

Large Cap Quality Value Portfolio

Fourth Quarter 2019

Portfolio Review

The Large Cap Quality Value portfolio delivered positive performance, but underperformed the Russell 1000 Value Index during the quarter. Poor stock selection and an underweight in health care and poor stock selection in industrials detracted from performance. Strong stock selection in real estate and an underweight in consumer staples sectors contributed positively to performance.

The biggest contributors to performance were Teradyne and PNC Financial Services Group.

- Teradyne's business continues to benefit from its investments in industrial automation. System Test also reported very healthy results. These units more than offset weakness in Semi-Conductor test, which is having a more challenging year, particularly in memory.
- A strong economy and a bottoming of interest rates contributed to strong performance during the quarter for PNC Financial Services.
- Other top contributors included Moody's, Marsh & McLennan and Charles Schwab.

The biggest detractors to performance were Travelers and McDonald's.

- Travelers' strong pricing environment is being offset by rising claims related to a difficult tort environment, especially in commercial auto.
- A somewhat more competitive environment, especially in the U.S., weighed on McDonald's stock during the quarter. However, the company's long-term ability to grow same-store sales and take share remains intact.
- Other bottom contributors included WEC Energy, CME Group and Oracle.

Purchases and Sales

During the quarter, we purchased Lamb Weston. There were no complete sales from the portfolio.

Lamb Weston is the second largest producer of frozen potato products in the world (#1 in the U.S.). The company has been around since 1950 and was spun-off from ConAgra in 2016. Lamb Weston sells branded and private label frozen potato products to chain restaurants that operate on a global basis as well as regional restaurants and food distributors.

Lamb Weston sources most of its raw material from the Pacific Northwest, which is the best location in the world to grow and process frozen potatoes. The company has long-term relationships with growers and has multi-year contracts in place that guarantee 90% of the annual supply that it needs. Competition is limited due to the fact that new processing plants require one million pounds of potatoes per day in order to hit optimal utilization thresholds. Switching costs are high due to french fries being a very profitable menu item that most customers do not want to jeopardize with a lower quality product.

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.

Portfolio Highlights

Style: Large Cap
Sub-Style: Value
Index: Russell 1000® Value
Portfolio Inception: 1994
Portfolio Assets: \$521.5 M
Portfolio Turnover: 25%–35%

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 Five Holdings

As of December 31, 2019

| Company | Percent of equity (%) |
|-------------------------|-----------------------|
| Lowe's Companies | 4.5 |
| Marsh & McLennan | 3.7 |
| Analog Devices | 3.5 |
| PNC Financial Services | 3.5 |
| Honeywell International | 3.4 |
| Total | 18.8 |

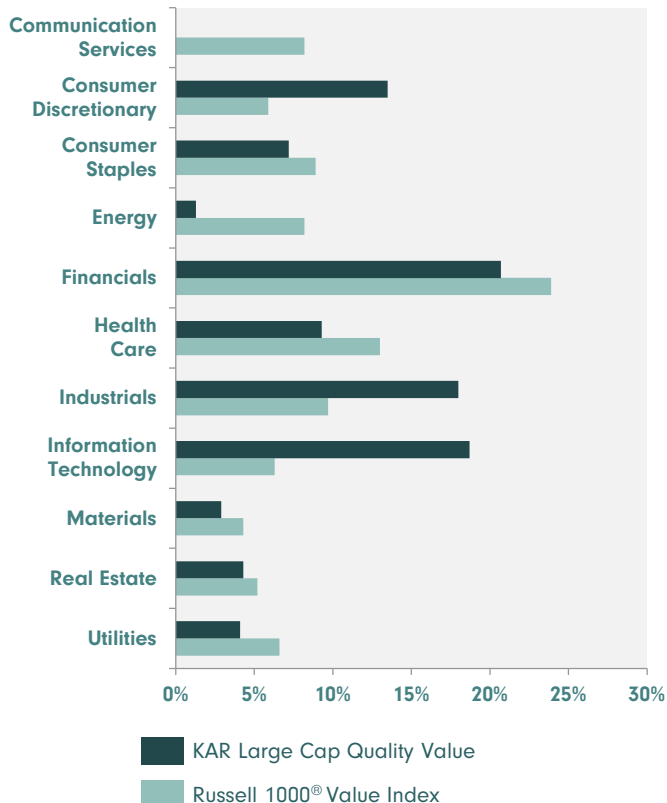
*This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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 |
|--|---|--|---|
| 200 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 | 50–60 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 | 25–40 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 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 Large Cap Quality Value | Russell 1000 Value Index |
|--|-----------------------------|--------------------------|
| Quality | | |
| Return on Equity—Past 5 Years | 22.0% | 13.1% |
| Total Debt/EBITDA | 2.8 x | 4.1 x |
| Earnings Variability—Past 10 Years | 28.2% | 45.4% |
| Growth | | |
| Earnings Per Share Growth—Past 5 Years | 10.7% | 7.0% |
| Earnings Per Share Growth—Past 10 Years | 9.3% | 7.9% |
| Dividend Per Share Growth—Past 5 Years | 11.7% | 8.9% |
| Dividend Per Share Growth—Past 10 Years | 13.7% | 10.9% |
| Capital Generation—{ROE x (1-Payout)} | 11.9% | 7.3% |
| Value | | |
| P/E Ratio—Trailing 12 Months | 25.4 x | 19.8 x |
| Dividend Yield | 1.9% | 2.5% |
| Free Cash Flow Yield [†] | 3.5% | 4.2% |
| Market Characteristics | | |
| \$ Weighted Average Market Cap | \$74.1 B | \$131.2 B |
| Beta* | 0.86 | 1.00 |
| Annualized Standard Deviation—Tenure Period* | 13.3% | 14.9% |

