

International Small Cap Portfolio

First Quarter 2020

Market Review

Global equity markets experienced a severe selloff in the first quarter as the coronavirus pandemic led to dramatic declines in economic activity around the world. The MSCI All Country World ex. U.S. Small Cap Index declined 29.01%, with all regions and sectors declining sharply. While virtually all areas of the global economy are suffering from the current health crisis, the extent of the impact has varied by geography and sector. Countries in Asia, including Japan, South Korea and Taiwan, have thus far managed to keep the human and economic impact from the pandemic relatively contained. On the other hand, many of the major countries in Europe, including the United Kingdom, France, Germany, Italy and Spain, are suffering much more dramatically.

The worst hit sector in the first quarter was energy, where a breakdown in negotiations between Saudi Arabia and Russia to curtail oil production added to already difficult conditions. The consumer discretionary sector was also particularly hard hit, with travel and other shutdown measures dramatically impacting consumer spending in virtually all discretionary categories. Not surprisingly, less cyclical sectors such as consumer staples and health care were impacted to a much lesser extent.

Portfolio Overview

The International Small Cap portfolio outperformed the MSCI All Country World ex. U.S. Small Cap Index during first quarter. Given the more defensive nature of our holdings, we would expect to outperform the benchmark during market declines. In this case, our outperformance was despite unfavorable geographic allocation heading into the crisis. Japan, the country where we have the largest underweight position relative to the benchmark, was the best performing major market during the first quarter. On the other hand, the United Kingdom, our largest overweight relative to the benchmark, was among the worst.

Our top contributor to performance in the first quarter was Douzone Bizon, a leading enterprise resource planning (ERP) software provider in South Korea. Given the essential nature of ERP software, demand is relatively stable even during difficult economic times. In addition, as mentioned previously, the negative impact from the coronavirus has been relatively muted in South Korea to this point.

Mercari, listed in Japan, was also a top contributor during the first quarter. Mercari operates the largest application for buying and selling used goods online in Japan. The strong relative performance was due to the fact that we were purchasing Mercari during the market decline in the first quarter. We completed our purchase near the most recent market bottom in mid-March, and stocks globally have increased since that time.

Other top contributors to performance included WABCO, S-1 and Golden Friends.

The largest detractors to performance were two online classifieds companies listed in the United Kingdom, Rightmove and Auto Trader. Rightmove operates the largest real estate portal and Auto Trader operates the largest used car marketplace in the U.K. In each case, activity in their respective sectors came to a halt in the first quarter, putting tremendous strain on their customers. Both companies proactively took steps to assist their customers during these challenging industry conditions. Rightmove announced a 75% reduction in pricing for their real estate agent customers, and Auto Trader announced they will not be charging their car dealer customers for the month of April. Obviously, this will have a negative impact on the near-term financial results of each company. However, both are operating from extremely strong competitive positions and have the financial strength to survive a complete economic shutdown for an extended period of time. Therefore, we continue to hold full weight positions in both companies.

Other bottom contributors during the quarter were En-Japan, Ascential and Alten.

Purchases and Sales

New Purchases	Complete Sales
Mercari	En-Japan
S-1	WABCO

Portfolio Highlights

Style: Small Cap
Index: MSCI® ACWI ex. U.S. Small Cap Index
Portfolio Inception: 2012
Portfolio Assets: \$1,628.3 M
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® ACWI ex. U.S. 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

Top 10 Holdings

As of March 31, 2020

Company	Country	Percent of equity (%)
Rightmove	United Kingdom	5.8
Auto Trader	United Kingdom	5.4
Headhunter Group	Russian Federation	5.2
Scout24	Germany	5.0
Sabre Insurance Group	United Kingdom	3.6
Vostok New Ventures	Sweden	3.5
Karnov Group	Sweden	3.3
Mercari	Japan	3.2
Marel	Iceland	3.1
Asiakastieto Group	Finland	3.1
Total		41.2

