

All Cap Sustainable Growth Portfolio

Fourth Quarter 2019

Portfolio Review

The All Cap Sustainable Growth portfolio outperformed the Russell 3000 Growth Index. Performance was driven by strong stock selection in the consumer discretionary and communication services sectors. Negative stock selection and an underweight in health care and an overweight in consumer staples detracted from performance.

Holdings that contributed the most to performance were Paycom Software and Alibaba Group. Paycom Software reported another very strong quarter of profitability and top and bottom-line growth. Its expansion into larger customers continues, as well as its work to drive employee usage of its software to improve customer loyalty. While the underlying fundamentals of Alibaba remain robust, shares have been whipped around by the ebbs and flows of optimism about the overall Chinese economy. Among things the company can control, notable positives in the most recent quarter include continued robust growth and profitability of Alibaba's marketplaces, highly successful penetration of lower-tier cities and excellent cross-sell of its multitude of services. Other top contributors included Trade Desk, NVIDIA and Facebook.

Holdings that detracted the most from performance were Interactive Brokers Group and U.S. Physical Therapy. At the beginning of October, a competing large electronic broker Charles Schwab lowered its commissions for U.S. equity trades to zero following Interactive Brokers creating a zero-commission Lite account offering in late September. As a result, TD-Ameritrade, Fidelity, and E*TRADE followed suit by cutting U.S. equity trade commissions to zero. Market participants reacted negatively to the commission cuts and sold off public electronic broker stocks as a group. U.S. Physical Therapy's shares were lower in the quarter after reporting financial results that gave rise to investor concerns. The industrial business has experienced integration of some M&A deals that impacted margins. Also, there is some concern about a potential CMS rate cut in 2021 for physical therapy services. We are monitoring these issues, but continue to believe the business is structurally sound. Other bottom contributors included Elastic, Autohome and McDonald's.

Outlook

On the surface, there appears to be less concerns about the 2020 outlook than there was at the beginning of 2019. The stock market made numerous new highs in December reflecting this outlook. It is no heroic assumption to predict returns in 2020 will not be as good as 2019 despite a reduction in uncertainty. We believe corporate profits should improve in 2020 to the 5% to 10% growth level despite a slowing in overall GDP probably to the 1.0% to 1.5% range. Modest economic growth coupled with better growth overseas could lead to continued improving corporate profitability. The Federal Reserve will probably hold rates steady if this kind of environment unfolds. Election rhetoric will create some volatility in 2020, but it is premature to handicap any outcomes.

Purchases and Sales

New Purchases	Complete Sales
Bill.com	Bluebird bio
Grocery Outlet	Copart
Rollins	Zscaler

Portfolio Highlights

Style: All Cap
Sub-Style: Growth
Index: Russell 3000® Growth
Portfolio Assets: \$186.5 M
Portfolio Turnover: 25%–35%

Investment Management Team

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

Top Five Holdings

As of December 31, 2019

Company	Percent of equity (%)
Paycom Software	5.1
Amazon.com	4.0
Facebook	3.4
Alibaba Group	3.2
Visa	2.8
Total	18.6

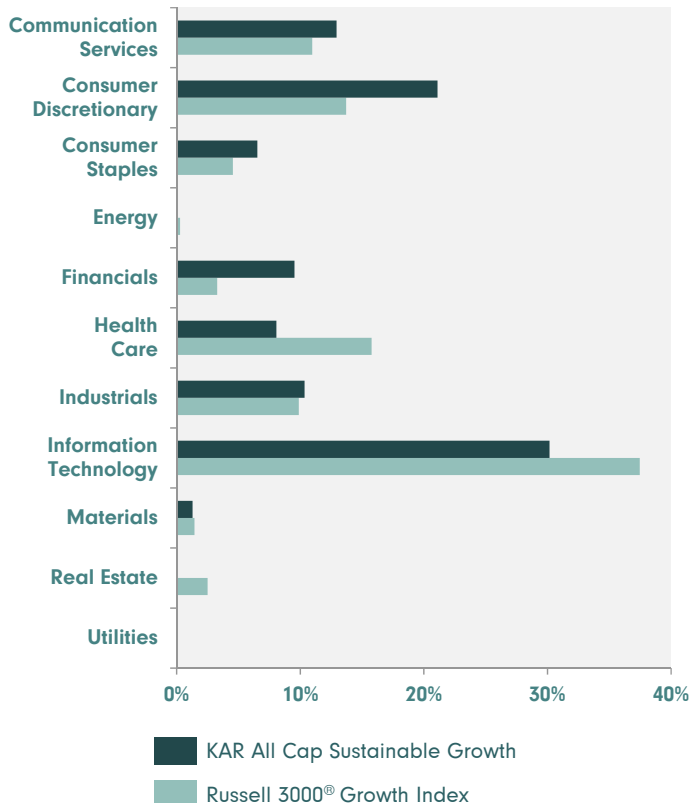
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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"> Maximum initial position size is 5% (at cost) Maximum position size is 10% (at market) Sector Tolerances <ul style="list-style-type: none"> Seek broad diversification, but no sector constraints 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"> Typically will not exceed 10% once a portfolio is fully invested; review by CIO triggered if over 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 December 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.

