Kayne Anderson Rudnick
Investment Management

Mid Cap Core Portfolio
Managed Accounts
First Quarter 2017 Review

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

Tenets of Quality

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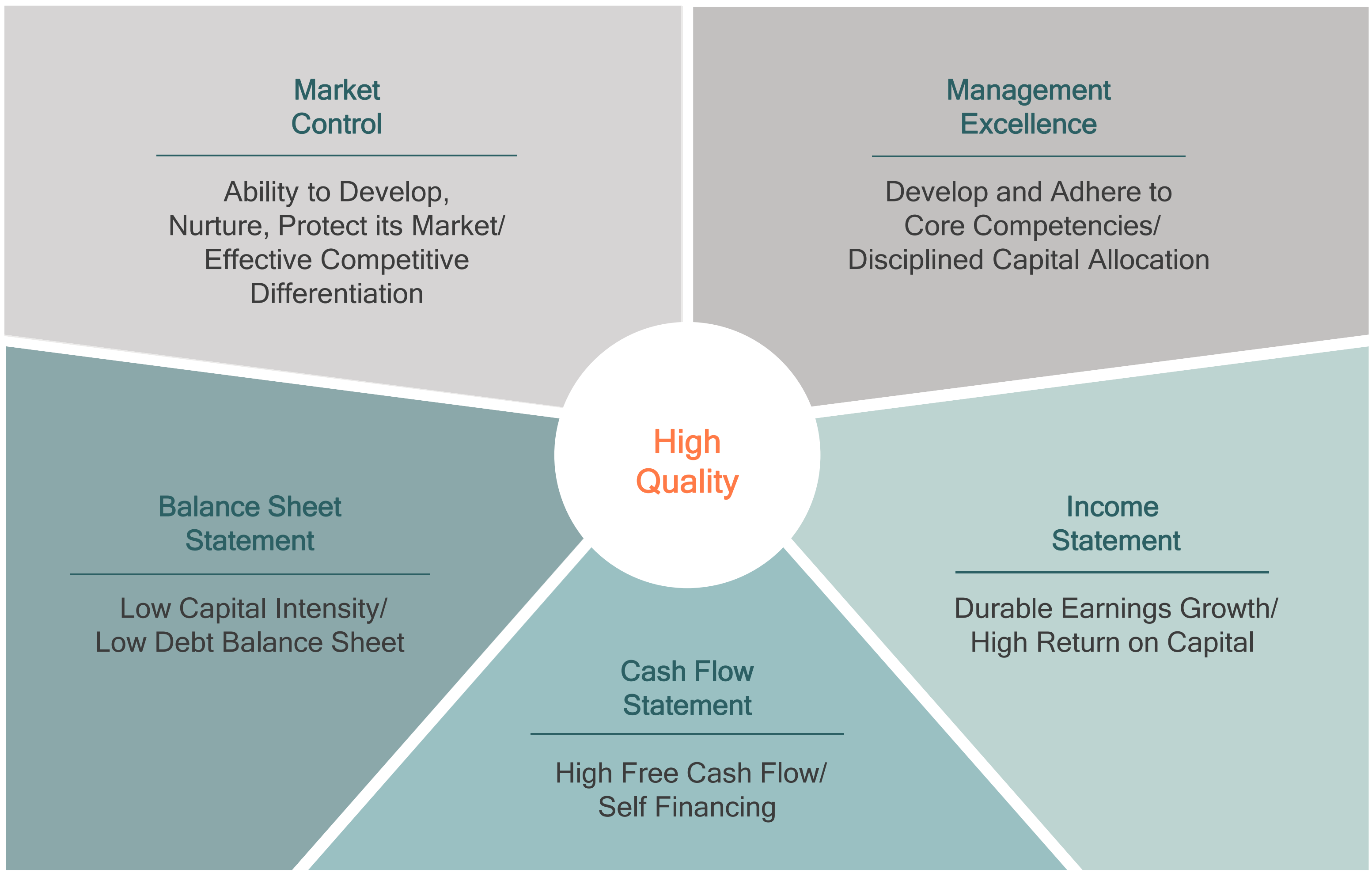

Mid Cap Core Team

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

**Represents years of industry experience.*

Market Review
Periods Ending March 31, 2017

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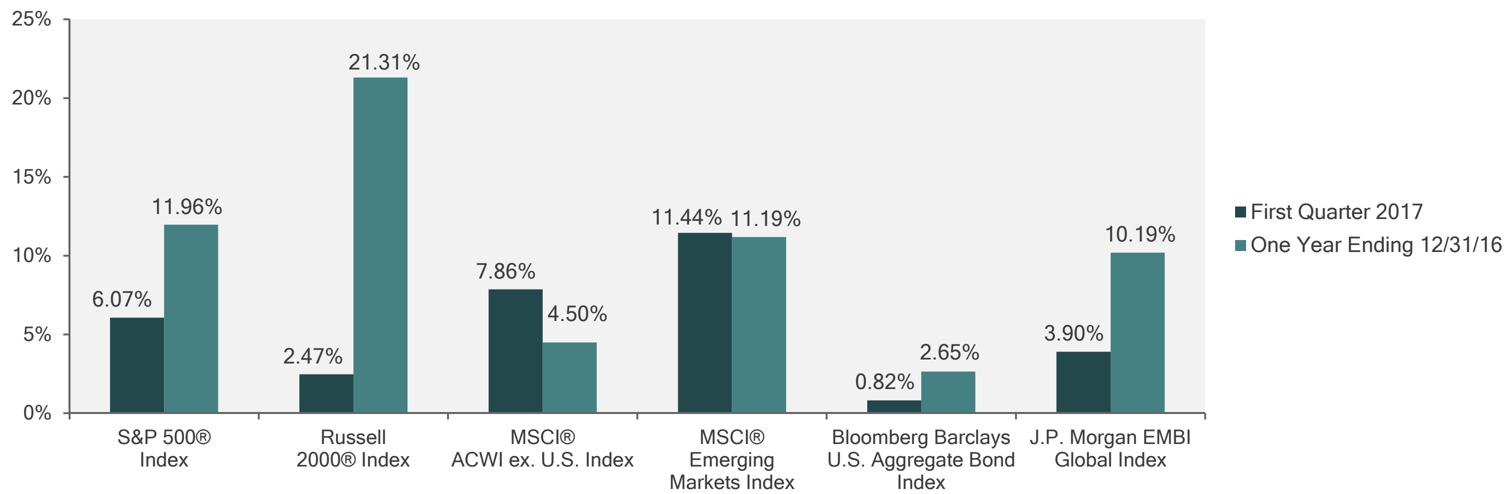
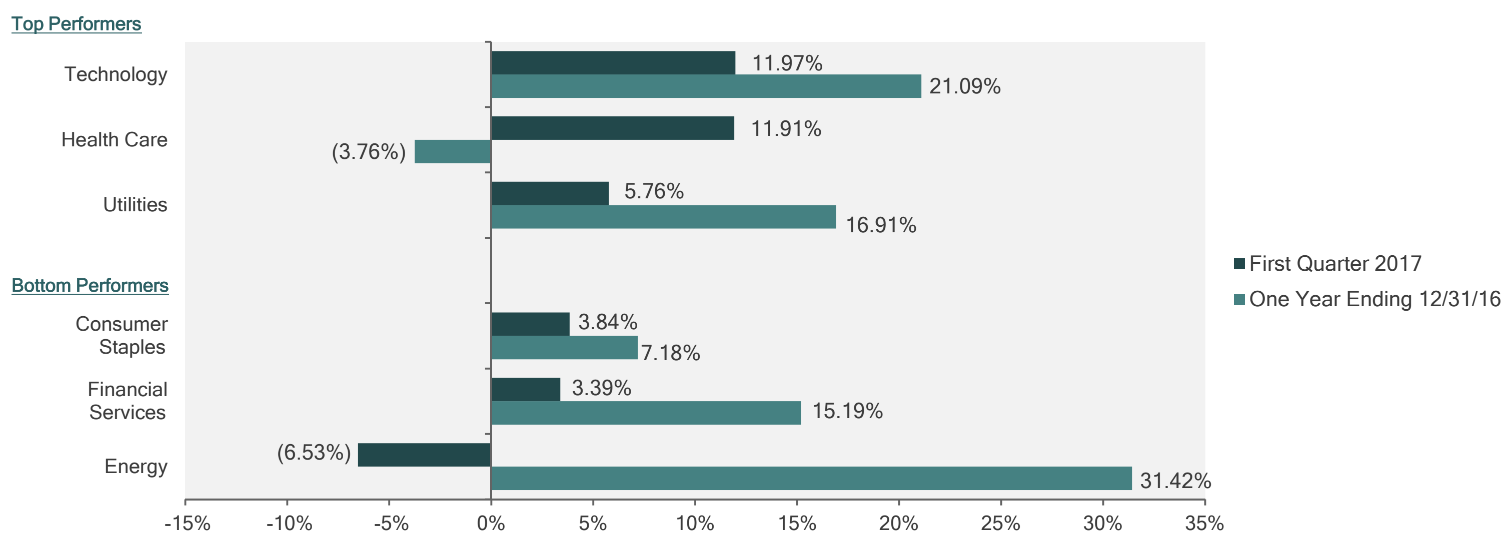
Index Performance



