

All Cap Sustainable Growth Portfolio

Second Quarter 2019

Portfolio Review

The All Cap Sustainable Growth portfolio outperformed the Russell 3000 Growth Index. Outperformance was driven primarily by strong stock selection in the health care and information technology sectors. Negative stock selection in communication services and energy detracted from performance.

Holdings that contributed the most to performance were Paycom Software and Avalara.

- Over the last 12 months, Paycom decided to focus on driving usage of its HR software directly to the employees. This allows customers to realize the maximum value of its software, which drives efficiency throughout an organization. As a result, it has seen very strong growth in both topline and bottom-line results. In addition, it has further embedded its software into its customers' workflows making it that much tougher to replace.
- Avalara's revenue in the most recent quarter edged above expectations, and billings grew much faster than expected as demand from large enterprises and international geographies surged. Avalara's sales productivity (both internally and through partners) also improved.

Holdings that detracted the most from performance were NVE and Autohome.

- NVE reported a disappointing product sales quarter. The company's largest customer has seen softer sales of pacemakers, which are an ideal application for NVE's technology. As we expect the growth of pacemakers to continue in the U.S. as the population continues to age, we expect these sales to return. Additionally, we believe the company is well-positioned in other markets, such as bio-safety and automotive, to capitalize on further growth opportunities. While it is challenging to know when these opportunities will yield more material sales, the company's core profitability remains well above peers and management's capital allocation remains conservative.
- Weak auto sales in China, trade conflicts and disruption related to a new emissions standard led to a decline in Autohome's shares.

Outlook

Corporate growth rates in the U.S. grew modestly in the first quarter and we still believe S&P 500 earnings can advance in the mid single-digit range in 2019. Investors weren't rewarded for outstanding earnings growth in 2018 (+20% growth) with the S&P 500 declining over 4%. Corporate margins have not fallen apart in 2019 and this has caused stock returns to catch up to actual earnings growth. Returns from here will be driven by prospects for continued earnings growth into 2020.

Purchases and Sales

New Purchases

Freshpet
 Goosehead Insurance
 Grocery Outlet Holding
 GSX Techedu
 Silk Road Medical
 Slack Technologies
 Uber Technologies

Complete Sales

Cargurus
 Expedia Group
 Lyft
 STAAR Surgical

Portfolio Highlights

Style: All Cap
Sub-Style: Growth
Index: Russell 3000® Growth
Portfolio Assets: \$180.8 M
Portfolio Turnover: 25%–35%

Investment Management Team

| Name | Years of research experience |
|--|------------------------------|
| Douglas S. Foreman, CFA Chief Investment Officer + Portfolio Manager | 33 |
| Todd Beiley, CFA Portfolio Manager + Senior Research Analyst | 20 |
| Jon Christensen, CFA Portfolio Manager + Senior Research Analyst | 24 |
| Julie Biel, CFA Senior Research Analyst | 11 |
| Julie Kutsov Senior Research Analyst | 18 |
| Richard Sherry Senior Research Analyst | 21 |
| Craig Stone Senior Research Analyst | 30 |
| Chris Wright, CFA Senior Research Analyst | 7 |
| Chris Armbruster, CFA Research Analyst | 14 |
| Sean Dixon Research Analyst | 10 |
| Noran Eid Research Analyst | 6 |
| Adam Xiao, CFA Research Analyst | 4 |

Top Five Holdings

As of June 30, 2019

| Company | Percent of equity (%) |
|-----------------|-----------------------|
| Paycom Software | 4.6 |
| Amazon.com | 4.3 |
| Facebook | 3.4 |
| Netflix | 2.9 |
| Workday | 2.8 |
| Total | 17.9 |

