



Kayne Anderson Rudnick
Investment Management

Small-Mid Cap Core Portfolio
Managed Accounts
First Quarter 2021 Review

kayne.com

1800 Avenue of the Stars, 2nd Floor Los Angeles, CA 90067 T 800.231.7414

Firm Overview

As of March 31, 2021



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	\$56.3 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 2500™ Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics



Competitive Protection

- Brand/Reputation
- Network Effect
- Scale/Cost Advantage
- Benchmarking Standard
- High Customer Switching Costs
- Barriers to Entry/Unique Asset
- Low Obsolescence Risk



Owner-Oriented Management

- Cultivates Competitive Advantage
- Rational Capital Allocation
- Considers Stakeholder Interests



KAR HIGH QUALITY BUSINESS

- Protect and Grow Market Share
- High Economic Return on Capital
- Business Returns → Shareholder Returns

Small-Mid Cap Core Team

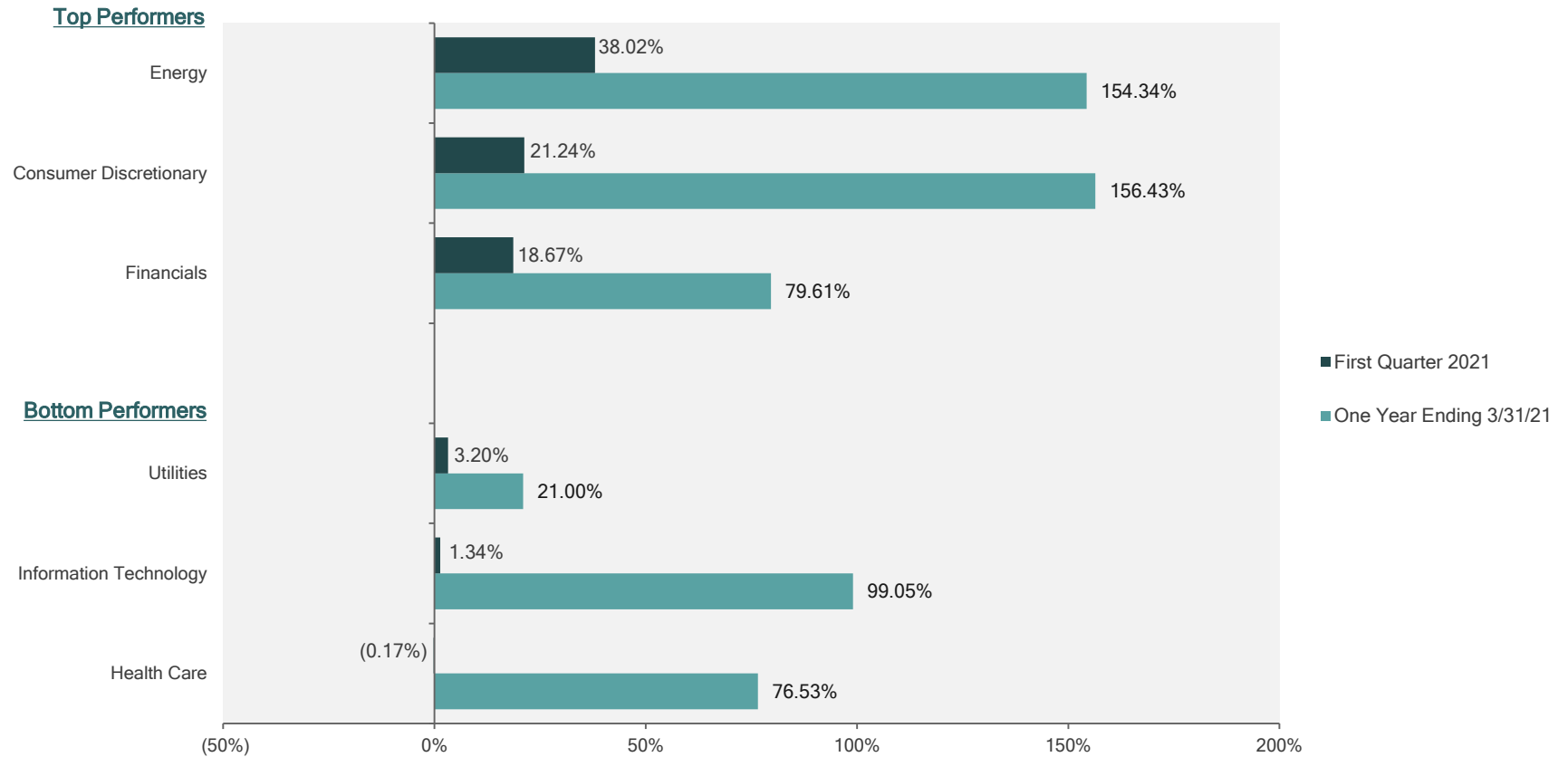


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Portfolio Manager/Analysts	Responsibility	Research Experience	Years with KAR
Douglas S. Foreman, CFA	Chief Investment Officer	35 Years	10 Years
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care	26 Years	20 Years
Julie Kutasov	Portfolio Manager and Senior Research Analyst Sector Coverage: Materials and Industrials	20 Years	20 Years
Craig Stone	Portfolio Manager and Senior Research Analyst Sector Coverage: Industrials	32 Years	21 Years
Todd Bailey, CFA	Senior Research Analyst Sector Coverage: Energy and Communication Services	22 Years	19 Years
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Information Technology	13 Years	8 Years
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials and Real Estate	9 Years	9 Years
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Industrials	12 Years	3 Years
Adam Xiao, CFA	Research Analyst Sector Coverage: Consumer Staples, Financials and Industrials	6 Years	3 Years
Jordan Greenhouse	Managing Director - Senior Client Portfolio Manager	24 Years [†]	5 Years
James B. May, CFA	Managing Director - Client Portfolio Manager	33 Years [†]	2 Years

[†]Represents years of industry experience.

