

Large Cap Quality Value Portfolio

First Quarter 2021

Portfolio Review

The Large Cap Quality Value portfolio delivered positive performance but underperformed the Russell 1000 Value Index as more cyclical and lower quality names outperformed in the first quarter. Poor stock selection in information technology and financials detracted from performance. An underweight in communication services and health care contributed positively to performance.

The biggest contributors to performance were Lowe's Companies and Charles Schwab. Lowe's performed well in the quarter as the home improvement space has done well in the current environment as consumers have invested in improving their homes. We believe the company is also benefiting from improved execution under its new CEO. In our view, rising interest rates, strong markets and optimism regarding Charles Schwab's purchase of TD Ameritrade contributed to strong performance during the quarter. Other top contributors included U.S. Bancorp, PNC Financial Services Group and Trane Technologies.

The biggest detractors to performance were Equifax and Nestle. Equifax's shares were weak after a strong period of outperformance last year. In the short term, we believe higher interest rates may weigh on the company's mortgage-related businesses. Over the course of the past year, Nestle's food and household products (coffee, water, confectionary, pet food) represented some of the few businesses that were resilient during the initial phases of the pandemic. However, during the first quarter, the company was negatively impacted by a rotation out of more stable businesses into more cyclical businesses. Other bottom contributors included Dollar General, FleetCor Technologies and TJX.

Purchases and Sales

During the quarter, we purchased BlackRock. We sold Zoetis from the portfolio. BlackRock is a global asset management company based in New York. The company has a strong position in the ETF space as well as in global wealth management. BlackRock has also developed a leading risk management and portfolio construction technology through its Aladdin platform. The ETF business is expanding beyond its historic strength in equity products into areas such as ESG (environment, social, governance) and fixed income. The company has generated positive net inflows for many years and generates a strong operating margin. We believe Zoetis has done a tremendous job since spinning off from Pfizer in 2013, particularly in the companion animal space. However, we sold our shares as the valuation became expensive. We allocated the capital to stocks that we believe offer a better combination of quality, growth and value.

Outlook

We believe the 2021/2022 economic outlook is becoming increasingly robust given significant pent-up consumer demand combined with record net worth, several trillion dollars of federal stimulus being distributed this year, vaccinations, and declining COVID-19 hospitalizations, all of which are improving consumer confidence. In a rapidly accelerating economic growth environment, low quality stocks tend to outperform high quality businesses as investors seek out companies with more operating and financial leverage. In our experience, equity markets are often 6 to 12 months ahead in assessing the business and economic environment. Once the acceleration in GDP starts to stabilize, we expect the relative performance of high-quality stocks will start to improve.

Portfolio Highlights

Style: Large Cap
Sub-Style: Value
Index: Russell 1000® Value
Portfolio Inception: 1994
Portfolio Assets: \$554.4 M
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	35
Richard Sherry, CFA Portfolio Manager + Senior Research Analyst	23
Chris Armbruster, CFA Senior Research Analyst	16
Noran Eid Research Analyst	8

Top Five Holdings

As of March 31, 2021

Company	Percent of equity (%)
Lowe's Companies	4.9
U.S. Bancorp	4.0
Travelers	3.8
Trane Technologies	3.7
Oracle	3.7
Total	20.1

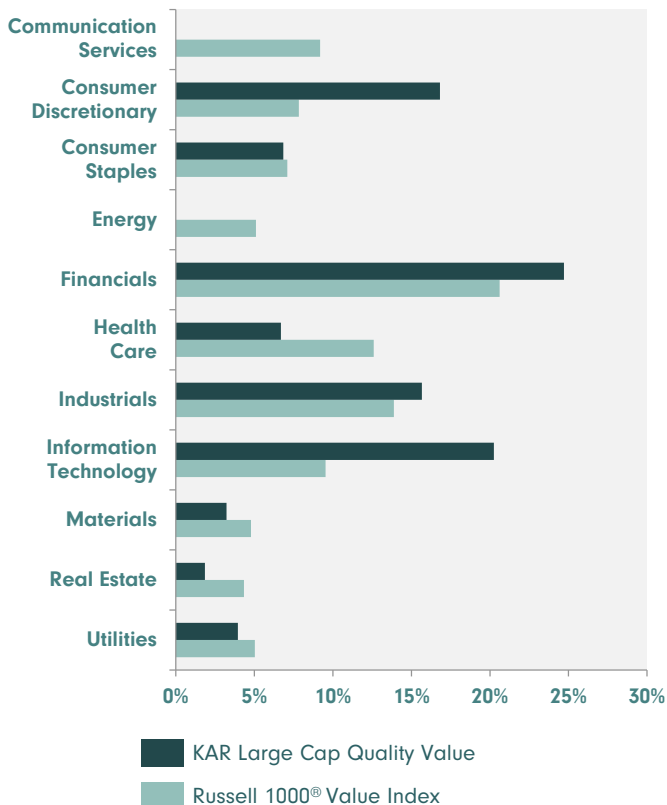
*This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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 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 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 March 31, 2021



