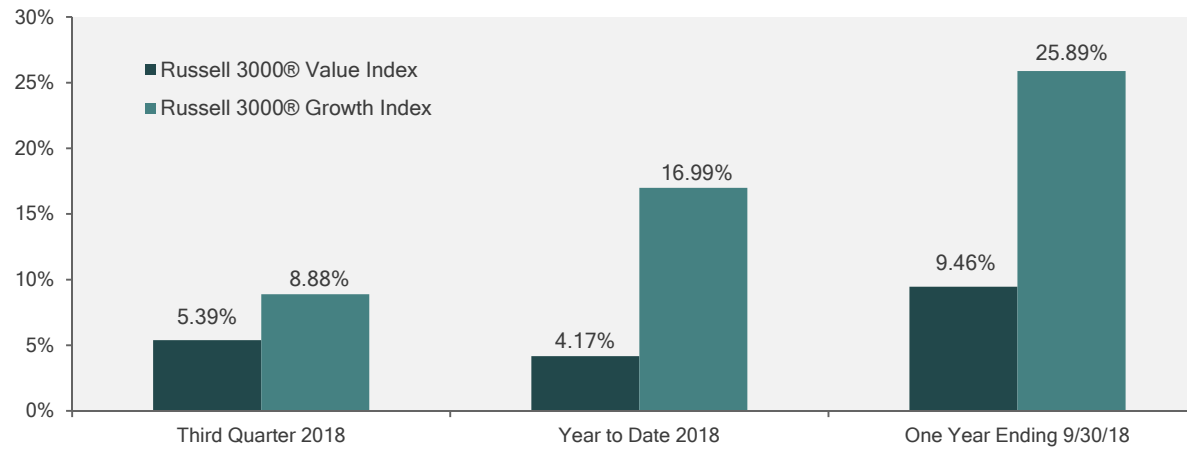
Performance by Style and Quality



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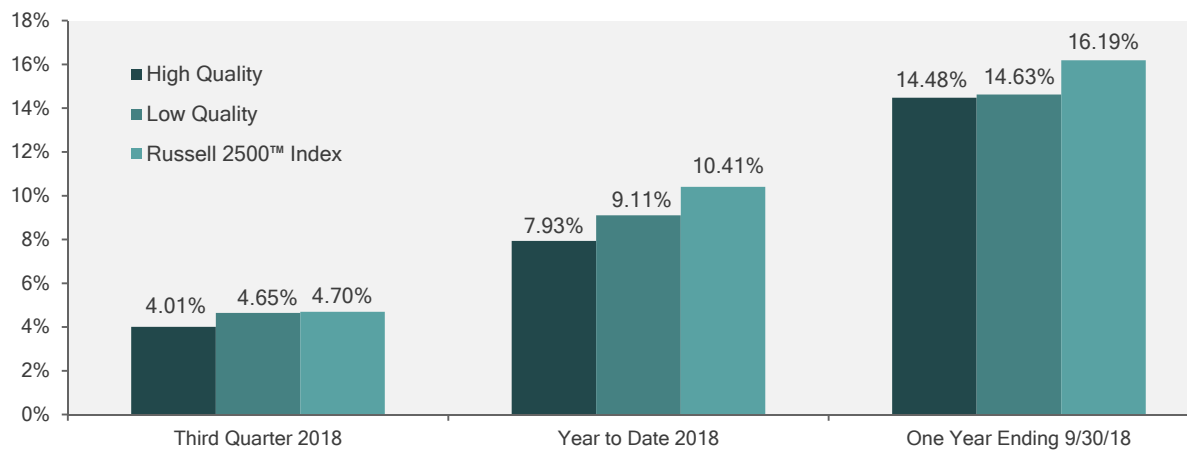
Performance by Style

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



Performance by Quality

Russell 2500™ 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-Mid Cap Core Portfolio

Periods Ending September 30, 2018



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Monthly, Quarterly and Year to Date Performance