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

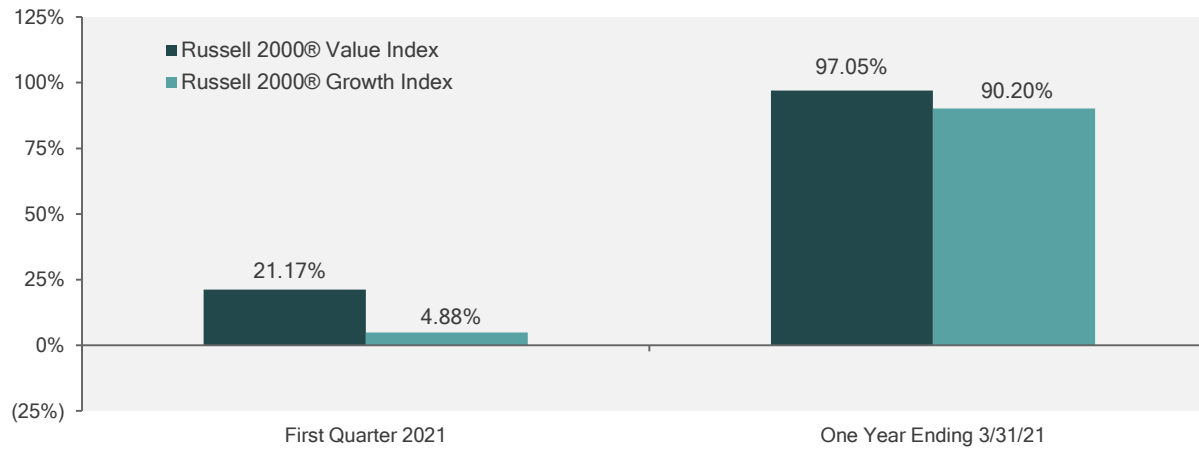
Performance by Style and Quality



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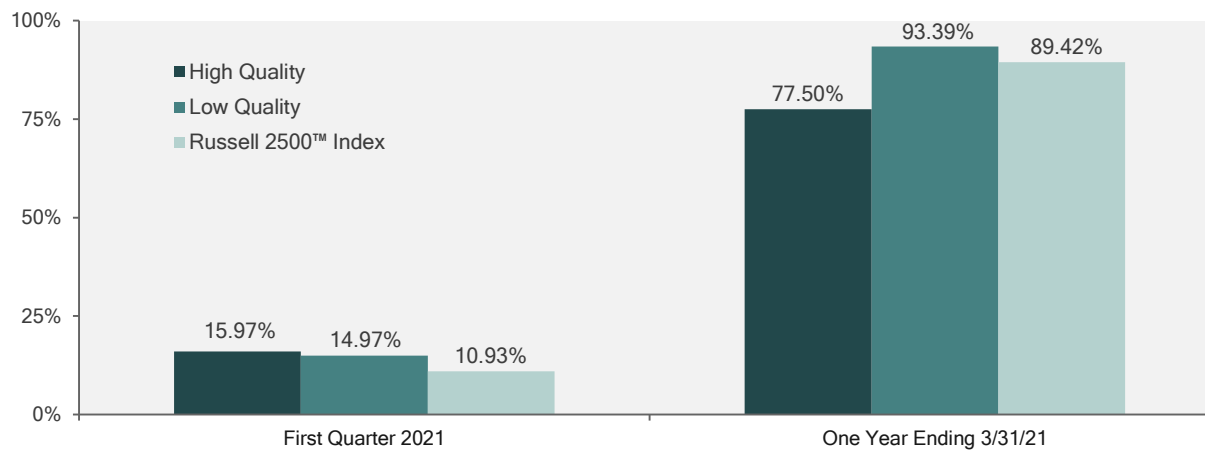
Performance by Style

Russell 2000® Value Index vs. Russell 2000® 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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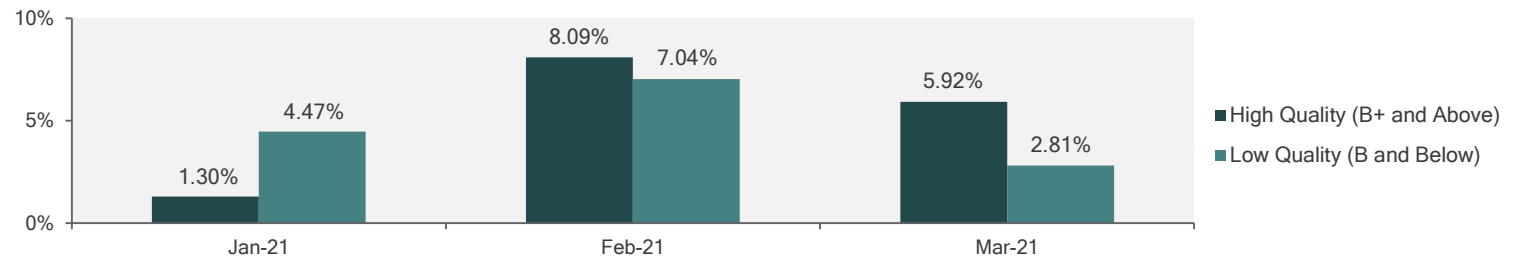
Market Review

Performance by Quality

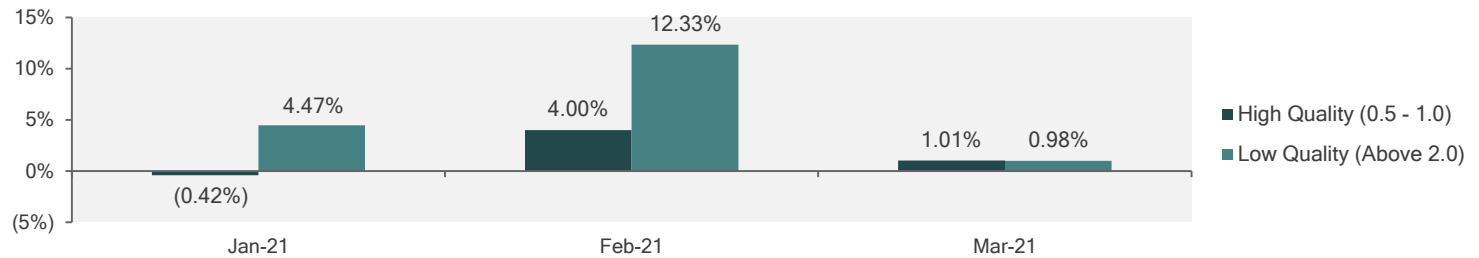


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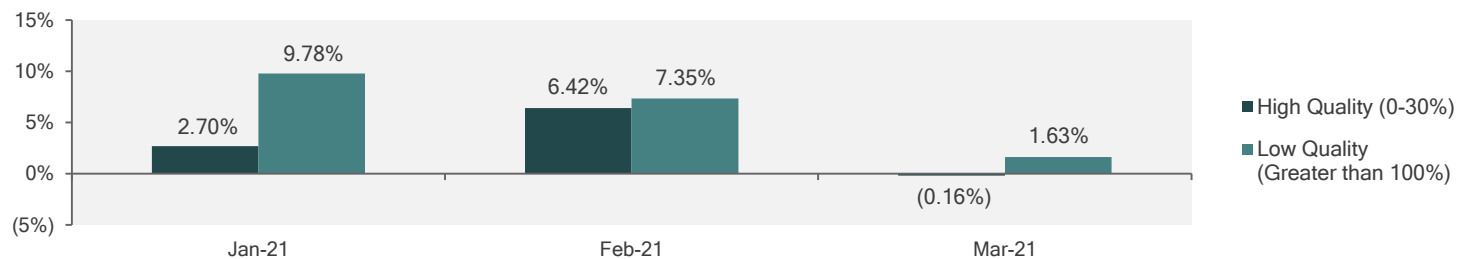
Performance by S&P Quality Ranking Russell 2500™ Index



