

Global Dividend Yield Portfolio

First Quarter 2019

Portfolio Review

The Global Dividend Yield portfolio slightly underperformed the MSCI World High Dividend Yield Index during the first quarter.

An underweight and poor stock selection in consumer staples and poor stock selection in financials detracted from performance, while losses were somewhat offset by strong stock selection and an underweight in health care and an overweight in real estate.

Holdings that contributed the most to performance were ONEOK and Lamar Advertising Company.

- ONEOK's strong operating results, a backlog of attractive projects and higher energy prices all contributed to strong performance during the quarter.
- Driven by a strong economy, Lamar Advertising's growth recovered after bottoming a year ago. Further, the outlook for 2019 was above expectations.

Stocks that detracted the most from performance were Spark New Zealand and Scor.

- Despite better broadband results, Spark New Zealand experienced some weakness in its wireless and security & service business which caused weakness in the stock during the quarter.
- Scor's stock was weak after a competitor that had indicated an interest in purchasing the company announced that an acquisition of Scor was no longer part of its strategy.

Purchases and Sales

We bought NextEra Energy and we closed out of Duke Energy during the quarter.

NextEra Energy is a Florida-based holding company whose assets include regulated utilities and non-regulated assets in the renewables sector. The company's Florida Power & Light (FPL) segment is involved in the generation, transmission, distribution and sale of electric energy. The company has strong investment opportunities available to improve service and reliability and provide savings to customers. FPL has a superior track of investing capital to reduce fuel costs and reduce customer bills. The company's NextEra Energy Resources business operates extremely cost competitive wind and solar assets. These assets are supported by long-term power purchase agreements, generally with other utilities. These contracts produce utility like business results. The company has assets in advantageous locations and anticipates that more efficient batteries and cost declines will continue to drive further penetration of renewable assets.

We sold Duke Energy as we became concerned about several issues that may negatively impact the company's equity needs and dividend-growth profile. The company has an interest in the Atlantic Coast Pipeline, which is planned to bring shale gas from West Virginia to Duke's customers in North Carolina. However, a recent court ruling may result in a delay of the pipeline into 2021 or beyond. Cost overruns and project delays can prove disruptive for utilities and impact cash flow and equity needs. Duke was already in a position that it might require additional equity in the next couple of years, and this situation could exacerbate that. This also puts the company's dividend growth trajectory at risk. Further, Duke is also investing an increasing amount of capital in renewables, but its competitive position remains below that of other companies in this space.

Outlook

We believe the likelihood of an outright meaningful recession over the next 12-to-18 months is low. We have had rolling recessions over the last 10 years in cyclical areas like energy, industrials, and materials from 2014 to 2016. Europe is close to or already in a recession over the last six months due to slow exports and Brexit fears adversely affecting business confidence. Although this expansion has been lengthy, it hasn't been robust by historical standards. Classic signals of excess business confidence, such as elevated capital spending, excessive inventory buildup in anticipation of robust sales, and excess labor hiring, don't seem prevalent today. Even in a slower growth environment (1.5% to 2.5% GDP growth), U.S. companies should be able to grow their earnings in the 5% to 8% range. This growth combined with business confidence improving can lead to solid double-digit returns for stocks in 2019.

Portfolio Highlights

Style: Large Cap
Index: MSCI® World High Dividend Yield Index
Portfolio Turnover: 25%–35%
Number of Holdings: 25–50

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	33
Richard Sherry, CFA Portfolio Manager + Senior Research Analyst	21
Chris Armbruster, CFA Research Analyst	14
Noran Eid Research Analyst	6

Top 10 Holdings

As of March 31, 2019

Company	Percent of equity (%)
BCE	5.1
Zurich Insurance Group	5.0
Lamar Advertising Company	4.6
Watsco	4.2
GlaxoSmithKline	4.0
Crown Castle International	3.8
Spark New Zealand	3.8
Royal Dutch Shell	3.7
HSBC Holdings	3.7
Fortis	3.6
Total	41.5