Sector Performance
Russell Midcap® 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

Frequent Style Rotation

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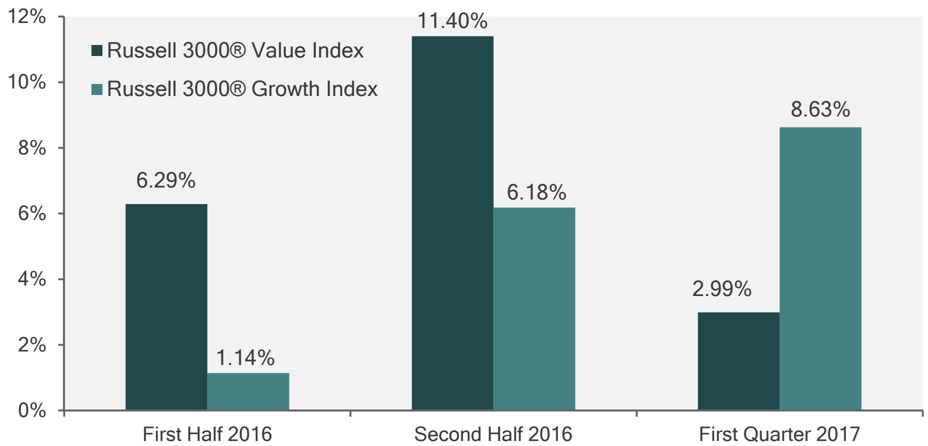
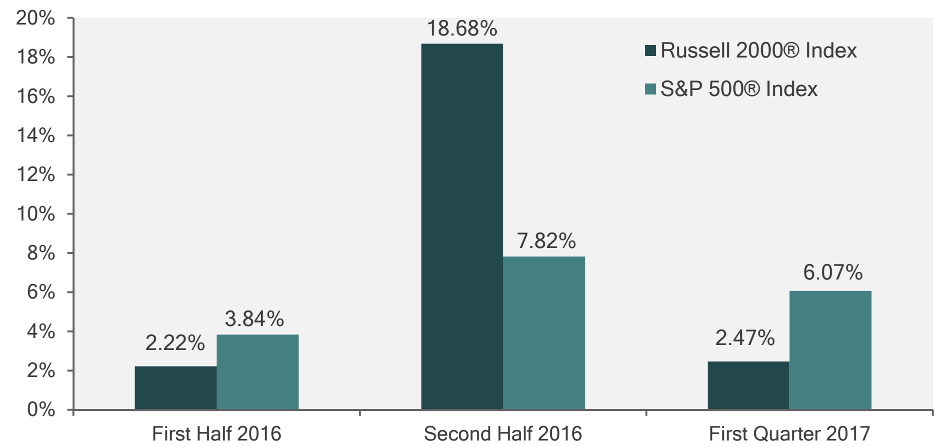
Performance by Style

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



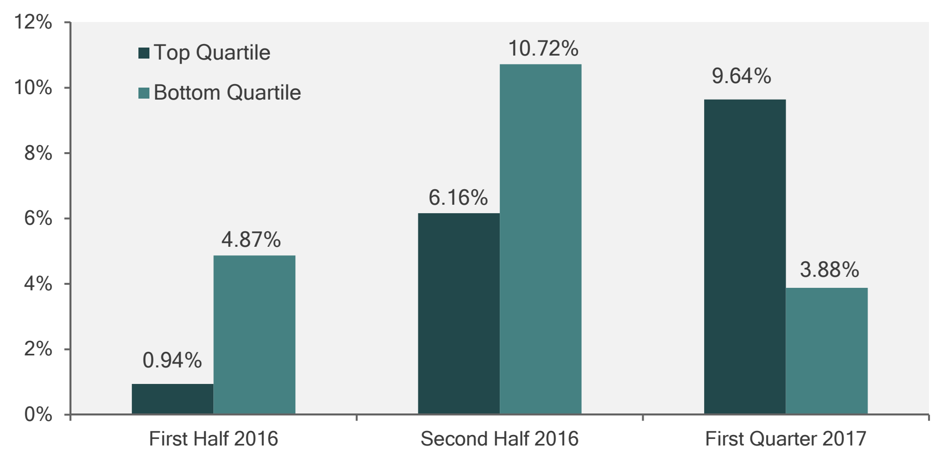
Performance by Market Cap

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



Performance by Sales Growth

Russell 3000® Index



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Quarterly Performance Overview