Performance by Beta Russell 2500™ Index



Performance by Debt/Capital Ratio Russell 2500™ Index



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Quarterly Performance Overview

Small-Mid Cap Core Portfolio
Periods Ending March 31, 2021



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Monthly and Quarterly Performance

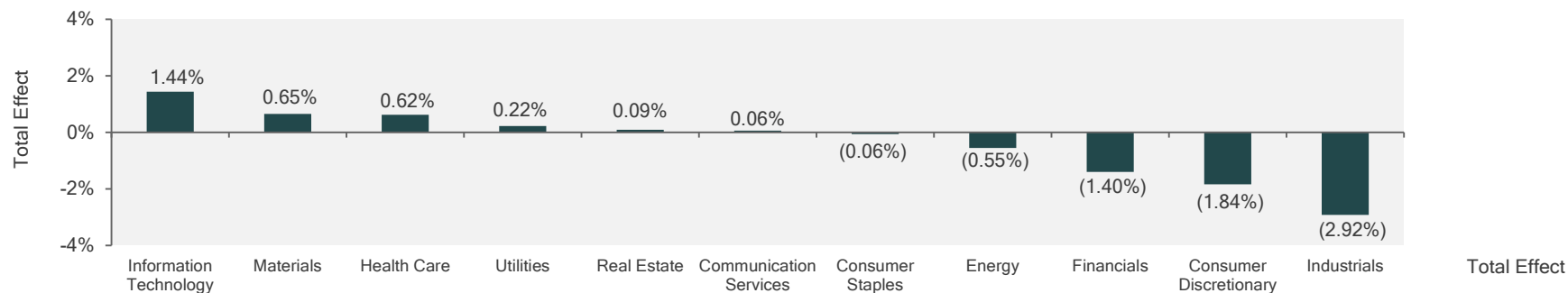
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
January	(1.60)	(1.85)	2.45	(430)
February	5.04	4.79	6.52	(174)
March	3.94	3.69	1.64	204
First Quarter	7.43	6.64	10.93	(429)

Contributors

Highest	Contribution
Scotts Miracle-Gro	+1.58%
Thor Industries	+1.55%
Zebra Technologies	+1.18%
CDW	+0.85%
Charles River Laboratories International	+0.68%
Lowest	Contribution
Copart	(0.55%)
Chemed	(0.37%)
POOLCORP	(0.29%)
MSCI	(0.29%)
Rollins	(0.25%)

Attribution by Sector

Quarter Ending March 31, 2021



	Information Technology	Materials	Health Care	Utilities	Real Estate	Communication Services	Consumer Staples	Energy	Financials	Consumer Discretionary	Industrials	Total Effect
Russell 2500™ Returns	1.34%	14.44%	(0.17%)	3.20%	9.99%	8.85%	12.96%	38.02%	18.67%	21.24%	14.84%	10.93%
KAR Returns (Gross)	10.19%	23.36%	3.06%	0.00%	0.00%	0.00%	0.00%	0.00%	6.66%	7.80%	(0.17%)	7.43%
KAR Selection Effect	2.81%	0.60%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	(1.23%)	(2.23%)	(3.03%)	(2.71%)
KAR Allocation Effect	(1.37%)	0.04%	0.25%	0.22%	0.09%	0.06%	(0.06%)	(0.55%)	(0.17%)	0.39%	0.12%	(0.98%)

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

Annual Performance Overview

Small-Mid Cap Core Portfolio

Periods Ending March 31, 2021



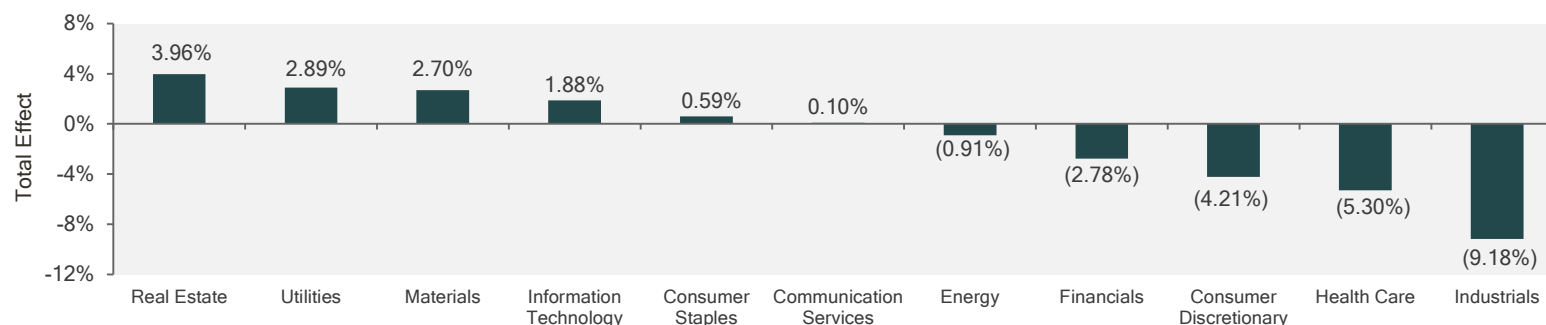
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Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Second Quarter 2020	29.98	29.08	26.56	252
Third Quarter 2020	8.56	7.77	5.88	188
Fourth Quarter 2020	16.68	15.85	27.41	(1,156)
First Quarter 2021	7.43	6.64	10.93	(429)
1 Year Ending 3/31/21	76.86	71.86	89.40	(1,754)

