

Large Cap Sustainable Growth Portfolio

Second Quarter 2019

Portfolio Review

The Large Cap Sustainable Growth portfolio outperformed the Russell 1000 Growth Index during the quarter. Performance primarily was driven by strong stock selection in the information technology and health-care sectors. Negative stock selection in the consumer discretionary and energy sectors detracted from performance during the quarter.

The biggest contributors to performance were Facebook and Paycom Software.

- Hyper-negative headlines around privacy and data capture/sharing continue to affect investor perception of social media titan Facebook. Those headlines do not, however, seem to be affecting its fundamentals. Facebook also unveiled its ambitious plan to launch a cryptocurrency called Libra that will be backed by a basket of fiat currencies and enable the seamless transfer of money anywhere in the world (a new payments rail). It will be governed by a consortium that many highly influential companies have already committed to join, including some of the largest in the payments space (Visa, MasterCard and PayPal). Facebook will benefit by having the first digital wallet (Calibra) which it hopes will facilitate commerce on its platforms that, in turn, could spur more advertising spending.
- Paycom's revenue continues to meaningfully exceed expectations as its efforts to sell to larger employers (2,000 to 5,000 employees) are proving highly successful and the company is seeing improved retention and up-sell opportunities as a result of its differentiated mobile offering.

The biggest detractors from the portfolio were Alibaba Group Holdings and Nvidia.

- After being a bottom contributor in 2018, Alibaba was a top contributor in the first quarter only to fall back to the bottom in the second quarter. The company is transitioning its customer experience from primarily search to more of a recommendation engine, but is delaying monetization to ensure a good user experience. This air pocket in monetization has coincided with the tariff-fueled economic slowdown in China, which has led to this volatility in performance. With the new recommendation feeds showing the ability to drive strong user engagement and improve traffic efficiency, and the hope that the Chinese economy will stabilize, we remain comfortable with our position.
- While the largest and most sophisticated technology companies are re-architecting their businesses around GPU-enabled artificial intelligence, Nvidia's Gaming segment is struggling under tough comparables from the cryptocurrency mining boom and lackluster demand for its most recent chip, which is waiting for applications to catch up with its capabilities. GPU chips are key components of mining rigs and the company thrice underestimated how much "cryptos" were driving sales of gaming chips. Nvidia has now undersupplied the market for a few quarters hoping to normalize supply and demand by the second half of 2019. Our sanguine long-term view of Nvidia's opportunity in all of its key end markets remains unchanged.

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 | Complete Sales |
|-------------------|----------------|
| Uber Technologies | None |

Portfolio Highlights

Style: Large Cap
Sub-Style: Growth
Index: Russell 1000® Growth
Portfolio Assets: \$1,268.1 M
Portfolio Turnover: 25%–35%

Investment Management Team

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

Top Five Holdings

As of June 30, 2019

| Company | Percent of equity (%) |
|---------------|-----------------------|
| Amazon.com | 8.1 |
| Facebook | 5.9 |
| Alibaba Group | 5.0 |
| Visa | 5.0 |
| Netflix | 4.3 |
| Total | 28.4 |