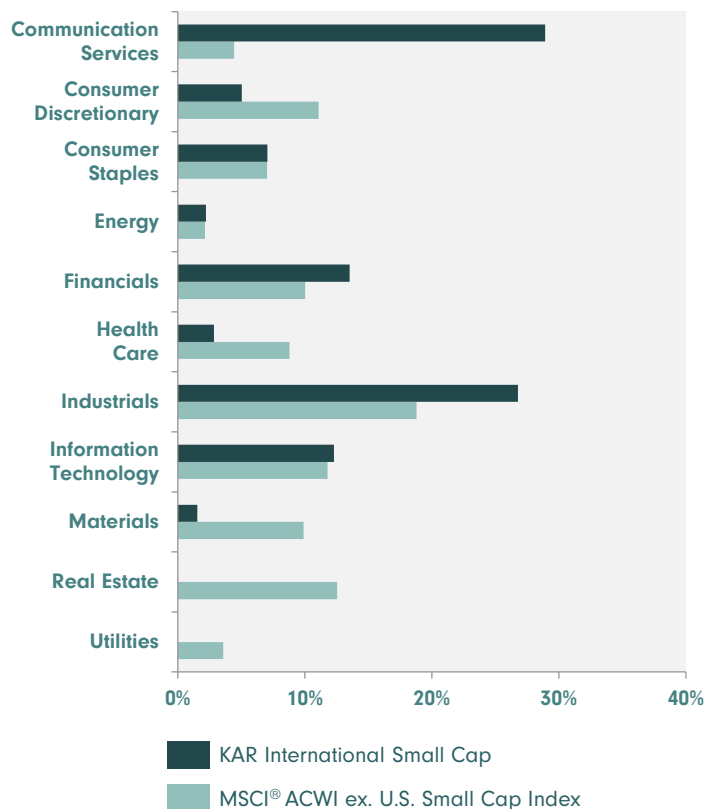
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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
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 International Small Cap	MSCI ACWI ex. U.S. Small Cap Index
Quality		
Return on Equity—Past 5 Years	27.6%	11.9%
Total Debt/EBITDA	1.3 x	4.7 x
Interest Expense Coverage	11.5 x	4.1 x
Growth		
Earnings Per Share Growth—Past 5 Years	26.9%	11.4%
Earnings Per Share Growth—Past 10 Years	12.7%	10.2%
Dividend Per Share Growth—Past 5 Years	11.5%	10.5%
Dividend Per Share Growth—Past 10 Years	11.3%	9.2%
Value		
P/E Ratio—Trailing 12 Months	14.3 x	14.4 x
Dividend Yield	3.1%	3.4%
Market Characteristics		
\$ Weighted Average Market Cap	\$2.3 B	\$1.9 B
Largest Market Cap	\$7.1 B	\$7.8 B

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.**

International Small Cap Portfolio

First Quarter 2020

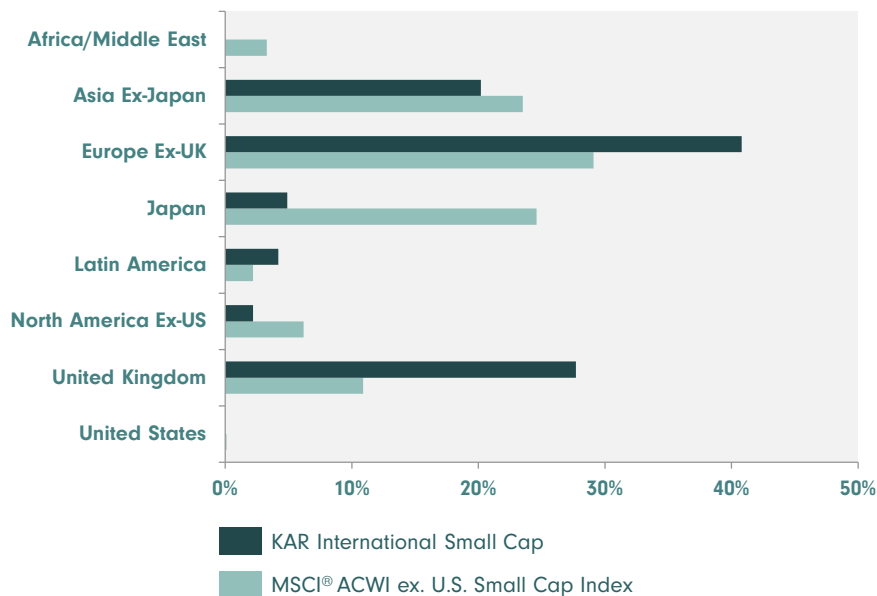
Developed vs. Emerging Markets

As of March 31, 2020

	Percent of equity (%)
Developed Markets	77.7
Emerging Markets	22.3
Total	100.0

Geographical Exposure

As of March 31, 2020



Historical Returns

	KAR International Small Cap (gross)	KAR International Small Cap (net) [†]	MSCI® ACWI ex. U.S. Small Cap Index
Annualized Returns (%)[†]			
As of March 31, 2020			
1 st Quarter	(24.39)	(24.60)	(29.01)
One Year	(12.78)	(13.66)	(21.18)
Three Years	3.37	2.34	(4.89)
Five Years	7.10	6.04	(0.81)
Seven Years	7.96	6.89	1.05
Inception*	11.18	10.09	3.79
Annual Returns (%)			
2019	29.47	28.21	22.42
2018	(5.33)	(6.28)	(18.20)
2017	30.29	29.02	31.65
2016	22.81	21.61	3.91
2015	(0.28)	(1.25)	2.60
2014	(1.92)	(2.91)	(4.03)
2013	32.42	31.16	19.73
2012	24.87	23.66	18.52