Mid Cap Core Portfolio
Periods Ending March 31, 2017

Kayne Anderson Rudnick Investment Management

Monthly and Quarterly Performance

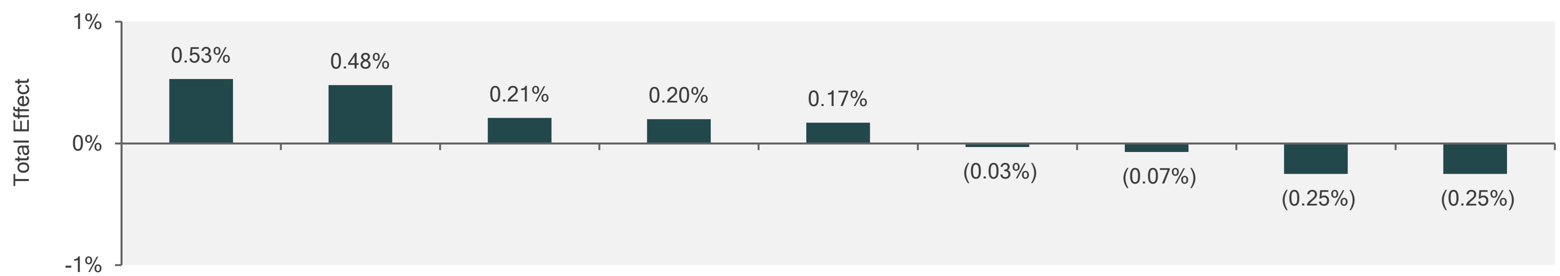
	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
January	2.65	2.40	2.41	24
February	2.01	1.76	2.83	(82)
March	1.09	0.84	(0.16)	125
First Quarter	5.85	5.08	5.15	71

Contributors

Highest	Contribution
Skyworks Solutions	+1.10%
Globus Medical	+0.90%
Wynn Resorts	+0.63%
Lowest	**Contribution**
Sally Beauty Holdings	(0.58%)
First Financial Bankshares	(0.28%)
Dril-Quip	(0.20%)

Attribution by Sector

Quarter Ending March 31, 2017



	Materials & Processing	Producer Durables	Technology	Energy	Consumer Staples	Utilities	Health Care	Consumer Discretionary	Financial Services	Total Effect
Russell Midcap® Returns	4.69%	5.62%	11.97%	(6.53%)	3.84%	5.76%	11.91%	4.61%	3.39%	5.15%
KAR Returns	13.77%	8.93%	11.56%	(6.03%)	7.16%	0.00%	8.19%	2.57%	1.65%	5.85%
KAR Selection Effect	0.54%	0.47%	(0.06%)	0.05%	0.19%	0.00%	(0.77%)	(0.26%)	(0.35%)	(0.18%)
KAR Allocation Effect	(0.01%)	0.01%	0.27%	0.14%	(0.02%)	(0.03%)	0.69%	0.01%	0.10%	1.17%

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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

Mid Cap Core Portfolio
Periods Ending March 31, 2017

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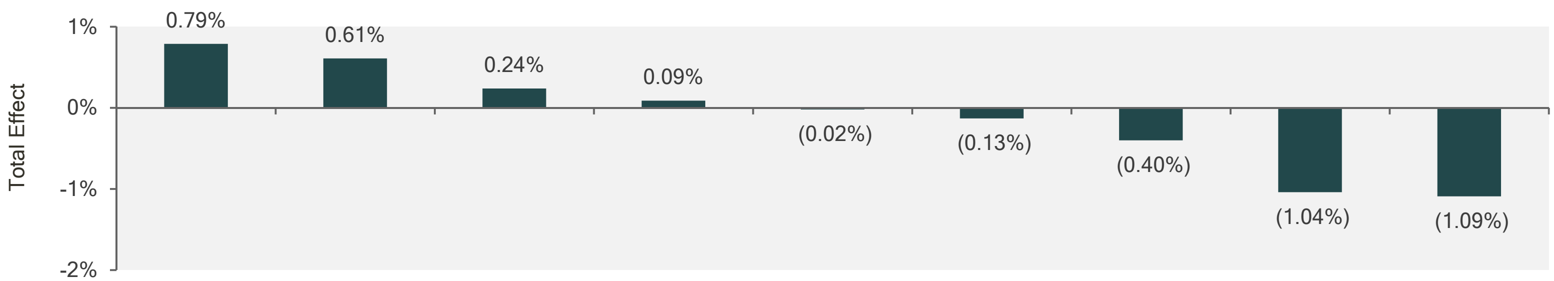
Quarterly and Annual Performance

	Gross (%)	Net (%)	Index (%)	Excess Returns (bps)
Second Quarter 2016	1.81	1.05	3.18	(137)
Third Quarter 2016	4.17	3.40	4.52	(34)
Fourth Quarter 2016	2.94	2.18	3.21	(27)
First Quarter 2017	5.85	5.08	5.15	71
1 Year Ending 3/31/17	15.57	12.19	17.03	(146)

Attribution by Sector
One Year Ending March 31, 2017



	Utilities	Health Care	Producer Durables	Materials & Processing	Financial Services	Technology	Consumer Staples	Consumer Discretionary	Energy	Total Effect
Russell Midcap® Returns	7.10%	17.38%	21.25%	22.61%	19.49%	39.08%	5.72%	3.24%	19.69%	17.03%
KAR Returns	0.00%	20.77%	23.43%	19.51%	19.12%	31.79%	5.82%	(4.11%)	4.39%	15.57%
KAR Selection Effect	0.00%	0.55%	0.20%	0.34%	0.03%	(0.86%)	(0.10%)	(1.19%)	(0.84%)	(1.86%)
KAR Allocation Effect	0.79%	0.06%	0.04%	(0.25%)	(0.05%)	0.73%	(0.30%)	0.14%	(0.25%)	0.92%

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Highest Contributors

Mid Cap Core Portfolio
One Year Ending March 31, 2017

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Security	Contribution	Comments
Nordson	+2.21%	Nordson's continued double-digit organic growth, led by its Advanced Technology Systems segment selling into the mobile electronic industry participants, led to stock price appreciation. We believe that additional growth opportunities in the medical segment–which should help lessen the overall cyclicality of the business–and still strong growth in electronics, should lead to continued good results, albeit at a slightly slower pace.
Aspen Technology *(Purchased Q2 2016)*	+2.04%	With the relative stabilization in oil markets, investors have become more confident in Aspen's long-term prospects. For its part, Aspen's financial results weathered the downturn in oil prices quite well, thanks to its long-term contracts and mission-critical nature of its software. Over the last few quarters, the company has established a new product roadmap to tackle equipment maintenance for customers. This greenfield opportunity would be entirely incremental for Aspen's business and is a natural extension of its existing product suite.
Bank of the Ozarks *(Purchased Q2 2016)*	+1.34%	Bank of the Ozarks' shares had been under pressure as expectations for additional interest rate increases by the Fed had been lowered, in addition to heightened concern regarding commercial real estate exposure of banks. However, with the Trump administration expected to drastically reduce federal regulation, and the pace of Fed rate increases expected to accelerate, those fears have been pushed aside. Investors are now refocusing on the fundamentals of the business and the potential for improved profitability across all banks, which has helped push Bank of the Ozarks' shares higher.