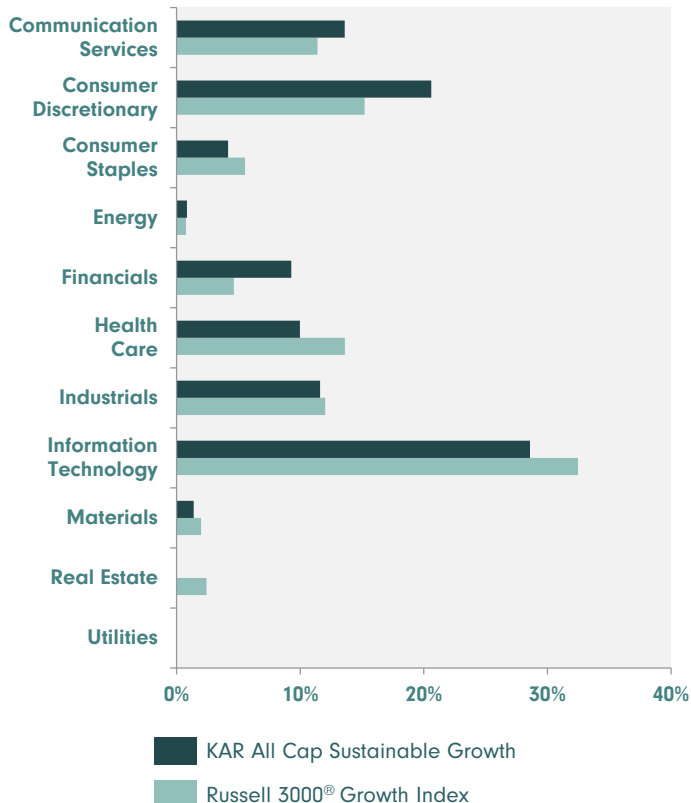
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation to purchase securities. A complete listing 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. Data is obtained by 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.

Investment Process: Discovering Quality

| Development of High-Quality Universe | Proprietary Fundamental Research | Portfolio Construction | Sell Discipline |
|--|---|--|--|
| 300 Stocks Quantitative Screens <ul style="list-style-type: none"> High return on capital over a full economic cycle Long and resilient earnings history High return on net operating assets Minimal debt Other Resources <ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research | 100–120 Stocks Qualitative Analysis <ul style="list-style-type: none"> Evaluate sustainability of business model and assess management's ability to direct capital where it can create further control of its market Financial Analysis <ul style="list-style-type: none"> Evaluate basis for superior profitability, long-term growth potential, and ability to allocate capital appropriately Valuation Analysis <ul style="list-style-type: none"> Determine the current and potential value of the business | 80–100 Stocks Position Weights <ul style="list-style-type: none"> Average position size is typically 2% Max initial position size is 5% (cost) Max position size is 10% (market) Sector Tolerances <ul style="list-style-type: none"> Typically +/- 10% of the Russell 3000® Growth Index, utilizing GICS sector classifications Holding Period <ul style="list-style-type: none"> Typically 3-to-5 years, but is often longer Portfolio turnover is typically 25% to 35% Cash Levels <ul style="list-style-type: none"> Fully Invested Max cash position is 10% | Extended Valuation Portfolio Upgrade Diversification Requirements Acquisition Activity Negative Company or Industry Changes |
| Higher Quality Stronger, More Consistent Growth Better Value | | | |

Sector Diversification

As of June 30, 2019



A complete listing 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 by FactSet Research Systems and is assumed to be reliable.

Portfolio Characteristics

As of June 30, 2019

| | KAR All Cap Sustainable Growth | Russell 3000® Growth Index |
|---|--------------------------------|----------------------------|
| Quality | | |
| Return on Equity—Past 5 Years | 21.1% | 22.8% |
| Total Debt/EBITDA | 1.9 x | 2.4 x |
| Earnings Variability—Past 10 Years | 40.8% | 42.9% |
| Growth | | |
| Earnings Per Share Growth—Past 5 Years | 21.4% | 16.9% |
| Earnings Per Share Growth—Past 10 Years | 15.0% | 13.8% |
| Capital Generation—{ROE x (1-Payout)} | 17.4% | 16.4% |
| Value | | |
| P/E Ratio—Trailing 12 Months | 39.3 x | 26.5 x |
| P/E-to-10-Year Growth | 2.6 x | 1.9 x |
| Free Cash Flow Yield* | 2.4% | 4.0% |
| Market Characteristics | | |
| \$ Weighted Average Market Cap | \$119.7 B | \$289.1 B |
| Largest Market Cap | \$930.2 B | \$1,029.2 B |

*Free cash flow data is as of March 31, 2019. Prices are as of June 30, 2019.

Excludes financials.

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.