Attribution by Sector

One Year Ending March 31, 2021



	Real Estate	Utilities	Materials	Information Technology	Consumer Staples	Communication Services	Energy	Financials	Consumer Discretionary	Health Care	Industrials	Total Effect
Russell 2500™ Returns	48.86%	21.00%	101.42%	99.05%	72.54%	86.13%	154.34%	79.61%	156.43%	76.53%	92.32%	89.40%
KAR Returns (Gross)	0.00%	0.00%	150.13%	99.97%	0.00%	0.00%	0.00%	57.59%	108.87%	41.97%	52.61%	76.86%
KAR Selection Effect	0.00%	0.00%	2.51%	0.33%	0.00%	0.00%	0.00%	(2.88%)	(6.78%)	(5.89%)	(9.30%)	(22.01%)
KAR Allocation Effect	3.96%	2.89%	0.19%	1.56%	0.59%	0.10%	(0.91%)	0.10%	2.57%	0.58%	0.12%	11.75%

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Highest Contributors

Small-Mid Cap Core Portfolio

One Year Ending March 31, 2021



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Security	Contribution	Comments
DocuSign	+8.77%	Throughout 2020, DocuSign saw accelerating growth for its e-signature solutions, which should graduate to more comprehensive contract management products. As the company's market capitalization has grown beyond the small-mid cap range, we sold our position.
Scotts Miracle-Gro	+7.90%	Throughout 2020, Scotts Miracle-Gro saw demand for lawn, gardening and hydroponics products grow as a result of the lockdowns related to the COVID-19 pandemic.
Thor Industries	+6.21%	Thor Industries' business model is built around being more of an assembler as opposed to a true manufacturer, and this trait has historically allowed Thor to maintain profitability throughout the economic cycle as it flexes operations relative to demand. Recently, 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 its products as traveling in an RV can permit physical distancing from others while traveling in one's own living space. We continue to believe Thor's competitive position will fundamentally benefit the business over time.
Zebra Technologies	+5.57%	Zebra Technologies' stock outperformed as investors started to recognize the company's hardware and software capabilities that the company has developed or acquired over the past couple of years. The increased digital solutions Zebra has today for many industries helps with efficiencies and higher return on investment, which is especially key during the pandemic.
Teradyne	+5.35%	Teradyne benefited from strong results in its Test business. Its investments in innovative tests as well as increasing intensity needs for test-over-time have helped drive this business. Also, the Industrial Automation business experienced some improvement as the global economy recovers. While financial results in this segment have disappointed, we expect profitability improvement and adoption over the medium-term.

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Lowest Contributors

Small-Mid Cap Core Portfolio

One Year Ending March 31, 2021



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Security	Contribution	Comments
AMN Healthcare	(1.36%)	AMN Healthcare Services has struggled with a technology transition in Locum Tenens that has been hurting results for several quarters. With COVID-19, demand for all practice lines, apart from travel nurses, was halted. For these reasons, the business suffered and we sold our position.
Duck Creek Technologies	(0.15%)	Duck Creek Technologies' results demonstrated healthy demand and an ability to differentiate from its largest competitor. We do believe fundamentally the company is well positioned, but in the market rotation from growth to value, stocks with strong growth momentum declined.
LPL Financial	0.26%	LPL Financial is a new name we started buying in March 2021. We have not owned LPL long enough for its contribution to be relevant to the portfolio's trailing 12-month performance.
Winmark	0.28%	Due to the impacts and restrictions from COVID-19 and shelter-in-place orders across the United States and Canada, Winmark franchisees had to temporarily close their stores. As a result, store closures directly impacted and reduced the fees and earnings power of Winmark.
Chemed	0.28%	Chemed's VITAS business has been negatively impacted by the decline in nursing home patient referrals as nursing home admissions have declined throughout the pandemic. We view the decline in nursing home utilization as a short-term issue as nursing homes continue to serve a structural need in the economy. Thus, we expect nursing home enrollments, which will bring a normalized referral pipeline to VITAS's hospice program, to normalize over time.

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Purchases

Small-Mid Cap Core Portfolio
Quarter Ending March 31, 2021



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Purchases	Descriptions/Reasons
Duck Creek Technologies—Initiated Position	Duck Creek Technologies is one of the leading providers of software solutions to Property and Casualty (P&C) insurance. Duck Creek was spun out of a large multi-national consulting firm, though the consulting firm still owns a material share of Duck Creek.
LPL Financial Holdings—Initiated Position	LPL Financial Holdings serves independent financial advisors and financial institutions, providing them with the technology, research, clearing and compliance services, and practice management programs they need to create and grow their practices. It provides financial guidance to millions of American families seeking wealth management, retirement planning, financial planning and asset management solutions.
Bright Horizons—Increased Position	Bright Horizons continues to be impacted by the COVID-19 stay-at-home orders that has held back the economic reopening in many sectors. While the company has reopened most of their sites, utilization is still well below 50%. In our view this should improve as the economy recovers and vaccines are administered more widely. We believe Bright Horizons should emerge post pandemic with even greater market share.
Interactive Brokers—Increased Position	With a focus on automation, Interactive Brokers is able to offer competitive trade executions and low transaction costs. As a result, the company continues to see strong client additions across geographies (particularly in Europe and Asia) with international top-line growth outpacing that in the U.S. Importantly, international markets have even higher barriers to entry requiring technology to be able to ensure country-specific regulatory compliance. With the shares' valuation fair, we increased our position in this high-quality company.

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New Position

Small-Mid Cap Core Portfolio
Quarter Ending March 31, 2021



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Duck Creek Technologies (DCT)

- Modern cloud solutions are replacing legacy and home-grown solutions with low-code configurable solutions that are more efficient and faster to implement than the highly customized solutions of the past. Duck Creek offers solutions to help underwrite policies and process claims. Because the company was originally created within a large multi-national consulting firm, it has a legacy of providing robust implementation services for its solutions.
- Duck Creek has been a reputable provider of software and services for many years. It has leveraged the excellent reputation and knowledge of a large multi-national consulting firm to establish a strong brand name. In providing a mission critical core operating system for large insurance companies, reputation is key. Insurance companies are generally quite conservative when it comes to implementing new technologies and processes. Strong references and reputation are critical, particularly for Tier 1 insurance companies.
- Duck Creek provides mission critical software that can take anywhere from six to 18 months to implement. Once implemented, the software is the core system used by insurance companies to process new business and existing claims. As such, we believe an insurance company is unlikely to replace the software for a less expensive competitor.
- Duck Creek's offering is a modern approach to insurance software, using true multi-tenant Software as a Service (SaaS) solutions. The low-code technology offloads much of the IT burden off insurance customers onto Duck Creek. Duck Creek then enjoys the benefits of centralized scale, making regular updates that are pushed out to customers. Rather than time consuming customizations, the software is highly configurable, which cuts down on costs and time to implement.