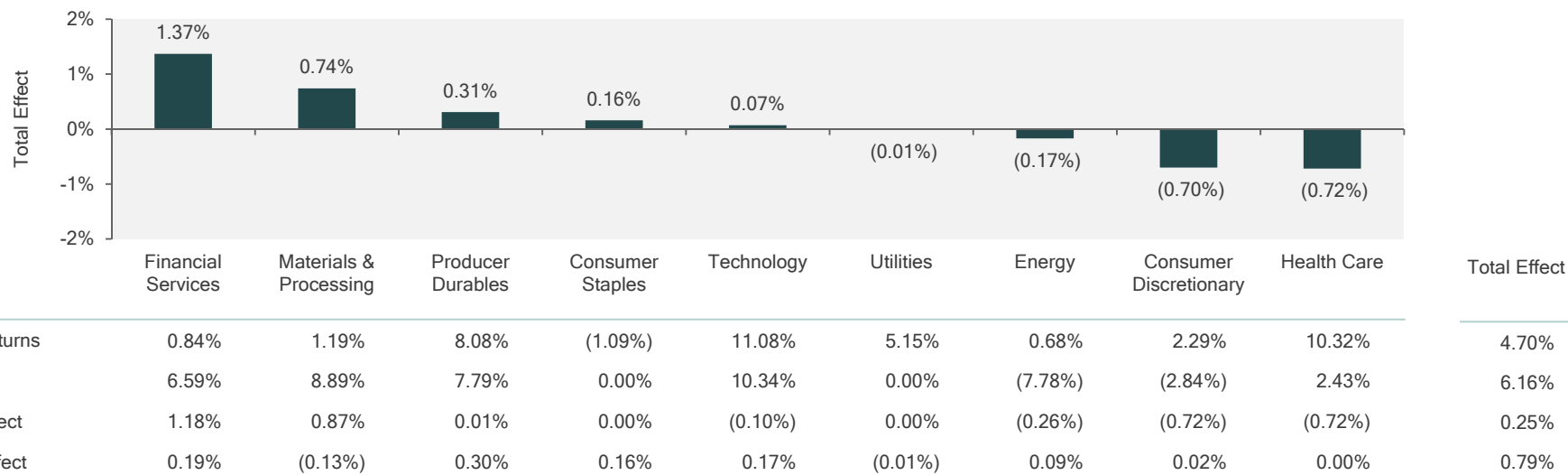
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
July	3.12	2.87	1.93	119
August	3.40	3.15	4.29	(89)
September	(0.92)	(1.17)	(1.52)	60
Third Quarter	5.65	4.90	4.70	95
Year to Date	11.24	8.84	10.41	83

Contributors

Highest	Contribution
Aspen Technology	+1.01%
Primerica	+0.79%
RBC Bearings	+0.76%
Lowest	Contribution
Wynn Resorts	(0.74%)
Bank OZK	(0.46%)
Signature Bank	(0.36%)

Attribution by Sector

Quarter Ending September 30, 2018



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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 September 30, 2018



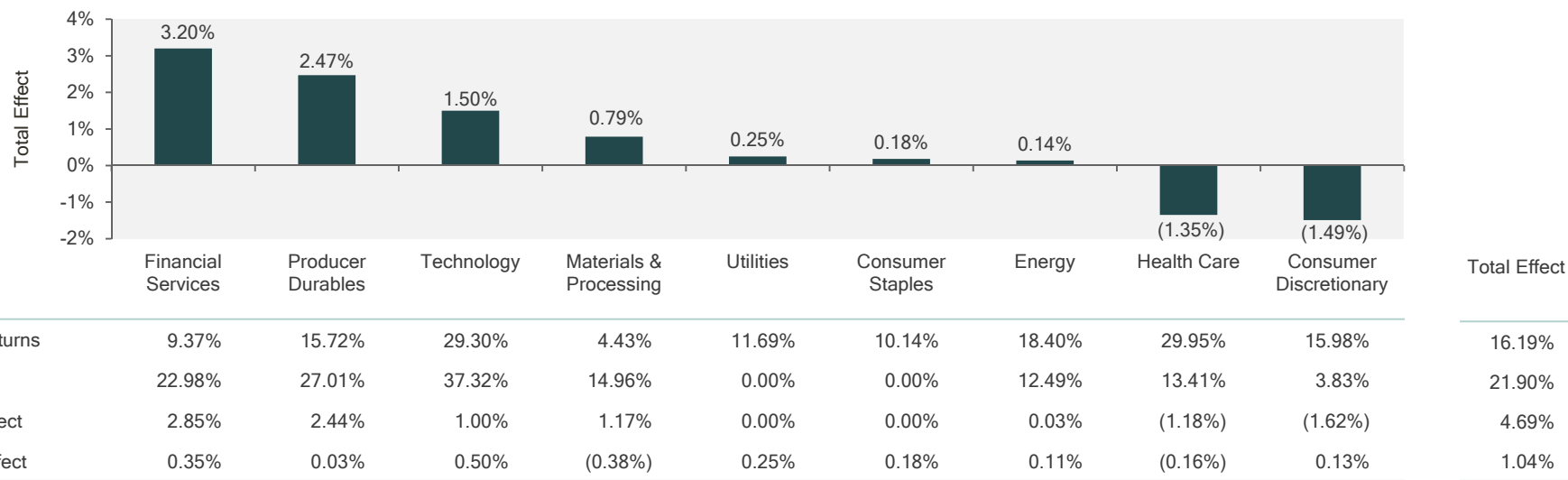
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Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
Fourth Quarter 2017	8.28	7.49	5.24	304
First Quarter 2018	1.26	0.51	(0.24)	150
Second Quarter 2018	3.98	3.23	5.71	(172)
Third Quarter 2018	5.65	4.90	4.70	95
1 Year Ending 9/30/18	20.45	16.99	16.19	426