Portfolio Characteristics

As of December 31, 2019

	KAR All Cap Sustainable Growth	Russell 3000® Growth Index
Quality		
Return on Equity—Past 5 Years	21.1%	24.2%
Total Debt/EBITDA	1.8 x	2.2 x
Earnings Variability—Past 10 Years	34.7%	41.2%
Growth		
Earnings Per Share Growth—Past 5 Years	20.7%	15.5%
Earnings Per Share Growth—Past 10 Years	13.3%	12.2%
Capital Generation—{ROE x (1-Payout)}	17.1%	16.8%
Value		
P/E Ratio—Trailing 12 Months	45.7 x	32.0 x
P/E-to-10-Year Growth	3.4 x	2.6 x
Free Cash Flow Yield*	2.2%	3.6%
Market Characteristics		
\$ Weighted Average Market Cap	\$130.4 B	\$369.1 B
Largest Market Cap	\$909.8 B	\$1304.8 B

*Free cash flow data is as of September 30, 2019. Prices are as of December 31, 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.

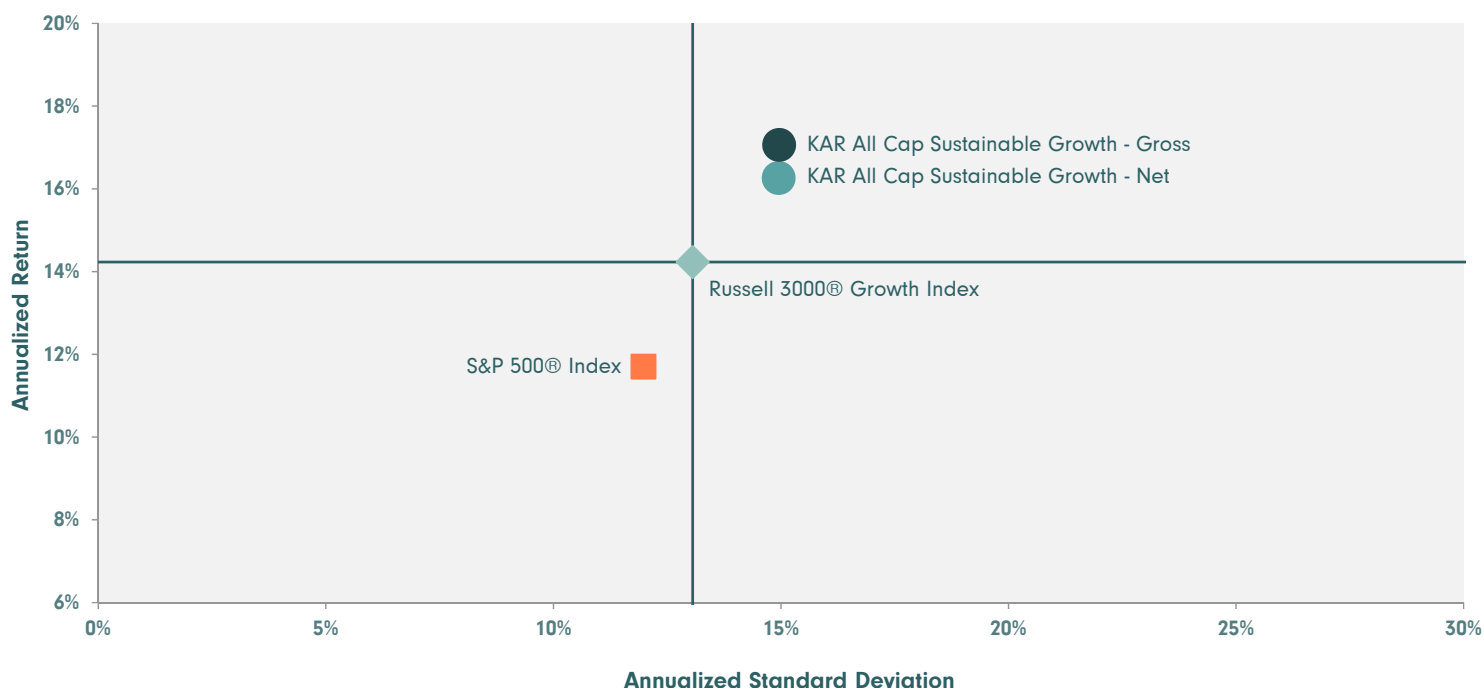
Past performance is no guarantee of future results.

All Cap Sustainable Growth Portfolio

Fourth Quarter 2019

Risk-Return Analysis

Five Years Ending December 31, 2019



Historical Returns

	KAR All Cap Sustainable Growth (gross)	KAR All Cap Sustainable Growth (net) [†]	Russell 3000 [®] Growth Index
Annualized Returns (%)[†]			
As of December 31, 2019			
4 th Quarter	11.07	10.88	10.67
One Year	40.72	39.77	35.85
Three Years	24.57	23.72	19.89
Five Years	17.06	16.26	14.23
Seven Years	17.98	17.16	16.63
Inception*	16.85	16.05	15.77
Annual Returns (%)			
2019	40.72	39.77	35.85
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

*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.**

Performance Statistics

Five Years Ending December 31, 2019

	KAR All Cap Sustainable Growth	Russell 3000 [®] Growth Index
Annualized Return	17.06	14.23
Annualized Standard Deviation	14.96	13.06
Alpha	1.62	0.00
Beta	1.09	1.00
Sharpe Ratio	1.08	1.02
R-Squared	89.83	100.00

All Cap Sustainable Growth Portfolio

Fourth 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.

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.