Lowest Contributors

Mid Cap Core Portfolio
One Year Ending March 31, 2017

Kayne Anderson Rudnick
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Security	Contribution	Comments
TripAdvisor	(1.22%)	TripAdvisor's shares have been under pressure for several years as margins have continued to decline due to increased marketing spend. In addition, the recent rollout of Instant Book has negatively impacted revenue growth, which created additional pressure on margins. While uncertainty remains regarding TripAdvisor's ability to get consumers to adopt Instant Book, the franchise value of their core travel review site appears to be intact. As Instant Book matures, it should allow TripAdvisor to further monetize the vast amount of traffic that visits its sites, which will sustain long-term revenue and profit growth.
Sally Beauty Holdings *(Purchased Q3 2016)*	(0.90%)	Sally Beauty Holdings continues to struggle through its retail turnaround, which to date has been more disruptive than helpful to driving sales. The company has maintained its core loyal shoppers but is struggling to drive new traffic to the stores. The new management team continues to implement new initiatives, such as a new loyalty program, social media marketing and product brands launches. Eventually, we believe this will gain traction and support more sustainable results. The stock has also been pressured by fears that the core professional business could weaken. Management is working to ensure there is enough newness and core product to sustain its strong professional business.
Dril-Quip *(Purchased Q2 2016)*	(0.34%)	Dril-Quip's shares lagged driven by continuous weakness in deepwater drilling activity due to depressed crude oil prices. Our view of the company's long-term market positioning remains intact, however. We continue to believe that Dril-Quip is better protected both as a "best of breed" mission-critical equipment supplier and a low-cost manufacturer. Importantly, Dril-Quip has a long-term track record of disciplined capital allocation, and the company's balance sheet remains pristine with plenty of cash and no debt.

Purchases
Mid Cap Core Portfolio
Quarter Ending March 31, 2017

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Purchases	Descriptions/Reasons
Lennox International–Initiated Position	Lennox manufactures a wide variety of heating, ventilation, air conditioning (HVAC) and refrigeration products. The company consists of three segments: Residential, Commercial and Refrigeration.

Lennox International (LII)

- Lennox has an established brand that is recognized by both HVAC contractors and end-market consumers. Consumers of residential HVAC equipment largely rely on HVAC contractor recommendations as contractors are legally required to install all equipment. The contractor has little incentive to use an off-brand product as their reputation is crucial. Selling a respected brand, such as Lennox, minimizes career risk. Additionally, it enables the contractor to associate their business with a national brand, become well versed in Lennox's product line to enhance their sales capabilities and speed up repair times due to product familiarity.

- Being the second-largest residential HVAC manufacturer enables Lennox to leverage fixed costs, obtain purchase discounts and benefit from nationwide marketing campaigns. Another important benefit to scale is the rollout of company owned distribution via Parts Plus stores. HVAC contractors are more willing to support a brand if those products are in close proximity and can be easily obtained. Parts Plus stores, in combination with multiple technology investments, provide an advantage for HVAC contractors.

Sales

Mid Cap Core Portfolio
Quarter Ending March 31, 2017

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Sales	Reasons
Edwards Lifesciences–Sold Entire Position	While the Transcatheter Aortic Valve Replacement (TAVR) market continues to grow nicely, we are seeing more difficult comparisons, and therefore, a potential growth slowdown as new TAVR center openings slow and procedure growth could be a major driver going forward. In addition, the competitive environment is getting more heated. While we believe Edwards can maintain share, pricing could be pressured going forward. Moreover, Edwards' mitral valve solution seems to be having even more delays in getting to trials. As a result, we sold our position.
Dentsply Sirona–Trimmed Position	We slightly trimmed our position in Dentsply Sirona due to ongoing headwinds in the dental market overall as procedure demand continues to be weak and the company's distribution model could see some medium-term turmoil as the Patterson exclusive rolls off in the fall. We believe the company should navigate through this eventually, but the shares could see some inertia.

Portfolio Characteristics

Higher Quality, Stronger, More Consistent Growth, & Better Value
Mid Cap Core Portfolio – As of March 31, 2017

Kayne Anderson Rudnick Investment Management

	KAR Mid Cap Core	Russell Midcap® Index
Quality		
Return on Equity–Past 5 Years	25.9%	14.2%
Total Debt/EBITDA	1.9 x	3.9 x
Earnings Variance–Past 10 Years	31.5%	66.0%
S&P Stock Ranking (A+, A, A-, B+)	72.7%	44.3%
Growth		
Earnings Per Share Growth–Past 5 Years	11.2%	8.8%
Earnings Per Share Growth–Past 10 Years	13.4%	7.4%
Dividend Per Share Growth–Past 5 Years	14.1%	12.4%
Dividend Per Share Growth–Past 10 Years	17.3%	7.7%
Capital Generation–{ROE x (1-Payout)}	20.3%	9.6%
Value		
P/E Ratio–Trailing 12 Months	29.4 x	30.9 x
Dividend Yield	0.8%	1.7%
Free Cash Flow Yield†	4.1%	3.3%
Market Characteristics		
$ Weighted Average Market Cap–4 Qtr. Average	$11.3 B	$13.2 B
Largest Market Cap–4 Qtr. Average	$29.9 B	$46.9 B
Annualized Standard Deviation–Since Inception*	14.4%	18.7%

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

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

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

**January 1, 2000*

†Free cash flow data is as of December 31, 2016. Prices are as of March 31, 2017. Excludes financials.

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Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. Past performance is no guarantee of future results.

Market Outlook
U.S. Economy

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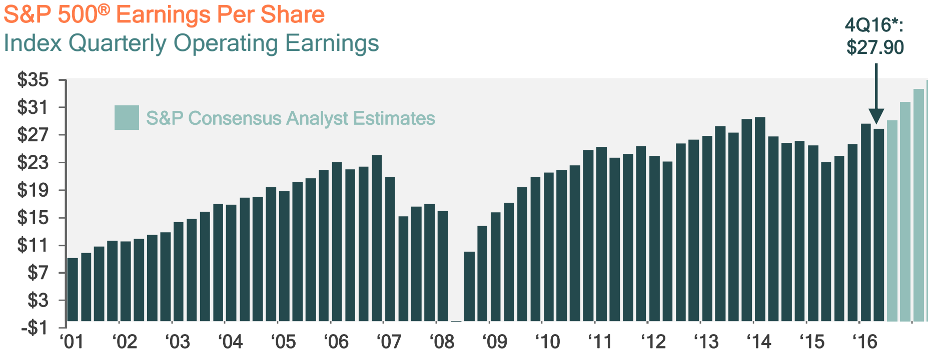
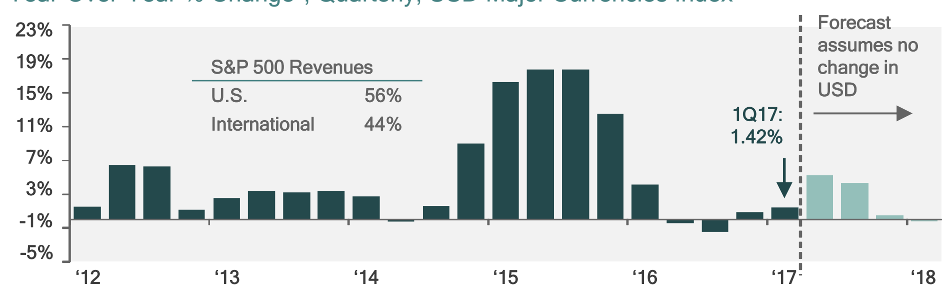
The U.S. economy continues to grow modestly. International economies have started to stabilize, improving the outlook for global economic growth rates.