*Period from April 1, 2006 to December 31, 2019. This period delineates the period that Richard Sherry, CFA has managed the portfolio as the sole portfolio manager.

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

Excludes financials.

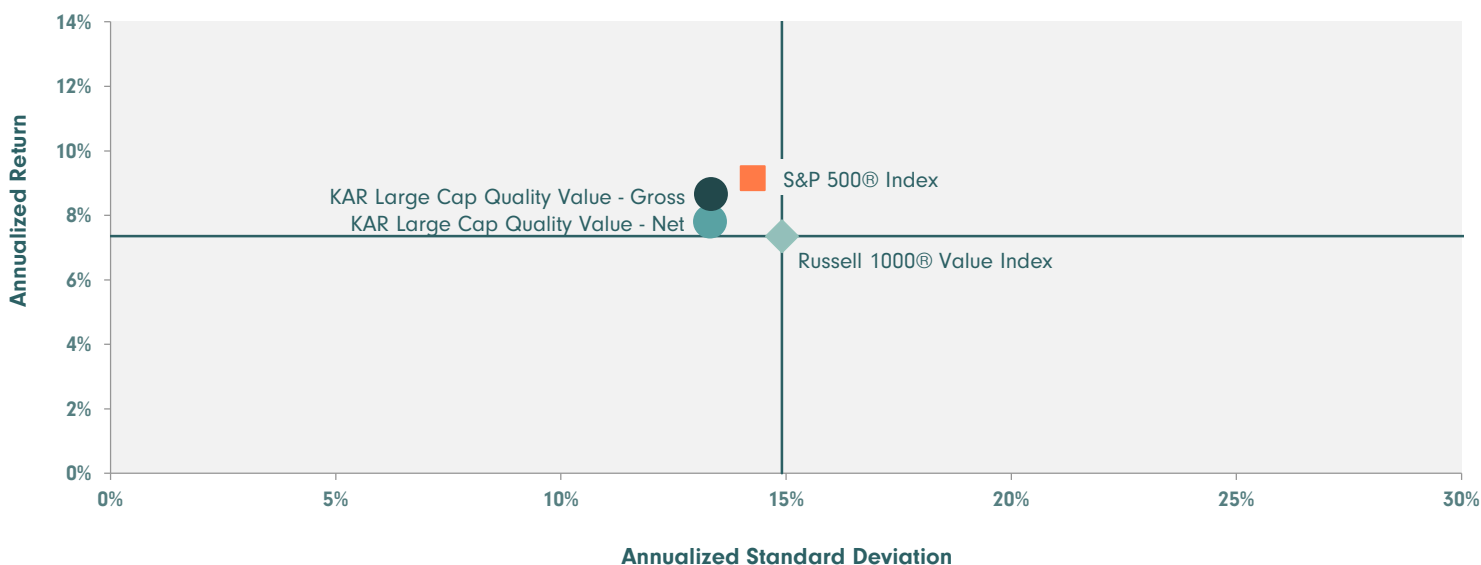
This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. **Past performance is no guarantee of future results.**