Attribution by Sector

One Year Ending September 30, 2018



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Highest Contributors

Small-Mid Cap Core Portfolio

One Year Ending September 30, 2018



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Investment Management

Security	Contribution	Comments
Aspen Technology	+3.12%	It has been over a year since Aspen released its latest solution, the Asset Performance Monitoring suite. Demand for this software has been robust, helping to accelerate annual contract value growth. Additionally, with greater stability now in the oil markets, the company believes it has finally seen a bottom in revenue associated with engineering and construction clients. Longer term, Aspen should continue to benefit from solid demand in its client base and derive very high levels of profitability as a result.
MSCI	+1.92%	As the preeminent provider of indices for international investing strategies, MSCI remains a beneficiary of the increased investment in non-U.S. markets and the shift from active to passive strategies. This was evident over the past 12 months, as both revenue and profits grew by double digits.
Primerica	+1.75%	Throughout the last 12 months, Primerica grew its revenue by double digits by continuing to grow its life-insurance sales force while maintaining productivity and by increasing the amount of investment and savings products sold. We continue to view Primerica's low-cost distribution as an advantage that allows it to target an under-served audience and remain owners of the business.

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Lowest Contributors

Small-Mid Cap Core Portfolio

One Year Ending September 30, 2018



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Security	Contribution	Comments
WABCO Holdings	(1.00%)	WABCO shares declined due to inflation in raw-material costs and the impact on margins, as well as the uncertainty surrounding the implications of tariffs and their influence on heavy-duty truck demand. We have no special insight regarding inflation and tariffs, so we remain focused on assessing the strength of the company's competitive position, which remains intact. Also, tailwinds remain for WABCO to continue to outgrow global commercial truck production by increasing its content per vehicle.
Bank OZK	(0.62%)	Shares of Bank OZK (formerly known as Bank of the Ozarks) have been underperforming due to investor concern regarding the continued slowdown in the growth of the bank's loan portfolio. However, our investment thesis is anchored to the fact that over long periods of time Bank OZK has been one of the most efficient banks in the country with credit and profitability metrics that are well-above those of its peers. Since we expect Bank OZK's financial performance to remain strong, we remain owners of the business.
Signature Bank	(0.30%)	Signature shares have underperformed for a while now due to the flattening of the yield curve, which pressures the margin the bank makes on its loans, and to multiple write-downs in its taxi-medallion portfolio due to competition from ride-sharing companies. Despite these near-term headwinds, Signature remains one of the most efficient banks in the U.S. with loan growth and long-term profitability metrics that are still well above those of its peers. The company also continues to find success in recruiting high-performing bankers from other institutions onto its platform. We believe current headwinds are cyclical and the underlying earnings power of Signature will soon re-emerge, so we remain owners of the business.

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Purchases

Small-Mid Cap Core Portfolio

Quarter Ending September 30, 2018



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Purchases	Descriptions/Reasons
Charles River Laboratories—Initiated Position	Charles River Laboratories is an early-stage contract research company that provides drug discovery, non-clinical development, and safety testing services worldwide.
Elanco Animal Health—Initiated Position	Elanco Animal Health develops, manufactures and markets products for companion and food animals in the U.S. and internationally. Its offerings include companion-animal disease-prevention products, as well as food-animal products used in ruminant and swine production.
Scotts Miracle Gro—Increased Position	Shares of Scotts have been weak since our increase in April, driven primarily by continued disappointing performance in the company's hydroponics division in connection with California's marijuana licensing process. While this is likely to take some time to sort out, we believe this division is well positioned to benefit over the longer term. Additionally, Scotts' recent acquisition of Sunlight Supply is expected to provide the company with national scale and further enhance its competitive advantage. We took advantage of the stock's weakness to increase our position in the company.
FLIR Systems—Increased Position	We increased our position in FLIR as the company's competitive position and end markets continue to be very attractive. The new management team has made terrific stride in divesting the lower-margin and more-commoditized parts of the business, as well as sharpen the focus on pricing and profitability. We believe the company is still in the early innings of growth and expect to see higher margins and return on invested capital.

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New Positions

Small-Mid Cap Core Portfolio

Quarter Ending September 30, 2018



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Charles River Laboratories (CRL)

- Charles River offers services from drug discovery to in-vivo toxicology studies, which are performed at the end of the FDA approval process. As a leader in research models, the company is also a natural supplier of models and services for these studies. In addition, due to the comprehensiveness of the company's services, Charles River can tailor solutions to its customer's needs. This is especially vital for young biotech businesses that are more likely to outsource, given their need for internal investments and focus.
- Charles River has been able to accomplish an effective M&A strategy over time by focusing on early-stage companies.
- Charles River enjoys strong market-share positioning across segments that allows it to maintain solid pricing power. This has been a tailwind as the company has diversified its business over the past five years.