- Corporate earnings and revenue continue to grow in constant currency and companies are maintaining historically high operating margins. However, the strength in the U.S. dollar and the decline in energy earnings have been hurting reported earnings of the S&P 500 over the last two years, but this is abating. S&P 500 EPS should improve from low single-digit to mid-to-high single-digit growth over the next 12 to 18 months.
- Trump's election should accelerate U.S. GDP to the 2.5% to 3.5% range over the next two years if his agenda becomes a reality or perhaps even in a gridlock political environment.
- Corporate cash is at all-time highs, leading to share buybacks, dividend increases and acquisitions. Companies have become more disciplined about their capital allocation. M&A activity has slowed somewhat, but IPO activity is finally picking up.
- Household net wealth continues to hit a new high. Consumer confidence is back to 2007 levels. The labor market continues to improve meaningfully, however, this is a lagging indicator.
- Energy costs have declined significantly providing input cost relief for consumers and companies. However, many energy-related businesses are quickly recovering from recession conditions.
- Innovation is alive and well with the U.S. creating many investment opportunities in industries such as technology, health care and energy.
- Bond yields and mortgage rates have continued to stay fairly low by historical standards which has helped real estate markets continue to recover.

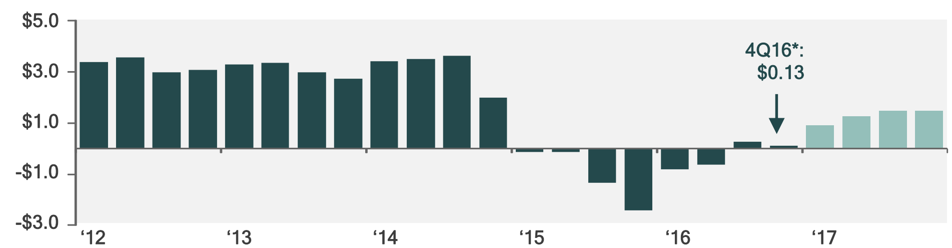
S&P 500® Earnings Per Share
Index Quarterly Operating Earnings



U.S. Dollar
Year-Over-Year % Change†, Quarterly, USD Major Currencies Index



Energy Sector Earnings
Energy Sector Contribution to S&P 500® EPS, Quarterly



Data as of March 31, 2017.

**4Q16 earnings are calculated using actual earnings for 98.2% S&P 500 market cap and earnings estimates for the remaining companies.*

†Year-over-year change is calculated using the quarterly average for each period. USD forecast assumes no changes in the U.S. dollar from its March 31, 2017 level.

EPS levels are based on operating earnings per share. Earnings estimates are Standard & Poor's consensus analyst expectations. Currencies in the Trade Weighted U.S. Dollar Major Currencies Index are: British pound, euro, Swedish krona, Australian dollar, Canadian dollar, Japanese yen and Swiss franc. Data is obtained from FactSet Research Systems, J.P. Morgan Asset Management, Compustat, Standard & Poor's, Federal Reserve, S&P 500 individual company 10k filings and S&P Index Alert. Past performance is no guarantee of future results.

Market Outlook

International Economy

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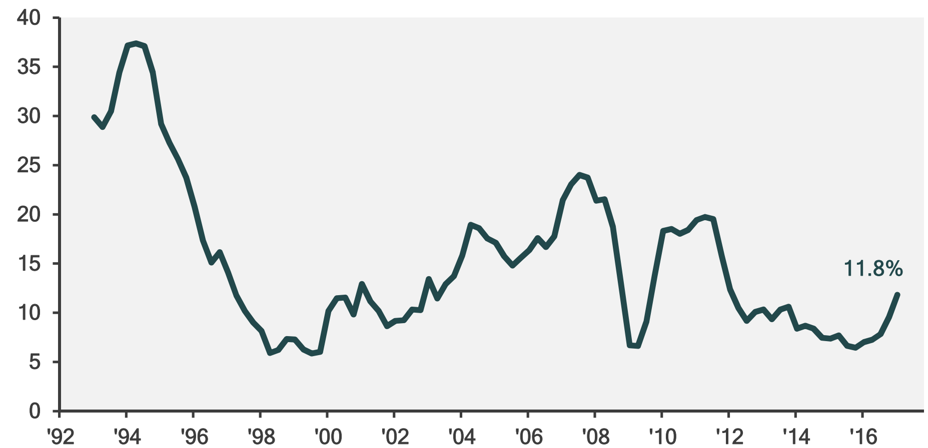
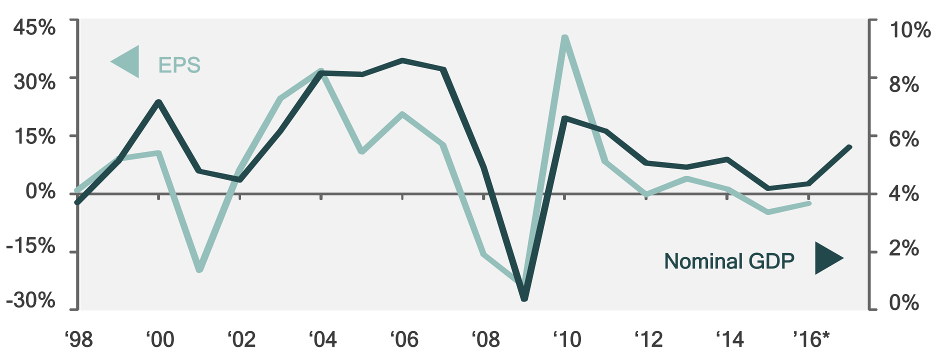
Global growth prospects are solid in Q1, providing support for risk-based assets abroad.

- At a 2.39% yield on the U.S. 10-year bond, a higher initial yield combined with a 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 been starting to improve due to a steepening yield curve.
- European inflation is very benign but is reaching targets. Yields have risen this quarter, lifting many European countries out of a negative interest rate environment.
- Chinese economic growth rates have stabilized in 2016, albeit at lower rates than historically. The transition to a consumption-led economy will take time, but is clearly occurring.
- Weak commodity prices have pressured emerging market growth rates and currencies, but are showing signs of stability over the last couple of quarters. Uncertainty about U.S. trade policies may slow down the recovery in progress, but initial negotiations appear better than expected.