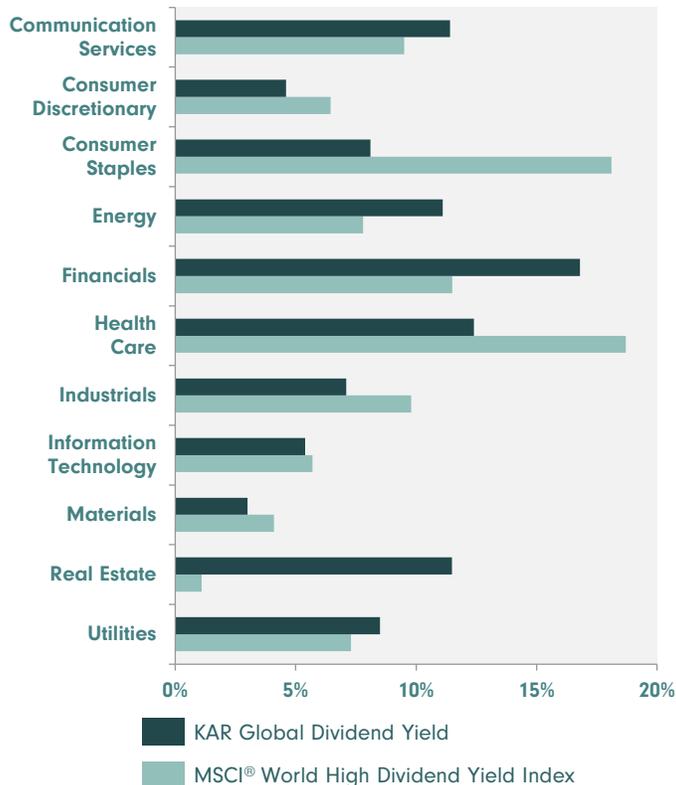
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should not be considered a recommendation or solicitation to purchase securities. A complete list of holdings and specific securities transactions for the preceding 12 months is available upon request. Holdings are subject to change. Past performance is no guarantee of future results.

Investment Process: Discovering Quality

Development of High-Quality Universe	Proprietary Fundamental Research	Portfolio Construction	Sell Discipline
<p>KAR Universe</p> <p>Typical Quantitative Screens</p> <ul style="list-style-type: none"> Investment-grade balance sheet Market cap > \$1.0 billion 5-year average ROE > 7.5% No dividend cut last five years <p>Other Resources</p> <ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research 	<p>Qualitative Analysis</p> <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 <p>Financial Analysis</p> <ul style="list-style-type: none"> Evaluate basis for superior profitability, long-term growth potential, and ability to allocate capital appropriately <p>Valuation Analysis</p> <ul style="list-style-type: none"> Determine the current and potential value of the business 	<p>25-50 Stocks</p> <p>Position Weights</p> <ul style="list-style-type: none"> Typically 1%-5% Max position size is 10% (market) <p>Sector Tolerances</p> <ul style="list-style-type: none"> Typically +/- 15% of the Russell Developed Large Cap Index, utilizing GICS sector classifications <p>Holding Period</p> <ul style="list-style-type: none"> Typically 3-to-5 years, but is often longer Portfolio turnover is typically 25% to 35% <p>Cash Levels</p> <ul style="list-style-type: none"> Typically will not exceed 10% once a portfolio is fully invested 	<p>Potential dividend cut</p> <p>Balance sheet deterioration</p> <p>Inability to cover dividend via internal cash generation over medium-to-long term</p>
Higher Quality Stronger, More Consistent Growth Better Value			

Sector Diversification

As of March 31, 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.