Elanco Animal Health (ELAN)

- While competition and challenges exist in the animal-health segment, Elanco's market share is expected to rise, as its separation from Eli Lilly via an IPO produces greater efficiencies and product development. The animal-health space remains very compelling, as increased pet ownership and the global demand for protein should be significant tailwinds for years to come.
- Elanco has built up a strong R&D team during its time associated with Lilly. This should create a consistent stream of new-product introductions that could help improve margins over time.
- Compared with a competitor that has similarly spun off from its parent (i.e. Zoetis from Pfizer), Elanco seems to be farther along in its separation process.

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Sales

Small-Mid Cap Core Portfolio

Quarter Ending September 30, 2018



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Sales	Reasons
Carlisle –Sold Entire Position	Owning Carlisle over the past few years yielded mixed results: The core business of construction materials delivered as we expected, while some other parts of the business showed disappointing results for various reasons. Overall, Carlisle was a decent investment during our holding period, but we are selling this company to help fund a new purchase.
CDW–Trimmed Position	Shares of CDW have outperformed substantially since our last increase over two years ago. We continue to believe that the company’s scale, coupled with the breadth of its product portfolio and partner network, will continue to support its superior competitive positioning and further market penetration. With the stock trading toward the higher end of its historical range, we trimmed our position and used the proceeds for other increases and new businesses.

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Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Small-Mid Cap Core Portfolio – As of September 30, 2018



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	KAR Small-Mid Cap Core	Russell 2500™ Index
Quality		
Return on Equity—Past 5 Years	22.4%	11.8%
Total Debt/EBITDA	2.1 x	6.4 x
Earnings Variability—Past 10 Years	37.6%	73.6%
Growth		
Earnings Per Share Growth—Past 5 Years	13.1%	10.6%
Earnings Per Share Growth—Past 10 Years	15.3%	8.8%
Dividend Per Share Growth—Past 5 Years	10.1%	9.1%
Dividend Per Share Growth—Past 10 Years	13.7%	8.2%
Capital Generation—{ROE x (1-Payout)}	17.2%	8.7%
Value		
P/E Ratio—Trailing 12 Months	25.3 x	30.2 x
Dividend Yield	0.9%	1.4%
Free Cash Flow Yield†	3.6%	2.4%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$7.5 B	\$4.5 B
Largest Market Cap—3-Year Average	\$18.8 B	\$16.1 B
Annualized Standard Deviation—Since Inception*	14.5%	18.3%

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 June 30, 2018. Prices are as of September 30, 2018. Excludes financials.