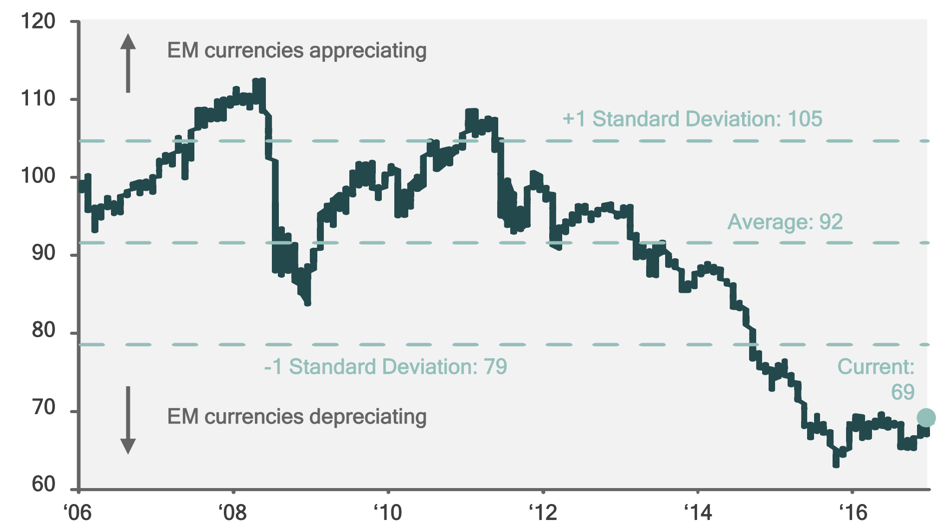
China Nominal GDP
Y/Y%, NSA



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



EM FX vs. U.S. Dollar
Index Level



Data as of March 31, 2017.

**2016 are IMF estimates.*

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Market Outlook

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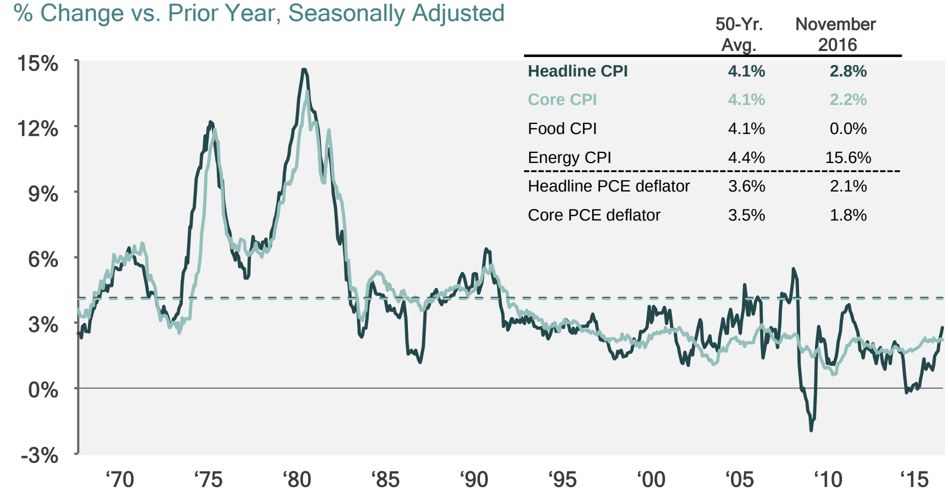
Potential Economic Risks:

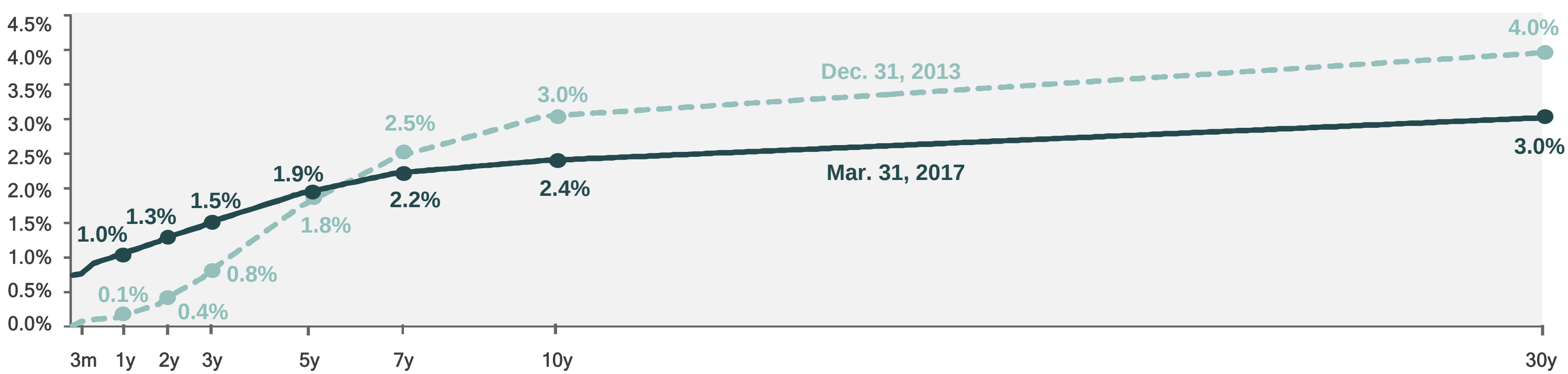
- How will the long end of the bond market continue to react to the Fed's desire to raise short-term rates further into 2017?
- A hard landing in China could slow global GDP materially. It is still a risk.
- Europe goes into another recession despite QE efforts by the ECB due to Brexit effects.
- Does the EU unravel as referendums occur into 2017/18 (France, Italy, etc.)?
- Global deflation, not inflation, continues to be principal risk, but inflation expectations are finally rising.
- Renewed energy price weakness could continue to erode capital spending and business confidence.
- Continued uncertainty surrounding global trade and immigration policy in the U.S.

CPI and Core CPI
% Change vs. Prior Year, Seasonally Adjusted



	50-Yr. Avg.	November 2016
Headline CPI	4.1%	2.8%
Core CPI	4.1%	2.2%
Food CPI	4.1%	0.0%
Energy CPI	4.4%	15.6%
Headline PCE deflator	3.6%	2.1%
Core PCE deflator	3.5%	1.8%

Yield Curve
U.S. Treasury Yield Curve



Data as of March 31, 2017.

CPI used is CPI-U and values shown are % change versus one year ago and reflect February 2017 CPI data. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations.