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Portfolio Characteristics

As of March 31, 2019

	KAR Global Dividend Yield	MSCI® World High Dividend Yield Index
Quality		
Return on Equity—Past 5 Years	15.6%	16.8%
Debt Coverage	5.3 x	5.7 x
Dividend Variability—Past 10 Years	1.6%	8.2%
Growth		
Dividend Payout Ratio—5 Year Average	86.0%	61.6%
Dividend Per Share Growth—Past 5 Years	9.5%	7.2%
Value		
Dividend Yield	4.1%	4.0%
Market Characteristics		
\$ Weighted Average Market Cap	\$74.8 B	\$119.4 B
Largest Market Cap	\$256.0 B	\$342.1 B
Beta—Since Inception*	0.80	1.00

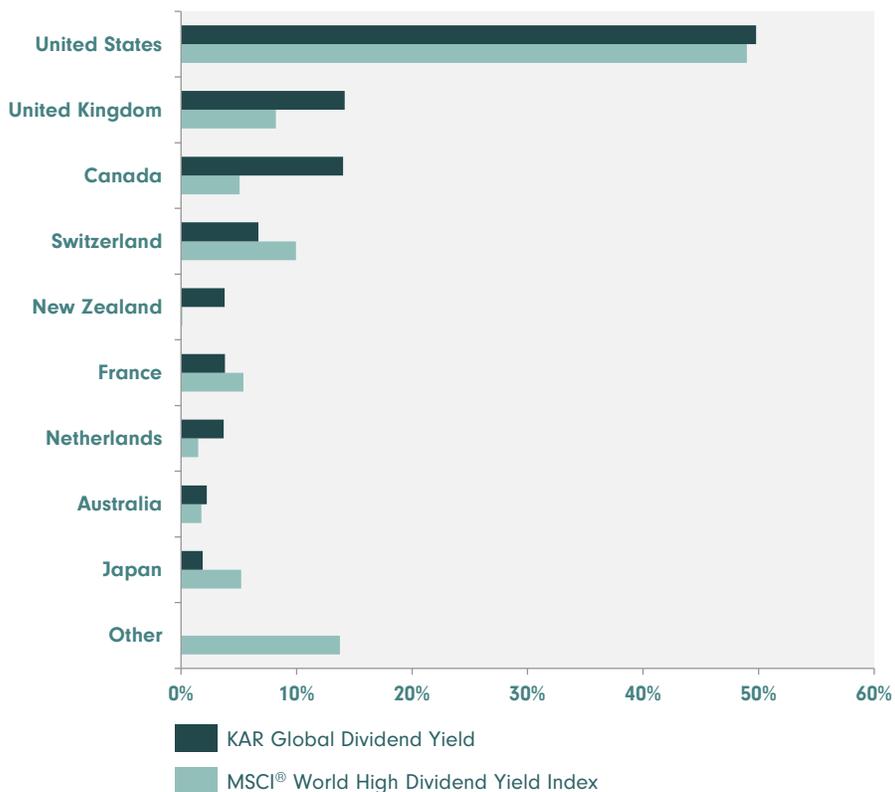
Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. Past performance is no guarantee of future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

Global Dividend Yield Portfolio

First Quarter 2019

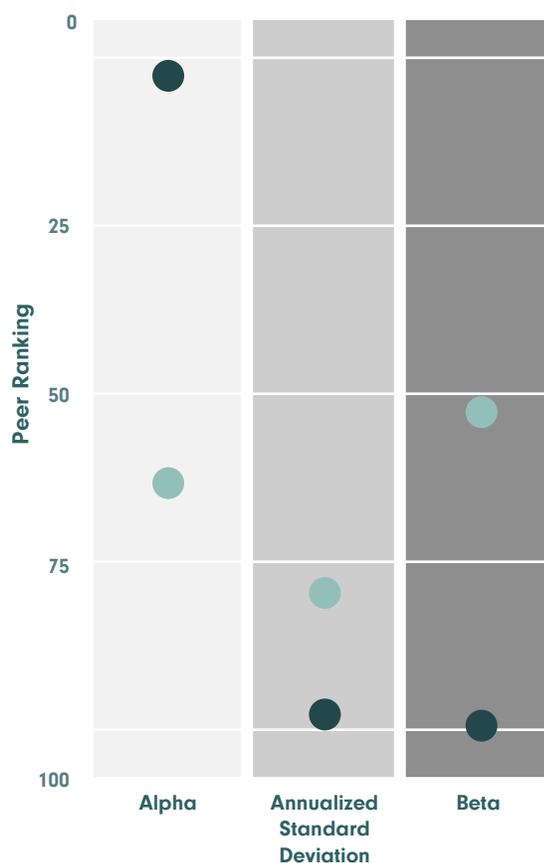
Geographical Exposure

As of March 31, 2019



Peer Comparison Chart

Inception* to March 31, 2019



● KAR Global Dividend Yield
● MSCI World High Dividend Yield Index

Historical Returns

	KAR Global Dividend Yield (gross)	KAR Global Dividend Yield (net) [†]	MSCI World High Dividend Yield Index
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Annualized Returns (%)[†]

