

Global Small Cap Portfolio

Fourth Quarter 2019

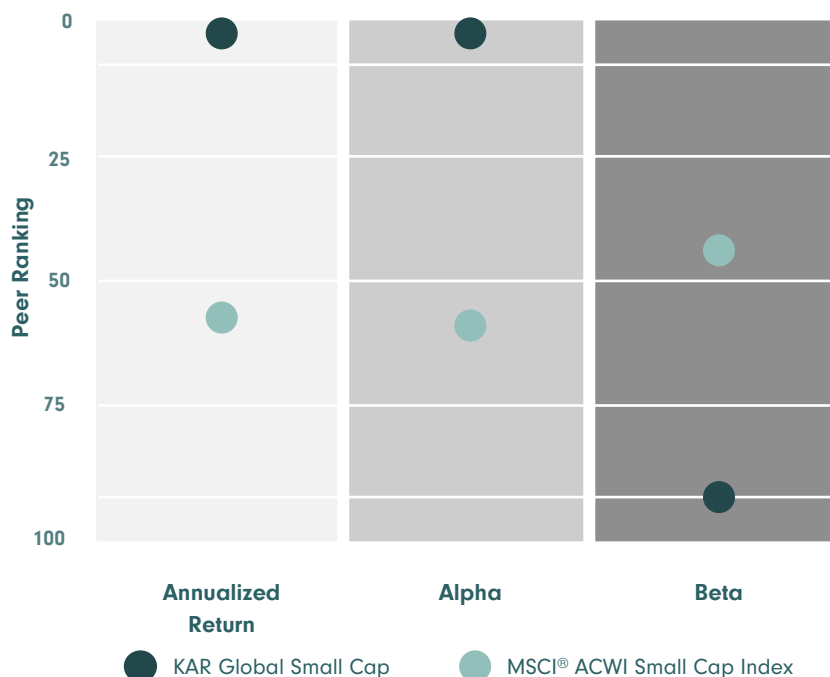
Portfolio Characteristics

As of December 31, 2019

	KAR Global Small Cap	MSCI® ACWI Small Cap Index
Quality		
Return on Equity—Past 5 Years	28.2%	11.3%
Total Debt/EBITDA	1.0 x	4.8 x
Interest Expense Coverage	2.3 x	4.2 x
Growth		
Earnings Per Share Growth—Past 5 Years	26.4%	11.7%
Earnings Per Share Growth—Past 10 Years	13.6%	9.8%
Dividend Per Share Growth—Past 5 Years	17.8%	10.2%
Dividend Per Share Growth—Past 10 Years	11.5%	8.8%
Value		
P/E Ratio—Trailing 12 Months	22.9 x	24.7 x
Dividend Yield	2.2%	2.1%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$3.6 B	\$3.1 B
Largest Market Cap—3-Year Avg.	\$14.0 B	\$18.3 B

Peer Comparison Chart

Inception* to December 31, 2019



Portfolio Highlights

Style: Small Cap
Index: MSCI® ACWI Small Cap Index
Portfolio Inception: 2016
Portfolio Assets: \$3.1 M
Portfolio Turnover: 25%–35%
Number of Holdings: 40–50

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 MSCI® ACWI Small Cap Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	33
Todd Beiley, CFA Portfolio Manager + Senior Research Analyst	20
Craig Thrasher, CFA Portfolio Manager + Senior Research Analyst	15

Top 5 Holdings

As of December 31, 2019

Company	Country	Percent of equity (%)
Auto Trader	United Kingdom	7.5
Rightmove	United Kingdom	6.0
Autohome	China	5.3
Bouvet	Norway	5.2
Headhunter Group	Russian Federation	5.2
Total		29.3

U.S. vs. Non-U.S.

As of December 31, 2019

	Percent of equity (%)
U.S.	33.1
Non-U.S.	66.9
Total	100.0

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 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, and is assumed to be reliable. Numbers may not always add up due to rounding. **Past performance is no guarantee of future results.**

Global Small Cap Portfolio

Fourth Quarter 2019

Historical Returns

	KAR Global Small Cap (gross)	KAR Global Small Cap (net) [‡]	MSCI® ACWI Small Cap Index
Annualized Returns (%)[†]			
As of December 31, 2019			
4 th Quarter	11.93	11.66	9.74
One Year	26.43	25.20	24.65
Three Years	21.37	20.18	9.73
Inception*	22.32	21.12	10.19
Annual Returns (%)			
2019	26.43	25.20	24.65
2018	3.16	2.13	(14.39)
2017	37.08	35.75	23.81
2016	25.21	23.99	11.59

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 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 Global Small Cap Portfolios. Global Small Cap Portfolios are invested in equity securities with market capitalizations in line with the MSCI® ACWI

Small Cap 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 MSCI® ACWI Small Cap Index (net). The MSCI® ACWI Small Cap Index is a market capitalization-weighted index of small-capitalization stocks of the MSCI® Global Investable Market Indices Universe. The index is calculated on a total-return basis with dividends reinvested, net of withholding taxes. Benchmark returns are not covered by the report of the independent verifiers. The composite was created in January 2016. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The composite contained 100% non-fee-paying portfolios as of each annual period from 2016-2018.

The standard management fee schedule currently in effect is as follows: 1.00% for the first \$25 million; 0.85% on the next \$25 million; 0.80% 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 net of withholding taxes, 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 2018 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
2018	11.83	12.49

Year	Total Firm Assets (\$ millions)	Total Composite Assets (\$ millions)	Accounts at Year End	Gross Annual Return (%)	Net Annual Return (%)	MSCI® ACWI Small Cap Index (net) Annual Return (%)	Internal Dispersion
2016	9,989	4	< 5	25.21	23.99	11.59	N/A
2017	14,609	5	< 5	37.08	35.75	23.81	N/A
2018	17,840	5	< 5	3.16	2.13	(14.39)	N/A

*January 1, 2016

[†]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% 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 ACWI World Small Cap Universe includes all managers categorized in the ACWI World small cap 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.**

The MSCI® ACWI Small Cap Index is a trademark/service mark of MSCI®. MSCI® is a trademark of MSCI Inc.