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Market Outlook

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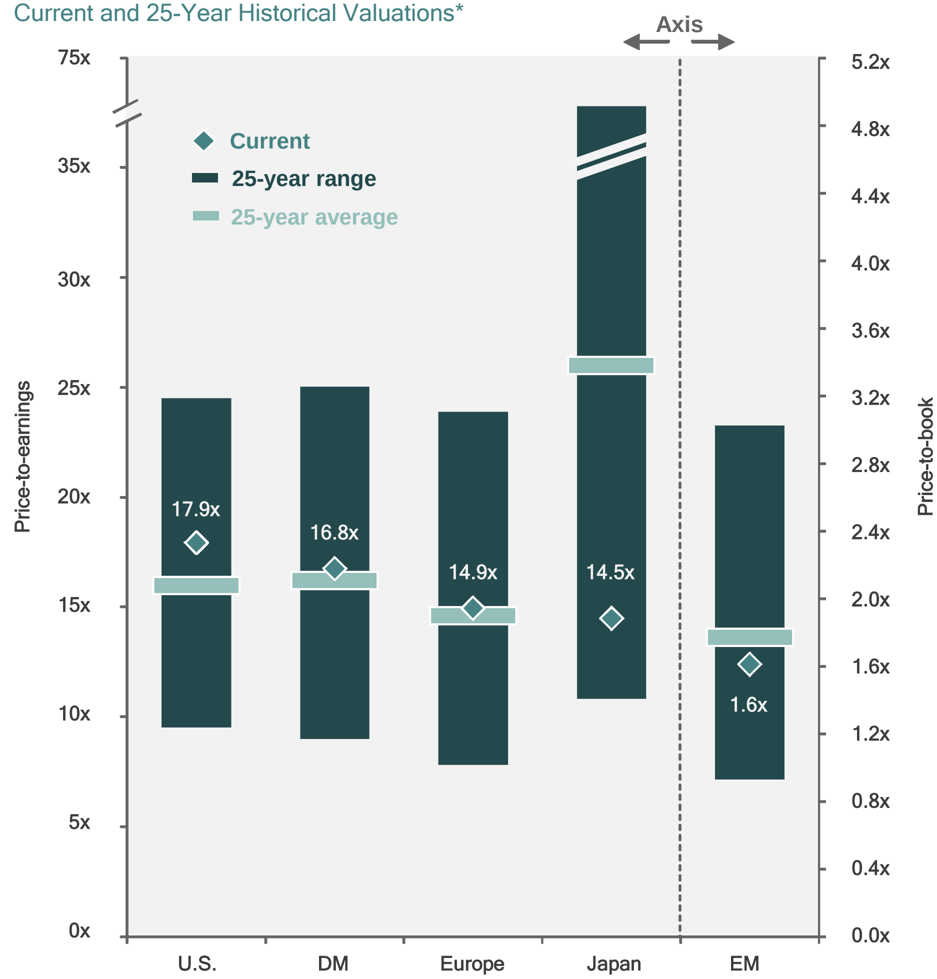
We continue to believe that the risk/reward ratio for equities over the long term is favorable on an absolute basis and particularly relative to fixed income.

- As consumer confidence stays strong, there is potential for P/E ratios to improve slightly. Retail investors still are not engaged.
- Equity valuations remain reasonable by historic measures, both at absolute levels but particularly relative to interest rates.
- 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 levels even in an overall slower growth environment.
- In the modest growth economy and maturing economic cycle we foresee, we believe high-quality businesses with protected markets are a better place to invest than lower quality companies operating in more competitive markets.
- 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.

Global Valuations
Current and 25-Year Historical Valuations*



Data as of March 31, 2017.

**Valuations refer to NTMA P/E for Europe, U.S., Japan and developed markets, and P/B for emerging markets. Valuation and earnings charts use MSCI indices for all regions/countries, except for the U.S. which is the S&P 500. All indices use IBES aggregate earnings estimates, which may differ from earnings estimates used elsewhere in the book.*

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Appendix

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- Portfolio Data
- Disclosure

Sector Weights

Mid Cap Core Portfolio
As of March 31, 2017

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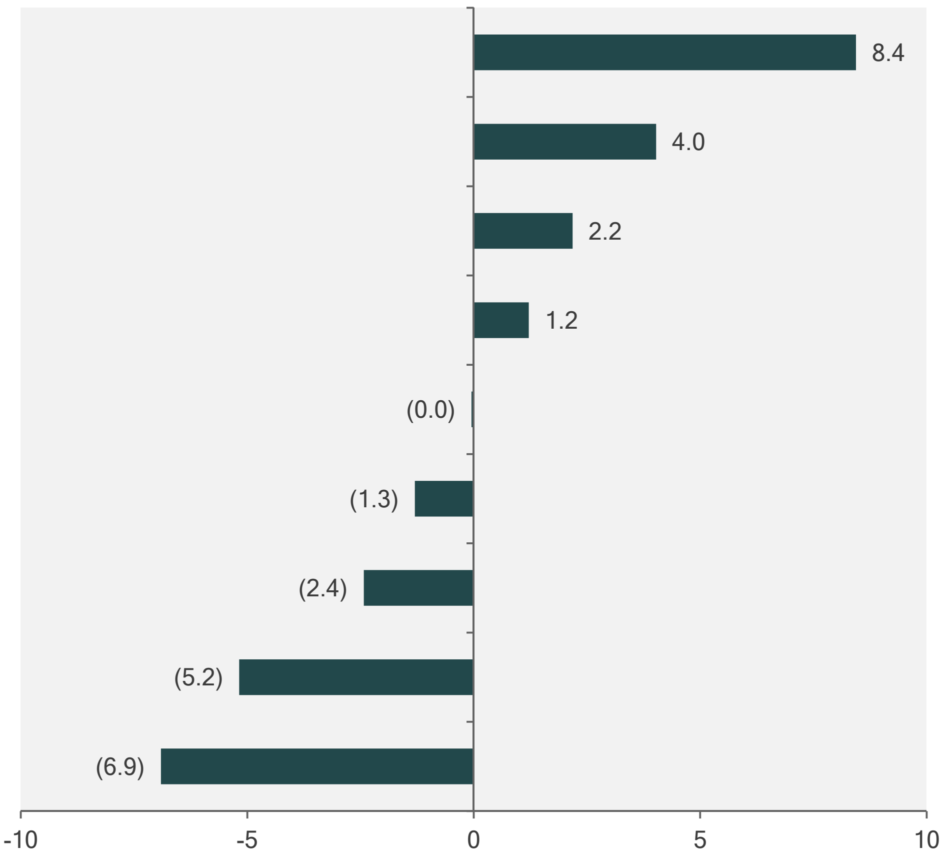
Sectors	KAR Mid Cap Core (%)	Russell Midcap® Index (%)
Health Care	17.3	8.9
Technology	15.6	11.6
Producer Durables	15.2	13.0
Consumer Staples	6.1	4.8
Materials & Processing	6.9	7.0
Energy	4.6	5.9
Consumer Discretionary	13.5	15.9
Financial Services	20.8	26.0
Utilities	–	6.9

Underweight/Overweight (%)



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

Conviction-Driven Investing Provides Opportunities for Excess Return

Mid Cap Core Portfolio
As of March 31, 2017

Kayne Anderson Rudnick
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Top 10 Holdings	Russell Sector	% of Portfolio
Globus Medical	Health Care	5.4
AMETEK	Producer Durables	5.0
Bank of the Ozarks	Financial Services	4.4
Signature Bank	Financial Services	4.3
Skyworks Solutions	Technology	4.3
Aspen Technology	Technology	4.2
WABCO Holdings	Consumer Discretionary	4.2
Amphenol	Technology	4.2
Zoetis	Health Care	4.0
Nordson	Producer Durables	4.0
Total		**44.1**