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Risk-Return Analysis

Tenure Period*



Historical Returns

| | KAR Large Cap Quality Value (gross) | KAR Large Cap Quality Value (net) [†] | Russell 1000 [®] Value Index |
|---|-------------------------------------|--|---------------------------------------|
| Annualized Returns (%)[†] | | | |
| As of December 31, 2019 | | | |
| 4 th Quarter | 5.22 | 5.04 | 7.41 |
| One Year | 29.61 | 28.73 | 26.54 |
| Three Years | 13.88 | 13.10 | 9.68 |
| Five Years | 9.64 | 8.89 | 8.29 |
| Seven Years | 12.95 | 12.17 | 12.20 |
| Ten Years | 11.96 | 11.16 | 11.80 |
| Inception* | 8.67 | 7.81 | 7.36 |
| Annual Returns (%) | | | |
| 2019 | 29.61 | 28.73 | 26.54 |
| 2018 | (3.90) | (4.57) | (8.27) |
| 2017 | 18.58 | 17.76 | 13.66 |
| 2016 | 10.70 | 9.93 | 17.34 |
| 2015 | (3.09) | (3.76) | (3.83) |
| 2014 | 13.88 | 13.07 | 13.45 |
| 2013 | 29.95 | 29.07 | 32.53 |
| 2012 | 13.63 | 12.85 | 17.51 |
| 2011 | 1.65 | 0.96 | 0.39 |
| 2010 | 14.30 | 13.19 | 15.51 |
| 2009 | 26.02 | 24.79 | 19.69 |
| 2008 | (30.58) | (31.31) | (36.85) |
| 2007 | 1.45 | 0.44 | (0.17) |
| 2006 [§] | 14.21 | 13.37 | 15.40 |

Performance Statistics

Tenure Period*

| | KAR Large Cap Quality Value | Russell 1000 [®] Value Index |
|-------------------------------|-----------------------------|---------------------------------------|
| Annualized Return | 8.67 | 7.36 |
| Annualized Standard Deviation | 13.33 | 14.91 |
| Alpha | 1.98 | 0.00 |
| Beta | 0.86 | 1.00 |
| Sharpe Ratio | 0.57 | 0.42 |
| Downside Capture | 92.85 | 100.00 |
| R-Squared | 93.31 | 100.00 |

*Period from April 1, 2006 to December 31, 2019. This period delineates the period that Richard Sherry, CFA has managed the portfolio as the sole portfolio manager.

[†]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 the nine months ended December 31, 2006.

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. The Large Cap Quality Value Composite has been examined for the period from January 1, 1999 through December 31, 2018. The verification and performance examination reports are available upon request.

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 Quality Value Portfolios. Large Cap Quality Value Portfolios are invested in equity securities with market capitalizations consistent with the Russell 1000® Value Index, that have rising free cash flow, rising dividends and or stock repurchases, strong balance sheets and a high relative yield. For comparison

purposes, the composite is measured against the Russell 1000® Value Index. The Russell 1000® Value Index is a market capitalization-weighted index of value-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 October 1994. Previously, only institutional accounts were included. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Prior to January 1, 2011, the composite minimum was \$250,000. Prior to January 1, 2011, accounts that experienced a significant cash flow, as defined as aggregate flows that exceeded 25% of the account's beginning of period market value, were temporarily removed from the composite. As of January 1, 2011, the composite was redefined to include both institutional and mutual fund [or pooled] accounts.

This composite contained 26% non-fee-paying portfolios as of December 31, 2004, 15% non-fee-paying portfolios as of December 31, 2006, < 1% non-fee-paying portfolios as of each annual period from 2013-2018.

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 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 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 |
| 2011 | 18.19 | 20.98 |
| 2012 | 14.75 | 15.73 |
| 2013 | 12.04 | 12.88 |
| 2014 | 8.95 | 9.33 |
| 2015 | 11.08 | 10.83 |
| 2016 | 11.43 | 10.93 |
| 2017 | 10.44 | 10.34 |
| 2018 | 10.33 | 10.98 |

| Year | Total Firm Assets (\$ millions) | Total Composite Assets (\$ millions) | Accounts at Year End | Gross Annual Return (%) | Net Annual Return (%) | Russell 1000® Value Index Annual Return (%) | Internal Dispersion |
|------|---------------------------------|--------------------------------------|----------------------|-------------------------|-----------------------|---|---------------------|
| 2009 | 4,010 | 11 | 14 | 26.02 | 24.79 | 19.69 | 0.20 |
| 2010 | 4,729 | 6 | 12 | 14.30 | 13.19 | 15.51 | 0.29 |
| 2011 | 5,232 | 63 | 24 | 1.65 | 0.96 | 0.39 | 0.21 |
| 2012 | 6,545 | 177 | 66 | 13.63 | 12.85 | 17.51 | 0.50 |
| 2013 | 7,841 | 183 | 61 | 29.95 | 29.07 | 32.53 | 0.34 |
| 2014 | 7,989 | 218 | 69 | 13.88 | 13.07 | 13.45 | 0.28 |
| 2015 | 8,095 | 197 | 65 | (3.09) | (3.76) | (3.85) | 0.27 |
| 2016 | 9,989 | 209 | 75 | 10.70 | 9.93 | 17.34 | 0.27 |
| 2017 | 14,609 | 465 | 394 | 18.58 | 17.76 | 13.66 | 1.29 |
| 2018 | 17,840 | 385 | 381 | (3.90) | (4.57) | (8.27) | 0.50 |

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