

Emerging Markets Small Cap Portfolio

First Quarter 2020

Market Review

During the first quarter of 2020, the spread of the coronavirus profoundly affected financial markets and led to sharp declines in equities globally. Emerging market equities fell heavily along with stocks in developed countries. Crude oil prices were also down sharply driven by a combination of a sudden drop in demand and a failure to agree on production cuts between Russia and Saudi Arabia. Within emerging markets, Brazil was among the worst performing countries and this was further amplified by weakness in its currency. Indonesia and India also declined significantly while China, on the other hand, outperformed as the number of new coronavirus cases declined and economic activity began to resume. From a sector perspective, health care was the best performing sector and energy was the worst performing.

Portfolio Review

The Emerging Markets Small Cap portfolio outperformed the MSCI Emerging Markets Small Cap Index in the first quarter. Given our focus on high quality businesses with strong balance sheets and relatively more stable earnings, many of our portfolio companies held up better than the overall market. Stock selection was the biggest driver of outperformance. An underweight in underperforming markets, such as Brazil and India, also contributed to performance while an underweight in Hong Kong and poor stock selection in China detracted from performance.

Our top contributor to performance during the quarter was Sea Limited. Sea is an e-commerce/online video gaming company based in Southeast Asia. The stock held up better than the overall market as the company reported strong fourth quarter results and because online shopping and video gaming are activities that are less directly impacted from the lockdown measures of the coronavirus.

Our second largest contributor was Carlsberg Brewery Malaysia. This is a new position that we initiated during the quarter after the markets had already declined. As a result, performance reflects only the rebound in the stock price making it the second biggest contributor.

Other top contributors include Douzone Bizon, Riverstone Holdings and Yandex.

Our largest detractor during the quarter was once again Union Auction Public. Union Auction Public is the largest operator of used and salvaged car auctions in Thailand. The company's shares had already been underperforming precipitated by the declining trend in new car sales in Thailand. Concerns regarding softer near-term business prospects was amplified after the virus outbreak as Thailand's economy has meaningful reliance on tourism.

Our second largest detractor was Distell Group. Distell is a South Africa-based spirits company. It has well-known brands and strong market positions across different categories of the South African alcoholic beverage markets. The stock underperformed as the company operates in many African countries that were hit hard by lower oil prices and are faced with economic challenges and wild currency fluctuations. While management has done a great job given the difficulties they are dealing with, the challenging external business environment caused us to lose confidence in the future prospects of the business and we exited our position during the quarter.

Other bottom contributors included Headhunter Group, Carsales.com and CCU.

Purchases and Sales

New Purchases	Complete Sales
Carlsberg Brewery Malaysia	104 Corp
Marel	58.com
Webcash	Distell Group
Yandex	Fila Holdings
	Lumax International
	Riverstone Holdings
	Samyang Optics
	Tisco Financial
	Wirtualna Polska

Portfolio Highlights

Style: Small Cap
Index: MSCI® Emerging Markets Small Cap Index
Portfolio Turnover: 25%–35%
Number of Holdings: 30–60

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® Emerging Markets 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	34
Hyung Kim Portfolio Manager + Senior Research Analyst	16
Craig Thrasher, CFA Portfolio Manager + Senior Research Analyst	16
Ekaterina V. Advena Research Analyst	11
David Forward Research Analyst	6

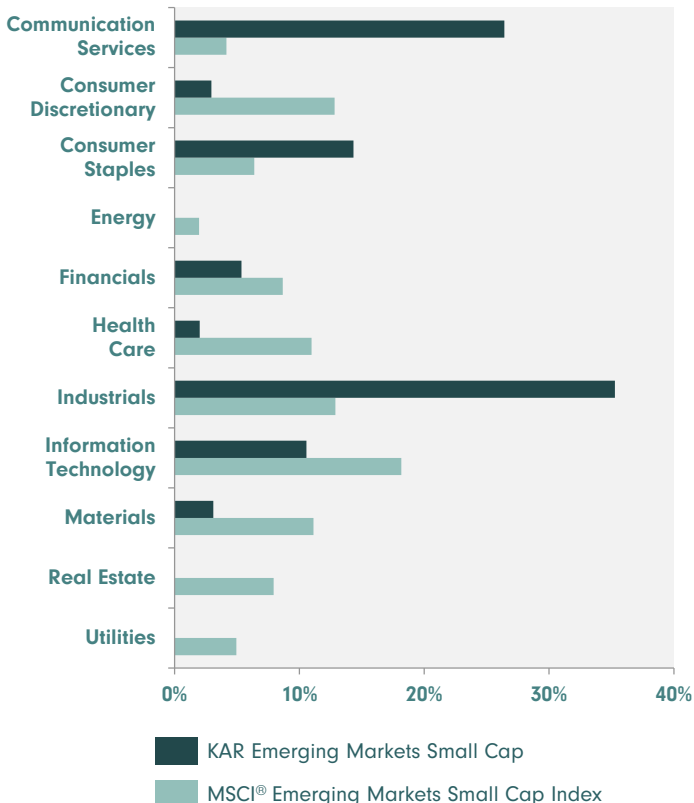
*This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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. **Past performance is no guarantee of future results.***