Research confidence leads to large active weights

	KAR Mid Cap Core	Russell Midcap® Index
# of Holdings	32	794
Average Position Size (%)	3.1	0.1
Weight of Top Ten Holdings (%)	44.1	5.1
Active Share (%)	96.0	–

The strategy benefits from diversification while still taking significant active positions

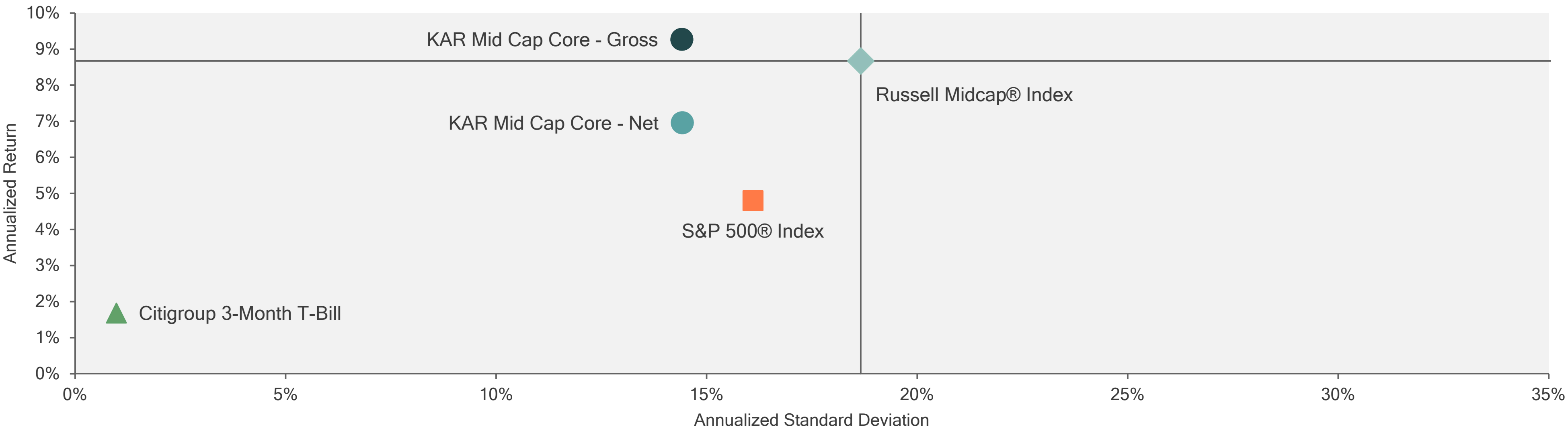
This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

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

Strong Risk-Adjusted Returns

Mid Cap Core Portfolio
Inception* to March 31, 2017

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 Mid Cap Core	2.30	0.53	14.41	11.40	0.71	7.75
Russell Midcap® Index	0.00	0.38	18.66	14.39	1.00	0.00

January 1, 2000

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

Mid Cap Core Portfolio

Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 3/31/17	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
First Quarter	5.85	5.08	5.15	71
1 Year	15.57	12.19	17.03	(146)
3 Years	12.99	10.91	8.48	451
5 Years	14.16	12.33	13.09	107
7 Years	14.18	12.46	13.15	103
10 Years	9.16	7.38	7.94	122
Since Inception*	9.27	6.96	8.67	60

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return (bps)
2016	12.24	8.95	13.80	(156)
2015	3.87	2.73	(2.44)	631
2014	17.88	16.68	13.22	466
2013	28.48	27.15	34.76	(629)
2012	16.27	14.45	17.28	(101)
2011	4.29	2.95	(1.55)	584
2010	19.46	17.99	25.48	(602)
2009	21.47	19.16	40.48	(1901)
2008	(28.78)	(30.29)	(41.46)	1268
2007	6.19	4.20	5.60	59
2006	13.10	10.91	15.26	(217)
2005	8.79	5.56	12.65	(386)
2004	15.29	11.86	20.22	(493)
2003	26.67	23.03	40.06	(1339)
2002	(12.62)	(15.26)	(16.19)	357
2001	(2.76)	(5.59)	(5.62)	286
2000	21.54	17.94	8.25	1329

**January 1, 2000*

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

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, 2014.

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 Mid Cap Core Wrap Composite has been examined for the period from January 1, 2000 through December 31, 2014. The verification and performance examination reports are available upon request.

Kayne Anderson Rudnick Investment Management, LLC, a wholly owned subsidiary of Virtus Investment Partners, Ltd., 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 discretionary Mid Cap Core Wrap Portfolios. Mid Cap Core Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell Midcap® 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 Midcap® Index. The Russell Midcap® Index is a market capitalization-weighted index of the 800 smallest companies in the Russell 1000® Index, which comprises the 1,000 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 2003. 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 December 31, 2010, the composite minimum was $100,000.

The standard wrap fee schedule in effect is 3.00% on total assets. Actual management fees charged may vary depending on applicable fee schedules and portfolio size, among other things. Additional information may be found in Part IIA of Form ADV, which is available on request. The performance information is supplied for reference. Past performance is no guarantee of future results. Results will vary among accounts. The U.S. dollar is the currency used to express performance. Performance results include the reinvestment of all income. Pure gross returns do not reflect the deduction of any expenses, including trading costs. Prior to December 31, 2005, net annual returns are calculated by deducting 1/4 of an assumed maximum annual wrap fee of 3% on a quarterly basis. Beginning January 1, 2006, net annual returns are calculated using actual fees incurred. If no fee data is provided by wrap sponsors, the maximum annual wrap fee of 3% is used to calculate net of fee performance. Wrap fees include all charges for trading costs, portfolio management, custody, and other administrative expenses.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns for accounts in the composite for the entire year. For those years when less than five accounts were included for the full year, no dispersion measure is presented. The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36-month period is presented starting December 31, 2012, because prior to January 1, 2010, the composite return was calculated quarterly and 36 monthly returns are not available.

3-Yr Annualized Standard Deviation (%)		
December 31	Composite	Benchmark
2012	15.34	17.44
2013	12.48	14.23
2014	10.27	10.29
2015	11.94	11.00

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 Midcap® Index Annual Return (%)	Internal Dispersion
2006	6,523	34	100%	14	13.10	10.91	15.26	0.10
2007	5,392	25	100%	7	6.19	4.20	5.60	0.06
2008	3,445	18	100%	9	(28.78)	(30.29)	(41.46)	0.15
2009	4,010	23	100%	8	21.47	19.16	40.48	0.35
2010	4,729	28	100%	8	19.46	17.99	25.48	0.87
2011	5,232	25	100%	6	4.29	2.95	(1.55)	0.70
2012	6,545	34	100%	7	16.27	14.45	17.28	0.16
2013	7,841	12	100%	6	28.48	27.15	34.76	0.28
2014	7,989	7	100%	5	17.88	16.68	13.22	0.16
2015	8,095	7	100%	< 5	3.87	2.73	(2.44)	N/A

**Beginning July 1, 2003, pure gross returns are supplemental to net returns.*