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New Position

Small-Mid Cap Core Portfolio
Quarter Ending March 31, 2021



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LPL Financial Holdings (LPLA)

- Over the past 30 years, LPL Financial Holdings has established itself as a leading independent broker dealer. Through a combination of consistent reinvestment in technology and services and strategic M&A, LPL has built a robust servicing platform in the independent advisor space.
- LPL is able to work with an advisor in any manner he or she prefers (independent or as an employee of LPL) with as few or fully bundled services as the advisor wants. We believe this flexibility, coupled with a longstanding reputation in the industry and a strong technology platform, make LPL an ideal landing spot for advisors looking to leave the large wire houses.
- From our perspective, LPL has experienced above-market organic growth and high advisor retention rates as a result of these dynamics.

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Sales

Small-Mid Cap Core Portfolio Quarter Ending March 31, 2021



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Sales	Reasons
DocuSign—Sold Entire Position	We sold DocuSign due to the company's larger market capitalization.
MSCI—Trimmed Position	We trimmed our position in MSCI to fund for a new name in the portfolio.
Teradyne—Trimmed Position	We trimmed our position in Teradyne to fund for a new name in the portfolio.

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Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Small-Mid Cap Core Portfolio – As of March 31, 2021



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	KAR Small-Mid Cap Core	Russell 2500™ Index
Quality		
Return on Equity—Past 5 Years	22.6%	10.4%
Total Debt/EBITDA†	195.5 x	9.0 x
Earnings Variability—Past 10 Years	44.8%	72.2%
Growth		
Earnings Per Share Growth—Past 5 Years	17.7%	8.9%
Earnings Per Share Growth—Past 10 Years	13.5%	8.0%
Dividend Per Share Growth—Past 5 Years	14.3%	5.3%
Dividend Per Share Growth—Past 10 Years	10.6%	8.3%
Capital Generation—{ROE x (1-Payout)}	17.7%	8.0%
Value		
P/E Ratio—Trailing 12 Months	36.7 x	105.2 x
Dividend Yield	0.5%	1.1%
Free Cash Flow Yield‡	3.0%	2.9%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$10.7 B	\$5.4 B
Largest Market Cap—3-Year Average	\$24.5 B	\$22.7 B
Annualized Standard Deviation—Since Inception*	16.1%	20.2%

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.

*April 1, 1992

† There was a material difference in Total Debt/EBITDA and Interest Coverage Expense quality indicators for the strategy as of March 31, 2021 over the prior quarter end of December 31, 2020. This is primarily due to a single issuer in the portfolio experiencing a depressed EBITDA due to the effect of the pandemic on that issuer's business.

‡ Free cash flow data is as of December 31, 2020. Prices are as of March 31, 2021. 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



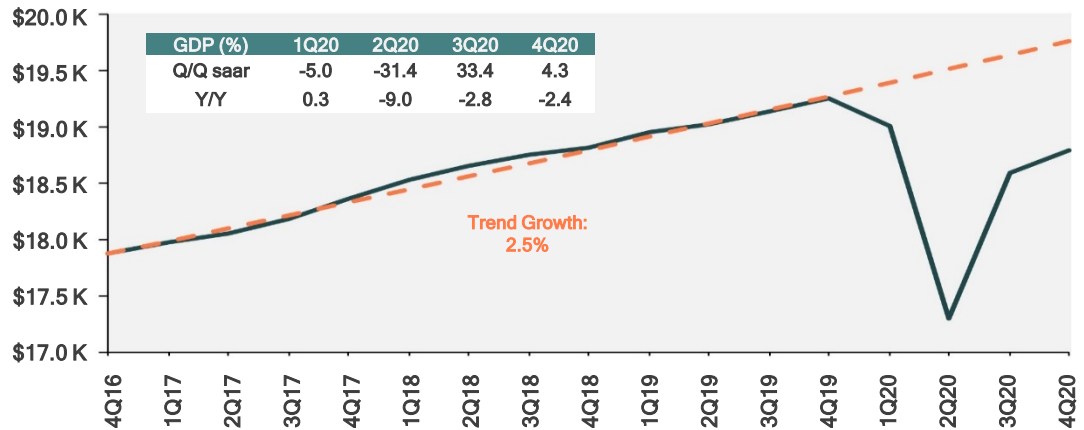
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The U.S. and global economies are still in a recession due to the COVID-19 health crisis, but we believe the economic outlook for 2021 and beyond has improved significantly due to fiscal stimulus and efficacious vaccines.

- We expect there will be a slow but steady recovery from here through year end 2021 and beyond. We believe pent-up demand from consumers may occur in the second half of 2021, driving robust GDP growth.
- Corporate earnings should improve moving forward as vaccines become more widely available and consumers gain confidence in their safety. So far interest rate increases have been driven by an improving economy.
- The yield curve has steepened despite the Fed holding short-term rates to effectively zero. The Fed may be on hold for an extended period. However, inflation fears have picked up due to port congestion, depleted inventories and semiconductor shortages.
- Fiscal policy is bridging the gap between the shutdown and resumption of normal activity. Several trillion dollars of fiscal support has been passed.
- We feel consumer behavior is more likely to change longer-term since the virus has lasted so long. Streaming, ordering groceries online and video call usage has been accelerated dramatically.
- Volatility is likely to decline from here as the health crisis peaks out globally and business conditions return to normal.
- Innovation and disruption are continuing at a breathtaking pace in the U.S. in a variety of industries.