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Market Outlook

U.S. Economy

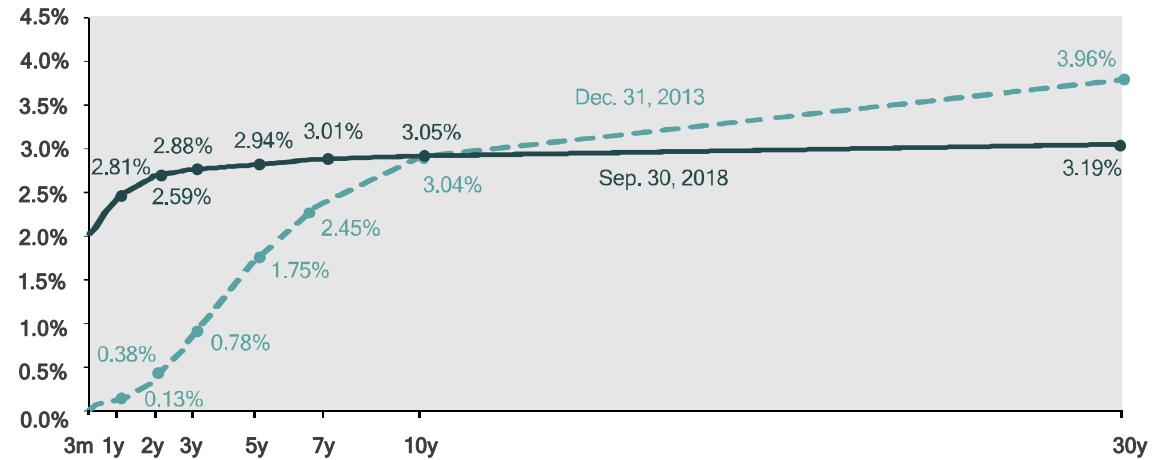


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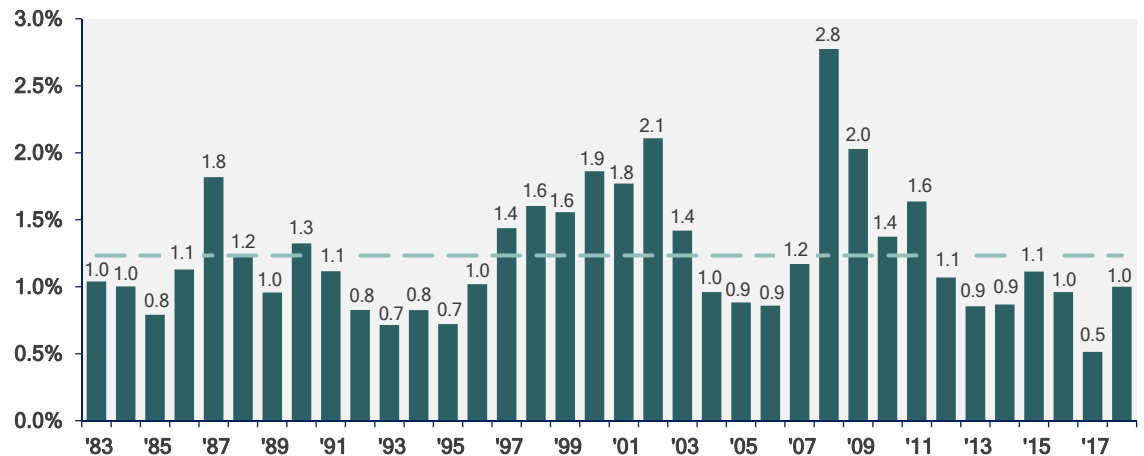
The U.S. economy should accelerate modestly. International economies have decelerated, possibly due to trade concerns.

- The economy has accelerated over the last couple of quarters to above 3% GDP growth. 2018 growth should stabilize in the 2.5% to 3.5% GDP range.
- The Fed has raised short-term interest rates. However, the yield curve flattening will make future increases harder to attain for the Federal Reserve.
- Mid-term elections may create some short-term volatility in markets, but usually there is no meaningful long-term impact.
- Energy, materials and industrials are out of a recession and should continue to improve in 2018. Trade war threats are threatening to slow this recovery.
- Tax reform is undoubtedly a positive for corporate America, but the impact may be more uneven by industry/company than many analysts are assuming. Merger and acquisition activity has been picking up since the announced changes.
- Volatility is rising from extremely low levels and was the catalyst for a correction in equities back in February.
- 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.

Yield Curve
U.S. Treasury Yield Curve



Volatility Reverting Back to the Long-term Mean
S&P 500® Average Daily Trading Range



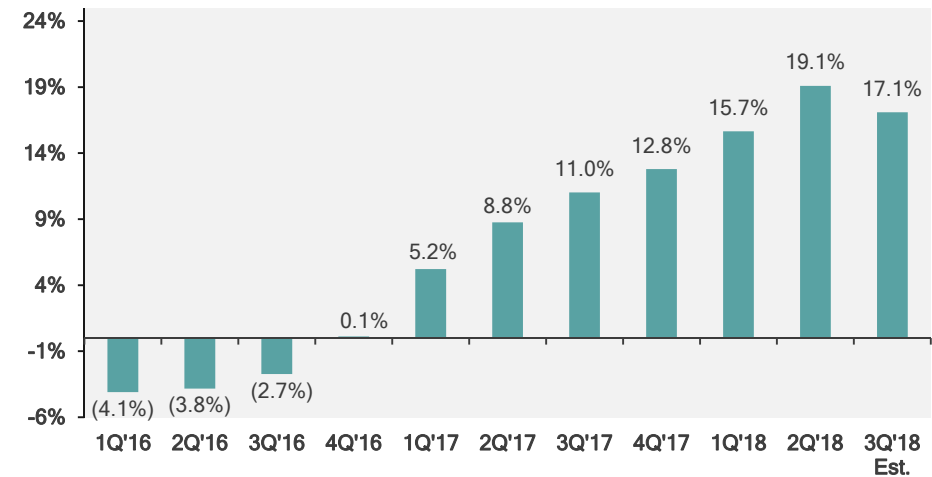
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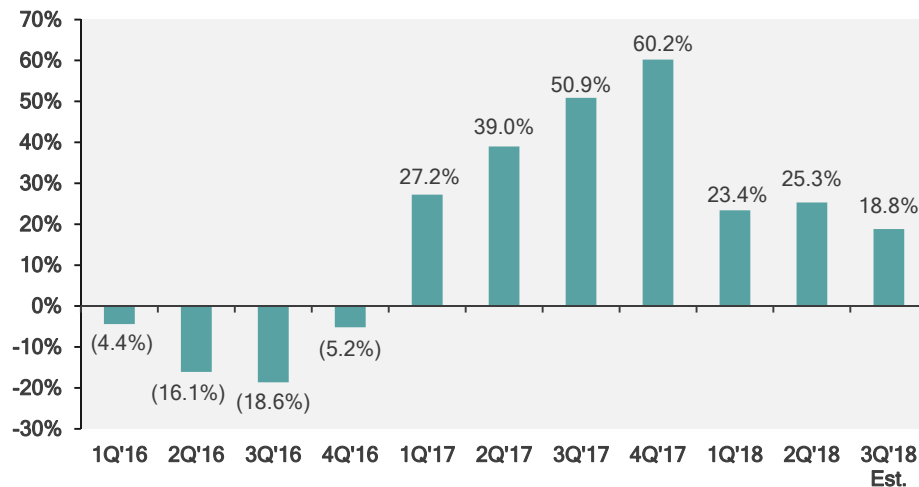
Global growth prospects have not improved as much as expected this year primarily due to trade conflicts.