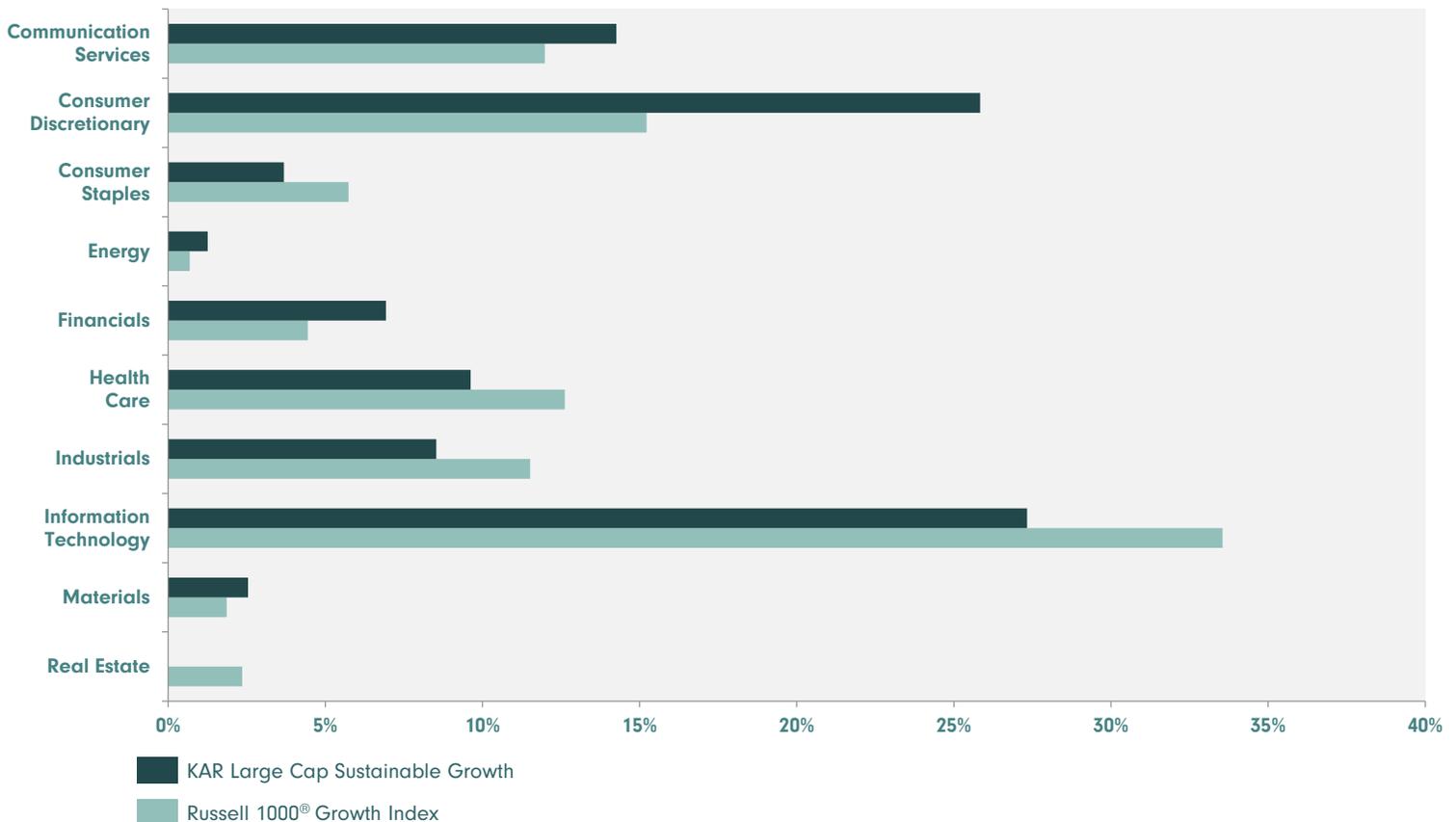
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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 |
|--|--|--|---|
| <p>200 Stocks</p> <p>Quantitative Methods</p> <ul style="list-style-type: none"> Investment conferences Meetings with companies Industry reviews Research on existing portfolio holdings Third-party research <p>Quantitative Screens</p> <ul style="list-style-type: none"> High return on capital over a full economic cycle Earnings surprise Long and resilient earnings history High return on net operating assets Minimal debt | <p>60-70 Stocks</p> <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%-3% Maximum position size is 10% (at market) <p>Sector Tolerances</p> <ul style="list-style-type: none"> Typically +/- 10% of the Russell 1000® Growth 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>Negative Company or Industry Changes</p> <p>Portfolio Upgrade</p> <p>Diversification Requirements</p> <p>Acquisition Activity</p> <p>Extended Valuation</p> |
| <p>Higher Quality Stronger, More Consistent Growth Better Value</p> | | | |

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.

Large Cap Sustainable Growth Portfolio

Second Quarter 2019

Portfolio Characteristics

As of June 30, 2019

| | KAR Large Cap Sustainable Growth | Russell 1000® Growth Index |
|---|----------------------------------|----------------------------|
| Quality | | |
| Return on Equity—Past 5 Years | 20.5% | 23.5% |
| Total Debt/EBITDA | 2.0 x | 2.3 x |
| Earnings Variability—Past 10 Years | 47.1% | 41.4% |
| Growth | | |
| Earnings Per Share Growth—Past 5 Years | 23.5% | 17.0% |
| Earnings Per Share Growth—Past 10 Years | 16.4% | 14.0% |
| Capital Generation—{ROE x (1-Payout)} | 16.8% | 16.7% |
| Value | | |
| P/E Ratio—Trailing 12 Months | 37.5 x | 25.4 x |
| Free Cash Flow Yield* | 2.7% | 4.2% |
| Market Characteristics | | |
| \$ Weighted Average Market Cap | \$206.8 B | \$311.1 B |
| Largest Market Cap | \$930.2 B | \$1,029.2 B |