Real GDP

Billions of Chained (2012) Dollars, Seasonally Adjusted at Annual Rates



Data as of March 31, 2021. Data is obtained from BEA, FactSet and J.P. Morgan Asset Management and is assumed to be reliable. Forecasts are not a reliable indicator of future performance. **Past performance is no guarantee of future results.**

Yield Curve

U.S. Treasury Yield Curve



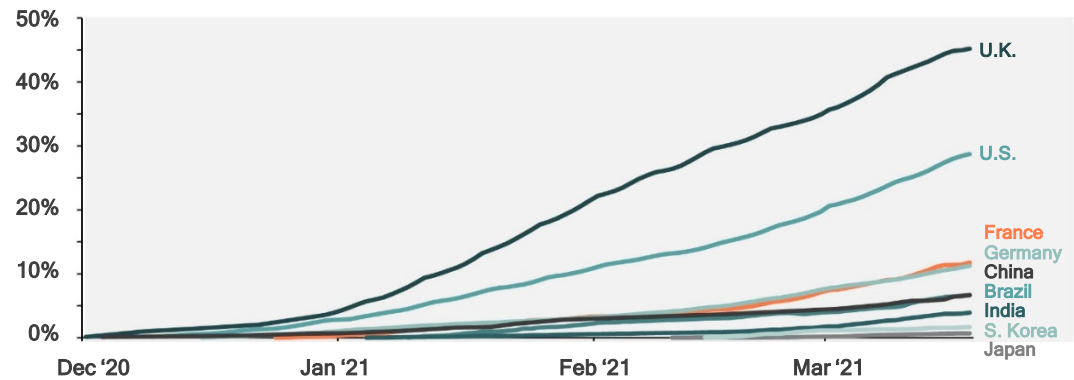
Data as of March 31, 2021. Data is obtained from FactSet, the Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Forecasts are not a reliable indicator of future performance. Positive yield does not imply positive return. **Past performance is no guarantee of future results.**

The global economy has not escaped a recession either, but we believe investors are starting to discount a recovery here too.

- Europe and emerging market economies weakened in early 2019 due to trade disputes with China. COVID-19 weakened these markets further in 2020. We believe recovery is likely to be slow but steady over the next several years, particularly with a slower vaccine rollout in Europe.
- Asia in particular has done an excellent job of containing the virus and is already starting to see improving business conditions, especially in China.
- Global inflation expectations are still benign and this gives central banks the opportunity to keep low short-term rates for an extended timeframe. We think global competition, oil prices and modest wage growth are the key drivers behind this longer-term. We believe global deflation is still the principal threat to developed nations longer-term once these short-term shortages have been corrected.
- International and emerging markets may finally start to perform better relative to the U.S. as breadth improves due to better global economic growth.

COVID-19 Vaccine Rollout

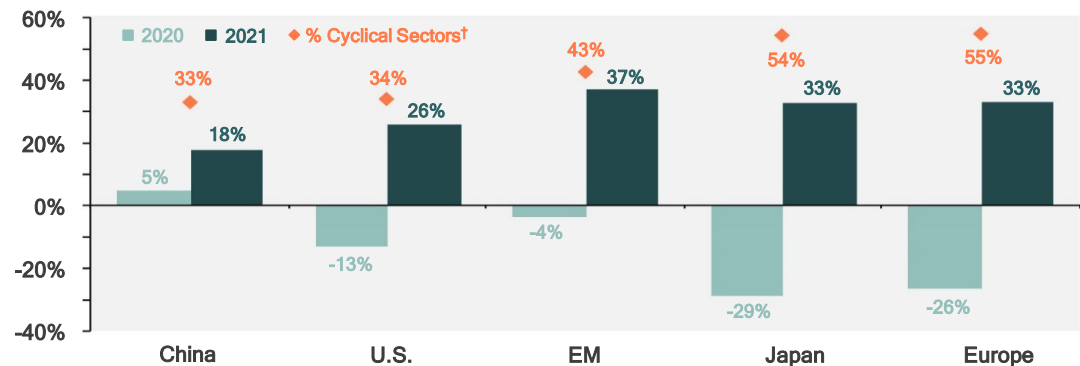
Percent of Total Population that Has Received at Least One Vaccine Dose*



Data is obtained from Our World in Data and J.P. Morgan Asset Management and is assumed to be reliable.

Global Earnings Growth

Calendar Year Consensus Estimates



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

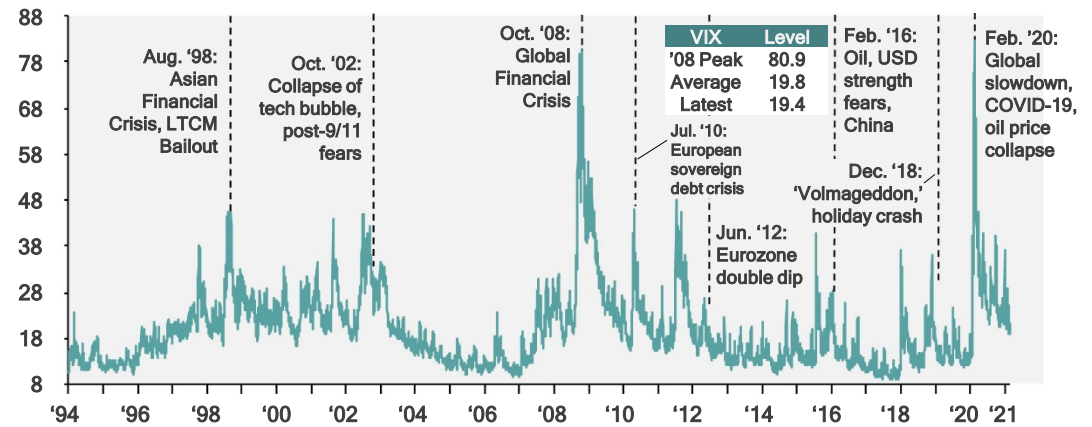
Data as of March 31, 2021.

*Share of total population may not equal the share that are fully vaccinated if the vaccine requires two doses. If a person receives the first dose of a 2-dose vaccine, this metric goes up by 1. If they receive the second dose, the metric stays the same. Data for China represents cumulative doses administered as China does not report the breakdown of doses administered by first and second doses. †Cyclical sectors include consumer discretionary, financials, industrials, energy and materials. The Internet and direct marketing subsector has been removed from the cyclicals calculation. In J.P. Morgan's judgement, companies in this space do not yet fit into the cyclical category, as they are still in a transitional growth phase and are not being directly impacted by the business cycle. 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 U.K. (which collectively make up 44% of the overall index). **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 should continue to improve as states reopen, but we are still not back to normal activity. It will take time, even with vaccines being deployed, to fully restore consumer confidence.
- Equity valuations are above normal by historic measures on absolute levels, but still attractive relative to interest rates. We think earnings are likely to improve from here on a multi-year basis as the health crisis eases.
- We believe foreign markets are recovering gradually, particularly China and Asia, since the health crisis is fading there. Europe has also been relatively successful at containing the virus, but is lagging behind with its vaccination rollout.
- Corporate profit margins should improve over the next several years as revenues increase in an expanding global recovery.
- We believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets over the long term.
- We believe that the outlook for the equity markets continues to be favorable going forward. Volatility will likely decline and we believe the longer term outlook is still favorable as earnings recover. In our view, relatively tame interest rates combined with improving earnings is a powerful combination for reasonable equity performance.