As of March 31, 2019

1 st Quarter	10.18	9.92	10.34
One Year	9.06	7.98	5.31
Three Years	8.24	7.17	8.27
Five Years	7.28	6.22	4.96
Seven Years	9.62	8.54	7.88
Inception*	10.21	9.13	8.34

Annual Returns (%)

2018	(4.13)	(5.09)	(7.56)
2017	14.57	13.44	18.14
2016	12.22	11.11	9.29
2015	(3.51)	(4.47)	(3.20)
2014	12.36	11.25	2.48
2013	22.35	21.16	21.91
2012	12.36	11.25	12.24

*January 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 1.0% annual fee.

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. The Global Dividend Yield Universe includes all managers categorized in the global dividend focus asset class by eVestment. Data is obtained from FactSet Research Systems and is assumed to be reliable. Past performance is no guarantee of future results.

Performance Statistics

Inception* to March 31, 2019

	KAR Global Dividend Yield	MSCI World High Dividend Yield Index
Annualized Return	10.21	8.34
Annualized Standard Deviation	9.04	10.40
Alpha	3.27	0.00
Beta	0.80	1.00
Sharpe Ratio	1.08	0.76
R-Squared	84.37	100.00

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First Quarter 2019

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, 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. 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 all fully discretionary institutional and pooled Global Dividend Yield Portfolios. Global Dividend Yield Portfolios are invested in globally diversified securities of high-quality, mature companies with high dividend yields. For comparison purposes, the composite is

measured against the MSCI® World High Dividend Yield Index. The MSCI® World High Dividend Yield Index is designed to reflect the performance in the MSCI® World Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The benchmark was changed retroactively effective January 2019, as the previous benchmark was discontinued December 2018. Benchmark returns are not covered by the report of the independent verifiers. The composite was created in January 2012. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

This composite contained 100% non-fee-paying portfolios as of December 31, 2012, 60% non-fee-paying portfolios as of December 31, 2013, 4% non-fee-paying portfolios as of December 31, 2014, 2% non-fee-paying portfolios as of December 31, 2015 and < 1% non-fee-paying portfolios as of December 31, 2016, December 31, 2017 and December 31, 2018.

The standard Wealth Advisory management fee schedule currently in effect for standalone strategies is as follows: 1.00% for all 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 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 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, 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 2014 because 36 monthly composite returns are not available.

3-Yr Annualized Standard Deviation (%)

	December 31	Composite	Benchmark
2014		8.95	10.59
2015		10.15	11.32
2016		9.32	10.61
2017		8.00	9.59
2018		8.23	9.14

Year	Total Firm Assets (\$ millions)	Total Composite Assets (\$ millions)	Accounts at Year End	Gross Annual Return (%)	Net Annual Return (%)	MSCI® World High Dividend Yield Index (net) Return (%)	Internal Dispersion
2012	6545	< 1	< 5	12.36	11.25	12.24	N/A
2013	7841	1.8	5	22.35	21.16	21.91	N/A
2014	7989	14	24	12.36	11.25	2.48	0.29
2015	8095	33	44	(3.51)	(4.47)	(3.20)	0.82
2016	9989	332	61	12.22	11.11	9.29	0.82
2017	14609	128	221	14.57	13.44	18.14	0.38
2018	17840	111	234	(4.13)	(5.09)	(7.56)	0.47

The MSCI® World High Dividend Yield Index is a trademark/service mark of MSCI®. MSCI® is a trademark of MSCI Inc.