Investment Process: Discovering Quality

Development of High-Quality Universe	Proprietary Fundamental Research	Portfolio Construction	Sell Discipline
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 	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 	Position Weights <ul style="list-style-type: none"> Maximum initial position size is 5% (at cost) Maximum position size is 10% (at market) Sector and Geographic 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 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 March 31, 2020



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 March 31, 2020

	KAR Emerging Markets Small Cap	MSCI® Emerging Markets Small Cap Index
Quality		
Return on Equity—Past 5 Years	22.1%	11.8%
Total Debt/EBITDA	0.7 x	4.4 x
Interest Expense Coverage	7.8 x	2.6 x
Growth		
Earnings Per Share Growth—Past 5 Years	23.0%	9.7%
Earnings Per Share Growth—Past 10 Years	11.6%	8.0%
Dividend Per Share Growth—Past 5 Years	12.1%	11.3%
Dividend Per Share Growth—Past 10 Years	10.6%	8.1%
Value		
P/E Ratio—Trailing 12 Months	13.4 x	13.2 x
Dividend Yield	2.9%	3.7%
Market Characteristics		
\$ Weighted Average Market Cap	\$3.2 B	\$1.1 B
Largest Market Cap	\$20.5 B	\$2.4 B

Data is obtained from 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.**

Emerging Markets Small Cap Portfolio

First Quarter 2020

Top 10 Holdings

As of March 31, 2020

Company	Country	Percent of equity (%)
Headhunter Group	Russian Federation	6.5
Vostok New Ventures	Sweden	5.5
NICE Information Service	South Korea	5.2
Sea	Singapore	5.0
Taisun International	Taiwan	4.6
Webcash Corp.	South Korea	4.4
S-1	South Korea	4.2
Auto Trader	United Kingdom	3.9
Voltronic Power Technology	Taiwan	3.8
Heineken Malaysia	Malaysia	3.7
Total		46.8

Country Exposure

As of March 31, 2020



Historical Returns

	KAR Emerging Markets Small Cap (gross)	KAR Emerging Markets Small Cap (net) [‡]	MSCI Emerging Markets Small Cap Index
Annualized Returns (%)[†]			
As of March 31, 2020			
1 st Quarter	(19.34)	(19.56)	(31.37)
One Year	(14.30)	(15.16)	(28.98)
Three Years	3.05	2.03	(9.64)
Five Years	4.50	3.46	(5.17)
Inception*	3.80	2.77	(3.46)
Annual Returns (%)			
2019	20.18	19.00	11.50
2018	(3.82)	(4.78)	(18.59)
2017	33.20	31.90	33.84
2016	18.45	17.28	2.28
2015	(16.02)	(16.84)	(6.85)
2014	2.20	1.16	1.01

*January 1, 2014

[†]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. Data is obtained from FactSet Research Systems and is assumed to be reliable. **Past performance is no guarantee of future results.**

Emerging Markets Small Cap Portfolio

First Quarter 2020

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 Emerging Markets Small Cap Portfolios. Emerging Markets Small Cap Portfolios are invested in equity securities

with market capitalizations in line with the MSCI® Emerging Markets 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® Emerging Markets Small Cap Index (net). The MSCI® Emerging Markets Small Cap Index is a market capitalization-weighted index of small-capitalization stocks from countries defined as Emerging Markets in the MSCI® Global Investable Market Indices Universe, excluding U.S. companies. 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 2014. 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: 1.00% for the first \$100 million; 0.90% 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

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 2016 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
2016	15.00	14.54
2017	14.07	14.57
2018	12.06	14.21

Year	Total Firm Assets (\$ millions)	Total Composite Assets (\$ millions)	Accounts at Year End	Gross Annual Return (%)	Net Annual Return (%)	MSCI® Emerging Markets Small Cap Index (net) Annual Return (%)	Internal Dispersion
2014	7,989	5	< 5	2.20	1.16	1.01	N/A
2015	8,095	4	< 5	(16.02)	(16.84)	(6.85)	N/A
2016	9,989	5	< 5	18.45	17.28	2.28	N/A
2017	14,609	14	< 5	33.20	31.90	33.84	N/A
2018	17,840	70	< 5	(3.82)	(4.78)	(18.59)	N/A

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