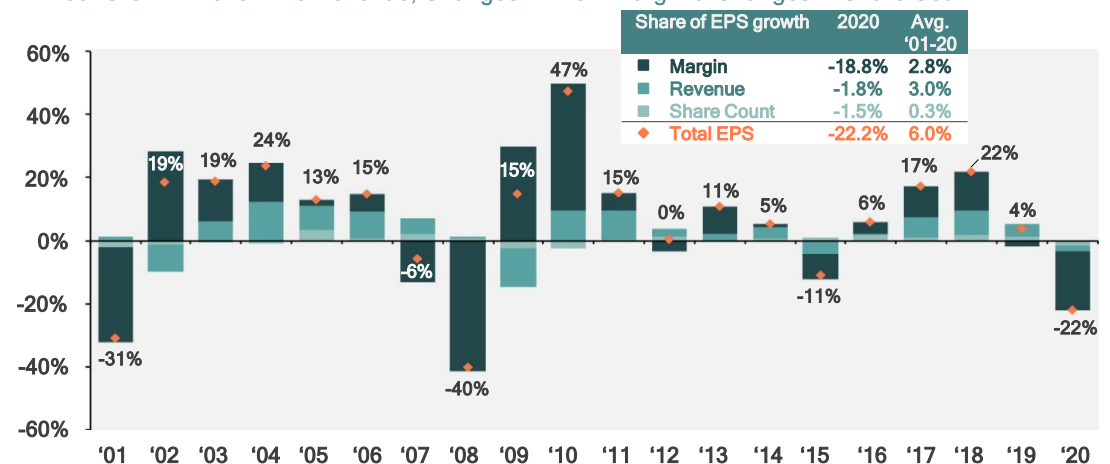
Volatility VIX Index



Data as of March 31, 2021. Data is obtained from FactSet, CBOE, Standard & Poor's and J.P. Morgan Asset Management and is assumed to be reliable. Drawdowns are calculated as the prior peak to the lowest point. **Past performance is no guarantee of future results.**

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 March 31, 2021. Data is obtained from FactSet, Compustat, 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-Mid Cap Core Portfolio

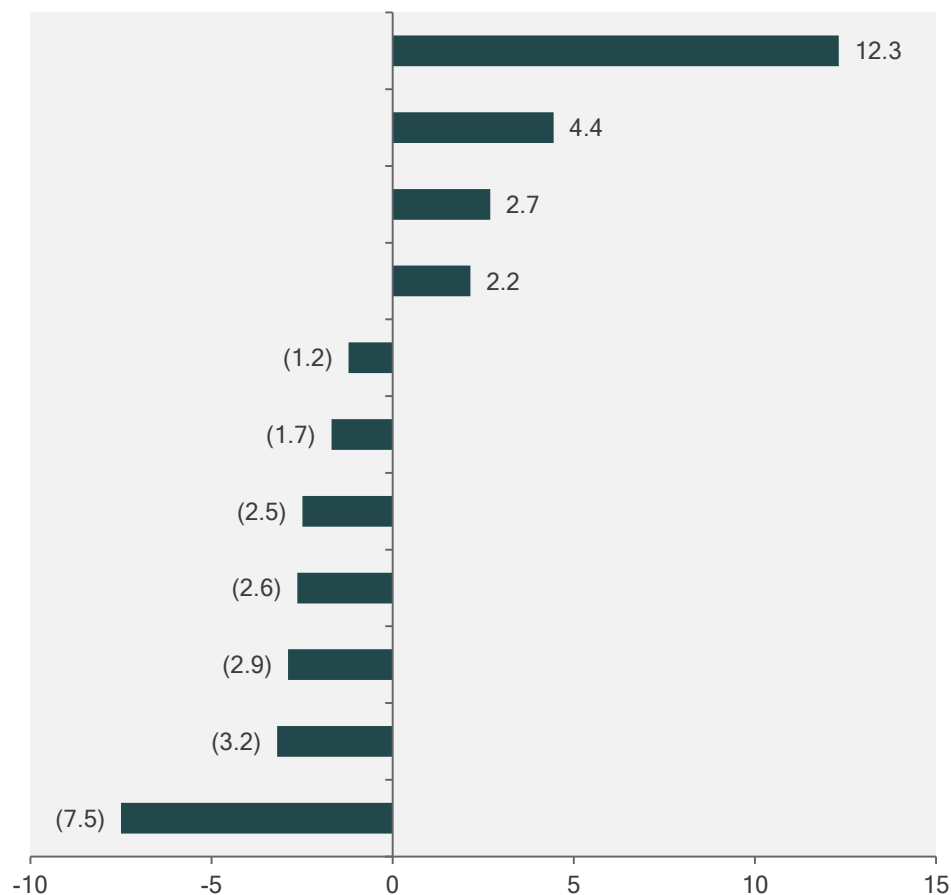
As of March 31, 2021



Kayne Anderson Rudnick
Investment Management

Sectors	KAR Small-Mid Cap Core (%)	Russell 2500™ Index (%)
Information Technology	28.4	16.1
Consumer Discretionary	18.4	13.9
Industrials	19.2	16.5
Materials	7.6	5.5
Financials	13.3	14.6
Health Care	13.1	14.8
Energy	—	2.5
Utilities	—	2.6
Communication Services	—	2.9
Consumer Staples	—	3.2
Real Estate	—	7.5

Underweight/Overweight (%)



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

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

Conviction-Driven Investing Provides Opportunities for Excess Return

Small-Mid Cap Core Portfolio
As of March 31, 2021



Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
Scotts Miracle-Gro	Materials	7.6
Zebra Technologies	Information Technology	5.7
SiteOne Landscape Supply	Consumer Discretionary	4.7
Charles River Laboratories International	Health Care	4.6
Thor Industries	Consumer Discretionary	4.6
Teradyne	Information Technology	4.0
CDW	Information Technology	3.8
Cooper Companies	Health Care	3.8
POOLCORP	Consumer Discretionary	3.8
W. R. Berkley	Financials	3.6
Total		46.2