Performance Statistics

Inception* to June 30, 2019

| | KAR Large Cap Sustainable Growth | Russell 1000® Growth Index |
|-------------------------------|----------------------------------|----------------------------|
| Annualized Return | 16.29 | 16.11 |
| Annualized Standard Deviation | 13.99 | 12.06 |
| Beta | 1.11 | 1.00 |
| Sharpe Ratio | 1.13 | 1.30 |
| R-Squared | 91.68 | 100.00 |

Historical Returns

| | KAR Large Cap Sustainable Growth (gross) | KAR Large Cap Sustainable Growth (net) [§] | Russell 1000® Growth Index |
|---|--|---|----------------------------|
| Annualized Returns (%)[†] | | | |
| As of June 30, 2019 | | | |
| 2 nd Quarter | 5.92 | 5.74 | 4.64 |
| Year to Date | 30.82 | 30.38 | 21.49 |
| One Year | 11.31 | 10.54 | 11.56 |
| Three Years | 19.40 | 18.58 | 18.07 |
| Five Years | 14.81 | 14.02 | 13.39 |
| Seven Years | 15.88 | 15.08 | 15.76 |
| Inception [‡] | 16.29 | 15.49 | 16.11 |
| Annual Returns (%) | | | |
| 2018 | (6.43) | (7.09) | (1.51) |
| 2017 | 35.87 | 34.95 | 30.21 |
| 2016 | (0.03) | (0.73) | 7.08 |
| 2015 | 10.43 | 9.68 | 5.67 |
| 2014 | 12.66 | 11.86 | 13.05 |
| 2013 | 30.66 | 29.78 | 33.48 |
| 2012 | 14.76 | 13.96 | 15.26 |

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

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

[‡]January 1, 2012

[§]Net of all fees and expenses. Assumes a 0.70% 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. 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.

Large Cap Sustainable Growth Portfolio

Second 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, 2018. The verification reports are available upon request.

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 Large Cap Sustainable Growth Portfolios. Large Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell 1000® 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 1000® Growth Index. The Russell 1000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises of 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 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 8% non-fee-paying portfolios as of December 31, 2013, 0.1% non-fee-paying portfolios as of December 31, 2014 and December 31, 2015 and <0.1% non-fee-paying portfolios as of each annual period from 2016-2018.

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, 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. 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 |
| 2014 | 10.39 | 9.73 |
| 2015 | 12.33 | 10.85 |
| 2016 | 13.24 | 11.31 |
| 2017 | 12.52 | 10.69 |
| 2018 | 14.27 | 12.30 |

| Year | Total Firm Assets (\$ millions) | Total Composite Assets (\$ millions) | Accounts at Year End | Gross Annual Return (%) | Net Annual Return (%) | Russell 1000® Growth Index Annual Return (%) | Internal Dispersion |
|------|---------------------------------|--------------------------------------|----------------------|-------------------------|-----------------------|--|---------------------|
| 2012 | 6,545 | 583 | 24 | 14.76 | 13.96 | 15.26 | 0.03 |
| 2013 | 7,841 | 674 | 25 | 30.66 | 29.78 | 33.48 | 0.08 |
| 2014 | 7,989 | 681 | 25 | 12.66 | 11.86 | 13.05 | 0.14 |
| 2015 | 8,095 | 687 | 31 | 10.43 | 9.68 | 5.67 | 0.35 |
| 2016 | 9,989 | 928 | 57 | (0.03) | (0.73) | 7.08 | 0.06 |
| 2017 | 14,609 | 1,175 | 142 | 35.87 | 34.95 | 30.21 | 1.50 |
| 2018 | 17,840 | 991 | 217 | (6.43) | (7.09) | (1.51) | 0.18 |

The Russell 1000® Growth Index is a trademark/service mark of Frank Russell Company. Russell® is a trademark of Frank Russell Company.