- Global earnings growth has been steadily improving since last fall for the first time since the great recession. However, Europe and Emerging Markets economies have not picked up materially this year.
- Trade concerns have grown globally but we believe they will ultimately be favorably resolved. Emerging markets and international stocks have been hit hard by trade concerns.
- Global inflation expectations are still very benign, but is picking up somewhat. Global competition, oil prices and modest wage growth are the key drivers behind this longer-term.

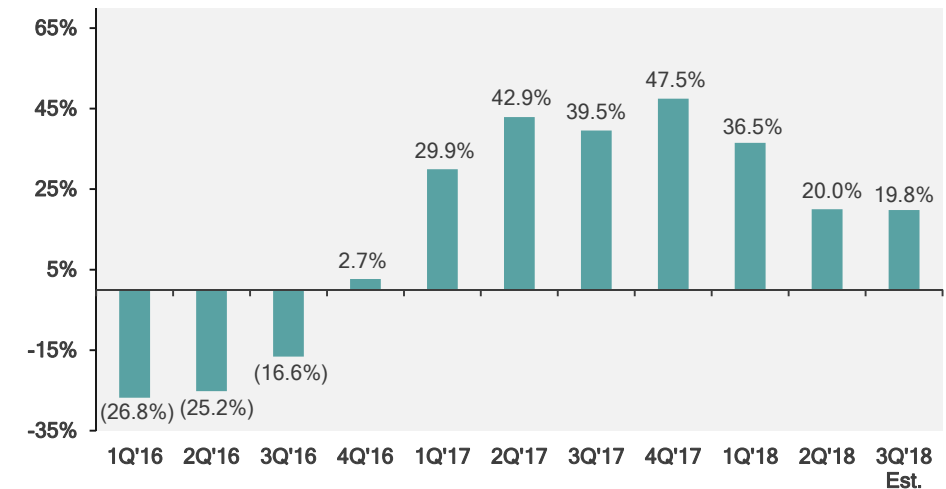
S&P 500® Trailing 12-Month Earnings Growth (Year Over Year)



Nikkei 225 Trailing 12-Month Earnings Growth (Year Over Year)



STOXX 600 Trailing 12-Month Earnings Growth (Year Over Year)



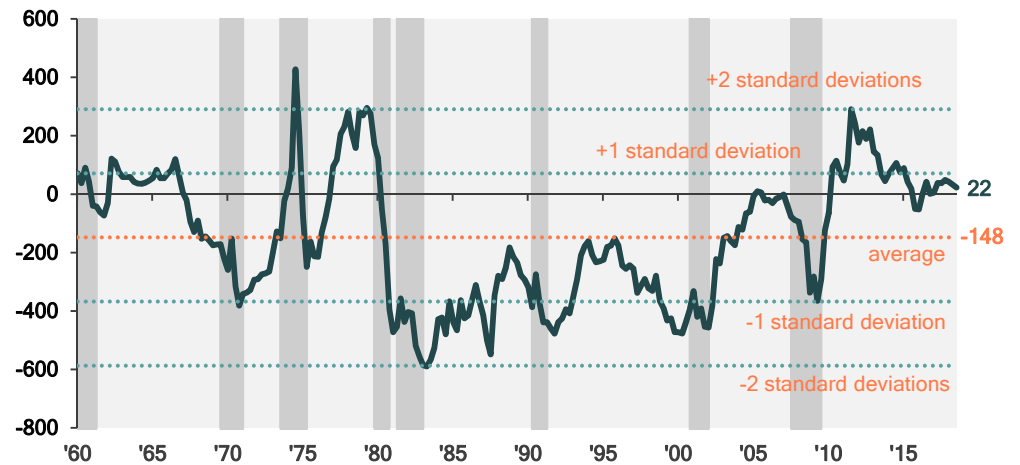
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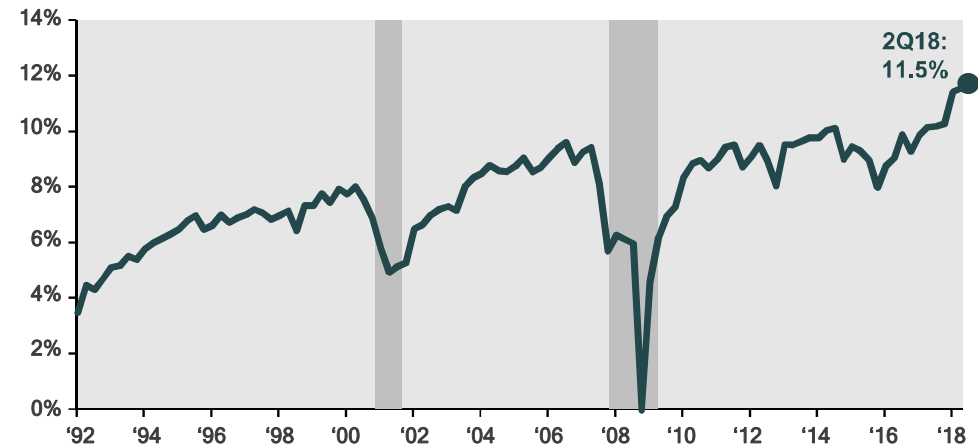
We continue to believe that the risk/reward ratio for equities over the long term is favorable on an absolute basis and particularly relative to fixed income.