Research confidence leads to large active weights

	KAR Small -Mid Cap Core	Russell 2500™ Index
# of Holdings	30	2,566
Average Position Size (%)	3.3	0.04
Weight of Top Ten Holdings (%)	46.2	3.0
Active Share (%)	97.1	—

The strategy benefits from diversification while still taking significant active positions

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Strong Risk-Adjusted Returns

Small-Mid Cap Core Portfolio

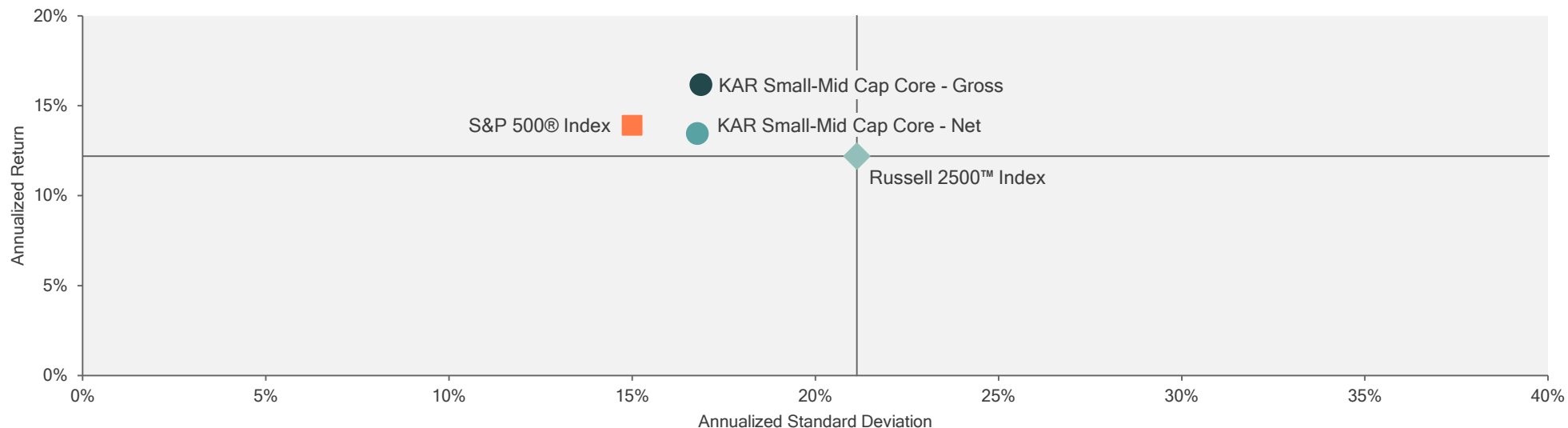
Ten Years Ending March 31, 2021



Kayne Anderson Rudnick
Investment Management

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	6.13	0.93	16.88	12.15	0.75	7.66
Russell 2500™ Index	0.00	0.56	21.13	16.14	1.00	0.00

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



Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 3/31/21	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
First Quarter	7.43	6.64	10.93	(429)
1 Year	76.86	71.86	89.40	(1,754)
3 Years	24.69	21.06	15.34	572
5 Years	21.43	17.89	15.93	196
7 Years	18.29	15.21	11.46	375
10 Years	16.16	13.45	12.20	125
Since Inception*	12.61	9.74	11.24	(150)

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
2020	36.85	32.89	19.99	1,290
2019	40.90	36.84	27.77	908
2018	(5.23)	(8.05)	(10.00)	195
2017	19.77	16.28	16.81	(53)
2016	17.03	13.61	17.59	(398)
2015	5.76	4.10	(2.90)	701
2014	9.25	7.37	7.07	30
2013	31.04	29.07	36.80	(773)
2012	9.25	7.55	17.88	(1,033)
2011	8.43	6.02	(2.51)	853
2010	20.23	17.70	26.71	(901)
2009	31.12	28.86	34.39	(553)
2008	(29.90)	(31.33)	(36.79)	546
2007	0.26	(1.37)	1.38	(275)
2006	14.04	11.75	16.17	(442)
2005	3.24	0.14	8.11	(797)
2004	13.69	10.26	18.29	(803)
2003	25.54	21.91	45.51	(2,360)
2002	(17.31)	(19.84)	(17.80)	(205)
2001	4.57	1.53	1.22	31
2000	23.47	19.85	4.27	1,558
1999	7.02	3.93	24.14	(2,022)
1998	20.98	17.42	0.38	1,704
1997	21.00	17.45	24.36	(691)
1996	26.98	23.22	19.03	419
1995	18.57	15.07	31.70	(1,663)
1994	2.75	(0.26)	(1.05)	79
1993	20.00	16.54	16.55	(2)
1992†	9.65	7.25	11.36	(411)

*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 portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a portfolio with a greater number of securities.

Market Volatility: Local, regional, or global events such as war, acts of terrorism, the speed of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended.

Disclosure

Small-Mid Cap Core Portfolio



Kayne Anderson Rudnick
Investment Management

Year	Composite Pure Gross Return* (%)	Composite Net Return (%)	Russell 2500® Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Percentage of Wrap-Fee Accounts (%)	Number of Accounts (%)	Internal Dispersion	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2010	20.23	17.70	26.71	N/A	N/A	100	59	0.35	316	4,729
2011	8.43	6.02	(2.51)	N/A	N/A	100	53	0.78	337	5,232
2012	9.25	7.55	17.88	15.22	19.24	100	44	0.62	422	6,545
2013	31.04	29.07	36.80	12.17	15.85	100	39	0.36	362	7,841
2014	9.25	7.37	7.07	10.13	11.84	100	35	0.16	373	7,989
2015	5.76	4.10	(2.90)	12.17	12.59	100	30	0.19	378	8,095
2016	17.03	13.61	17.59	12.62	13.86	100	30	0.38	369	9,989
2017	19.77	16.28	16.81	11.16	12.31	100	32	0.26	518	14,609
2018	(5.23)	(8.05)	(10.00)	13.27	14.30	100	24	0.17	618	17,840
2019	40.90	36.84	27.77	14.85	14.79	100	28	0.51	1,117	25,685

*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.

KAR (as defined below) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. KAR has been independently verified for the period from January 1, 1999 through December 31, 2019.

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, 2019. The verification and performance examination reports are available upon request.

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

The composite includes all fully discretionary Small-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, which measures the variability of the composite (using pure gross returns) and the benchmark for the 36-month period, is presented starting 2012 because prior to January 1, 2010, the composite return was calculated quarterly and 36 monthly returns are not available.