*January 1, 2012

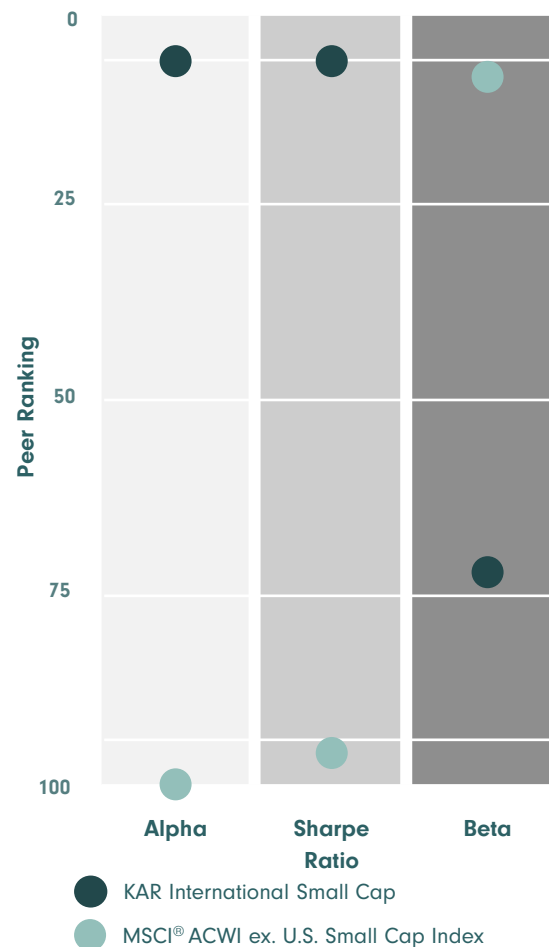
[†]All periods less than one year are total returns and are not annualized. Returns are preliminary.

[†]Net of all fees and expenses. Assumes a 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 ex. U.S. Small Cap Universe includes all managers categorized in the ACWI ex. U.S. 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.**

Peer Comparison Chart

Inception* to March 31, 2020



Performance Statistics

Inception* to March 31, 2020

	KAR International Small Cap	MSCI® ACWI ex. U.S. Small Cap Index
Annualized Return	11.18	3.79
Alpha	7.50	0.00
Upside Capture %	120.32	100.00
Sharpe Ratio	0.75	0.21
Information Ratio	1.47	N/A
Beta	0.89	1.00
Downside Capture %	70.48	100.00



International 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.

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 International Small Cap Composite has been examined for the period from January 1, 2012 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 International Small Cap Portfolios. International Small Cap Portfolios are invested in equity securities with market capitalizations in line with the MSCI® ACWI ex.

U.S.A. 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 ex U.S.A. Small Cap Index (net). The MSCI® ACWI ex. U.S.A. Small Cap Index is a market capitalization-weighted index of small-capitalization stocks of 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 2012. 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 December 31, 2012, 12% non-fee-paying portfolios as of December 31, 2013, 12% non-fee-paying portfolios as of December 31, 2014, 7% non-fee-paying portfolios as of December 31, 2015 and December 31, 2016, 1.5% non-fee-paying portfolios as of December 31, 2017, and < 1% non-fee-paying portfolios as of December 31, 2018.

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 net 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 2014 because 36 monthly composite returns are not available.

3-Yr Annualized Standard Deviation (%)

December 31	Composite	Benchmark
2014	11.99	13.33
2015	12.02	11.49
2016	13.26	12.31
2017	13.01	11.69
2018	12.39	12.52

Year	Total Firm Assets (\$ millions)	Total Composite Assets (\$ millions)	Accounts at Year End	Gross Annual Return (%)	Net Annual Return (%)	MSCI® ACWI ex. U.S. Small Cap Index (net) Annual Return (%)	Internal Dispersion
2012	6,545	4	< 5	24.87	23.66	18.52	N/A
2013	7,841	43	< 5	32.42	31.16	19.73	N/A
2014	7,989	42	< 5	(1.92)	(2.91)	(4.03)	N/A
2015	8,095	46	< 5	(0.28)	(1.25)	2.60	N/A
2016	9,989	55	< 5	22.81	21.61	3.91	N/A
2017	14,609	324	< 5	30.29	29.02	31.65	N/A
2018	17,840	905	< 5	(5.33)	(6.28)	(18.20)	N/A

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