- There is potential for P/E ratios to improve slightly from current levels. Retail investors still are not fully engaged in the equity market.
- Equity valuations remain reasonable by historic measures, both on absolute levels but particularly relative to interest rates.
- Foreign markets are finally supporting U.S. EPS growth rates, particularly for large multinationals, but trade concerns are starting to threaten this.
- With favorable corporate cash flow, investors are being rewarded with increased share buybacks, dividends and acquisitions.
- Corporate profit margins are still being maintained at very high historical levels, despite a much tighter labor market.
- 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® Equity Risk Premium
Earnings Yield Less Baa Corporate Bond Yield (bps)



S&P 500® Profit Margins
Quarterly Operating Earnings Per Share/Sales Per Share



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

Sector Weights

Small-Mid Cap Core Portfolio

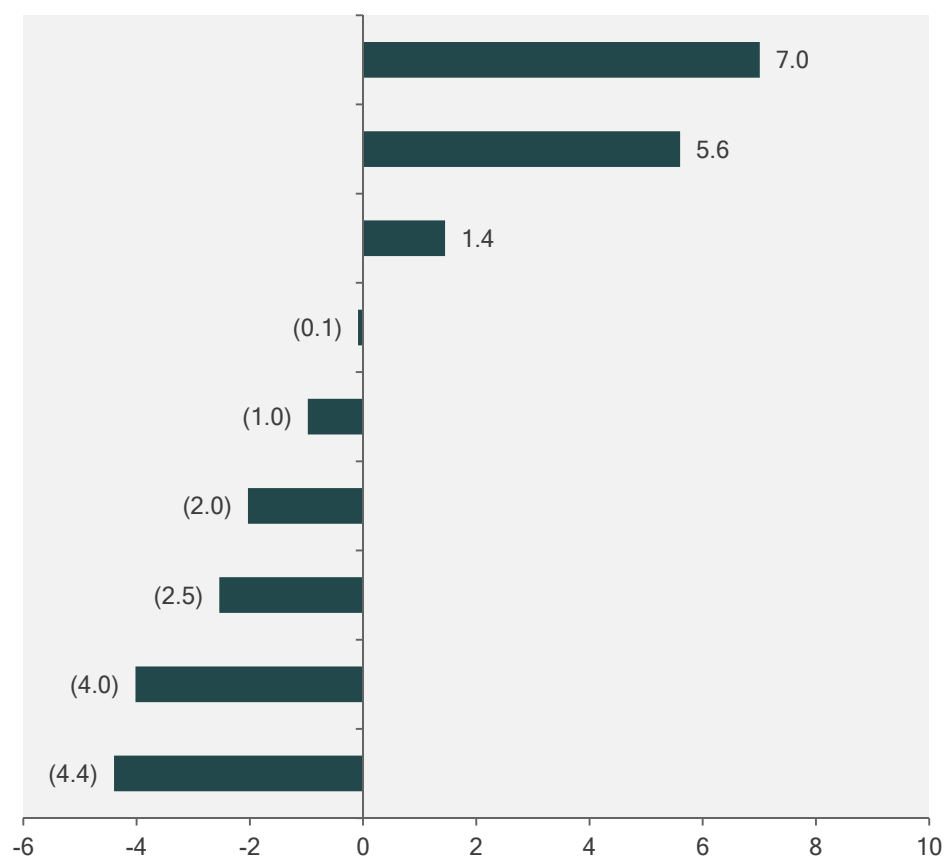
As of September 30, 2018



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Sectors	KAR Small-Mid Cap Core (%)	Russell 2500™ Index (%)
Producer Durables	21.7	14.7
Materials & Processing	13.0	7.4
Technology	14.7	13.2
Health Care	13.3	13.4
Consumer Discretionary	13.4	14.4
Energy	2.7	4.8
Consumer Staples	—	2.5
Utilities	—	4.0
Financial Services	21.1	25.5