All Cap Sustainable Growth Portfolio

Second Quarter 2019

Risk-Return Analysis

Inception* to June 30, 2019



Historical Returns

| | KAR All Cap Sustainable Growth (gross) | KAR All Cap Sustainable Growth (net) [‡] | Russell 3000® Growth Index |
|---|--|---|----------------------------|
| Annualized Returns (%)[†] | | | |
| As of June 30, 2019 | | | |
| 2 nd Quarter | 6.85 | 6.67 | 4.50 |
| Year to Date | 31.72 | 31.28 | 21.41 |
| One Year | 14.93 | 14.13 | 10.60 |
| Three Years | 23.78 | 22.94 | 17.81 |
| Five Years | 17.35 | 16.55 | 13.02 |
| Seven Years | 17.62 | 16.80 | 15.54 |
| Inception* | 17.04 | 16.23 | 15.16 |
| Annual Returns (%) | | | |
| 2018 | 1.18 | 0.47 | (2.12) |
| 2017 | 35.78 | 34.85 | 29.59 |
| 2016 | 5.88 | 5.15 | 7.39 |
| 2015 | 7.41 | 6.67 | 5.09 |
| 2014 | 9.48 | 8.70 | 12.44 |
| 2013 | 32.17 | 31.27 | 34.23 |
| 2012 [§] | 7.87 | 7.17 | 8.59 |

Performance Statistics

Inception* to June 30, 2019

| | KAR All Cap Sustainable Growth | Russell 3000® Growth Index |
|-------------------------------|--------------------------------|----------------------------|
| Annualized Return | 17.04 | 15.16 |
| Annualized Standard Deviation | 13.52 | 12.14 |
| Alpha | 1.07 | 0.00 |
| Beta | 1.05 | 1.00 |
| Sharpe Ratio | 1.22 | 1.21 |
| R-Squared | 89.43 | 100.00 |

*February 1, 2012

[†]All periods less than one year are total returns and are not annualized. Returns are preliminary.

[‡]Net of all fees and expenses. Assumes a 0.70% annual fee.

[§]Performance calculations are for eleven months ended December 31, 2012.

This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Returns of the Kayne Anderson Rudnick composite are preliminary and 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.

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Disclosure

Kayne Anderson Rudnick Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Kayne Anderson Rudnick Investment Management, LLC has been independently verified for the period from January 1, 1999 through December 31, 2018.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

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 as all fully discretionary institutional and pooled All Cap Sustainable Growth Portfolios. All Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell 3000® Growth 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 3000® Growth Index. The Russell 3000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 3,000 largest 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 February 2012. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The standard management fee schedule currently in effect is as follows: 0.70% for the first \$10 million; 0.55% on the next \$25 million; 0.45% on the next \$50 million; 0.35% on the balance. Actual management fees charged may vary depending on applicable fee schedules and portfolio size, among other things. Additional information may be found in Part 2A 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. Returns are presented gross of management fees and withholding taxes and net of transaction fees and include the reinvestment of all income. Gross returns will be reduced by investment management fees and

other expenses that may be incurred in the management of the account. Model net returns have been calculated by deducting 1/12th of the highest tier of the standard management fee schedule in effect for the respective period from the gross composite returns on a monthly basis.

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 or for time periods less than one year, no dispersion measure is presented. The three-year annualized ex-post standard deviation, which measures the variability of the composite (using gross returns) and the benchmark for the 36-month period, is not presented for periods prior to 2015 because 36 monthly composite returns are not available. 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 ended at the following dates:

| 3-Yr Annualized Standard Deviation (%) | | |
|--|-----------|-----------|
| December 31 | Composite | Benchmark |
| 2015 | 12.34 | 10.95 |
| 2016 | 13.13 | 11.50 |
| 2017 | 12.08 | 10.77 |
| 2018 | 13.85 | 12.47 |

| Year | Total Firm Assets (\$ millions) | Total Composite Assets (\$ millions) | Accounts at Year End | Gross Annual Return (%) | Net Annual Return (%) | Russell 3000® Growth Index Annual Return (%) | Internal Dispersion |
|-------|---------------------------------|--------------------------------------|----------------------|-------------------------|-----------------------|--|---------------------|
| 2012* | 6,545 | 67 | 12 | 7.87 | 7.17 | 8.59 | N/A |
| 2013 | 7,841 | 65 | 10 | 32.17 | 31.27 | 34.23 | 0.37 |
| 2014 | 7,989 | 89 | 10 | 9.48 | 8.70 | 12.44 | 0.37 |
| 2015 | 8,095 | 92 | 9 | 7.41 | 6.67 | 5.09 | N/A |
| 2016 | 9,989 | 97 | 10 | 5.88 | 5.15 | 7.39 | 0.10 |
| 2017 | 14,609 | 141 | 25 | 35.78 | 34.85 | 29.59 | 0.44 |
| 2018 | 17,840 | 140 | 28 | 1.18 | 0.47 | (2.12) | 0.24 |

*2012 performance numbers in this table reflect the product inception date of February 1, 2012 through December 31, 2012.

The Russell 3000® Growth Index is a trademark/service mark of Frank Russell Company. Russell® is a trademark of Frank Russell Company.