Underweight/Overweight (%)



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Conviction-Driven Investing Provides Opportunities for Excess Return

Small-Mid Cap Core Portfolio

As of September 30, 2018



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Top 10 Holdings	Russell Sector	% of Portfolio
Aspen Technology	Technology	5.4
RBC Bearings	Materials & Processing	4.7
MSCI	Financial Services	4.7
Scotts Miracle-Gro	Materials & Processing	4.4
Cooper Companies	Health Care	4.2
Nordson	Producer Durables	4.2
Snap-on	Producer Durables	4.2
Primerica	Financial Services	4.1
FLIR Systems	Producer Durables	4.1
Lennox International	Materials & Processing	3.9
Total		43.8

Research confidence leads to large active weights

	KAR Small -Mid Cap Core	Russell 2500™ Index
# of Holdings	29	2,521
Average Position Size (%)	3.4	0.04
Weight of Top Ten Holdings (%)	43.8	3.0
Active Share (%)	97.0	–

The strategy benefits from diversification while still taking significant active positions

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Strong Risk-Adjusted Returns

Small-Mid Cap Core Portfolio

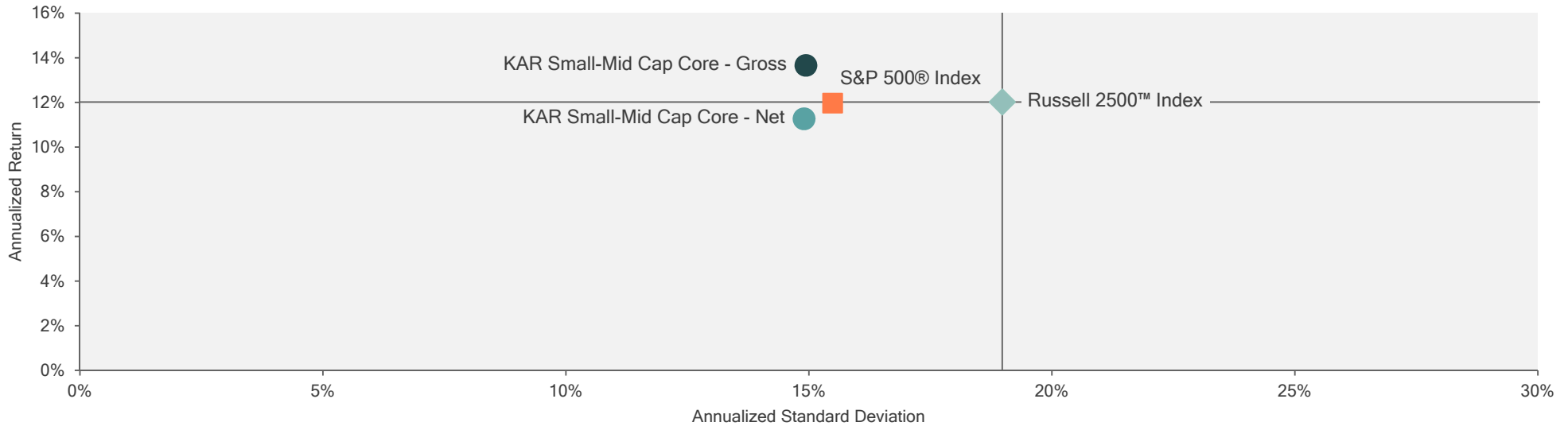
Ten Years Ending September 30, 2018



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Meaningful Excess Return with Lower Volatility

Annualized for the Past 10 Years



Strong Risk-Adjusted Performance Metrics

Annualized for the Past 10 Years

	Alpha	Sharpe Ratio	Standard Deviation	Semi-Standard Deviation	Beta	Tracking Error
KAR Small-Mid Cap Core	4.01	0.90	14.94	11.54	0.75	6.36
Russell 2500™ Index	0.00	0.62	18.98	14.99	1.00	0.00

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Returns

Small-Mid Cap Core Portfolio



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Annualized Performance

Periods Ending 9/30/18	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
Third Quarter	5.65	4.90	4.70	95
Year to Date	11.24	8.84	10.41	83
1 Year	20.45	16.99	16.19	426
3 Years	18.28	14.98	16.13	215
5 Years	14.45	11.78	11.37	308
7 Years	16.54	14.09	16.49	5
10 Years	13.66	11.27	12.02	163
Since Inception*	11.46	8.66	10.98	48

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.

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-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, 2017.

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, 2017. 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.

December 31	3-Yr Annualized Standard Deviation (%)	
	Composite	Benchmark
2012	15.22	19.24
2013	12.17	15.85
2014	10.13	11.84
2015	12.17	12.59
2016	12.62	13.86
2017	11.16	12.31

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
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
2017	14,609	511	100%	32	19.77	16.28	16.81	0.26

*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.