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, 2021

	KAR Large Cap Quality Value	Russell 1000 Value Index
Quality		
Return on Equity—Past 5 Years	21.6%	14.9%
Total Debt/EBITDA	3.1 x	25.6 x
Earnings Variability—Past 10 Years	30.5%	52.4%
Growth		
Earnings Per Share Growth—Past 5 Years	6.9%	5.7%
Earnings Per Share Growth—Past 10 Years	8.8%	5.6%
Dividend Per Share Growth—Past 5 Years	10.0%	7.3%
Dividend Per Share Growth—Past 10 Years	13.1%	11.6%
Capital Generation—{ROE x (1-Payout)}	12.1%	8.4%
Value		
P/E Ratio—Trailing 12 Months	32.6 x	38.2 x
Dividend Yield	1.5%	2.0%
Free Cash Flow Yield*	3.9%	3.8%
Market Characteristics		
\$ Weighted Average Market Cap	\$107.2 B	\$147.3 B
Beta†	0.86	1.00
Annualized Standard Deviation—Tenure Period†	14.29%	16.08%

*Free cash flow data is as of December 31, 2020. Prices are as of March 31, 2021. Excludes financials.

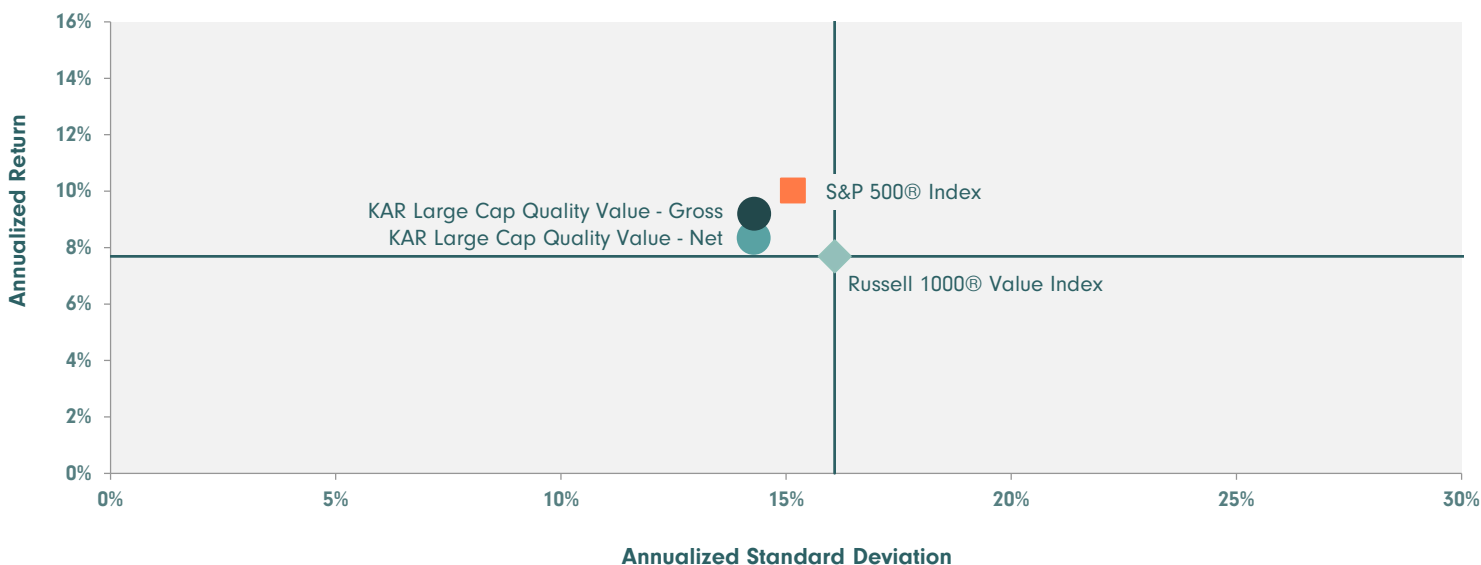
†Period from April 1, 2006 to March 31, 2021. This period delineates the period that Richard Sherry, CFA has managed the portfolio as the sole portfolio manager. This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from 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 March 31, 2021			
1 st Quarter	5.50	5.32	11.26
One Year	51.18	50.16	56.09
Three Years	14.22	13.43	10.96
Five Years	13.56	12.78	11.74
Seven Years	11.42	10.65	9.40
Ten Years	11.85	11.08	10.99
Inception*	9.20	8.34	7.69
Annual Returns (%)			
2020	13.14	12.36	2.80
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
Alpha	2.23	0.00
Beta	0.86	1.00
Sharpe Ratio	0.57	0.41
Downside Capture	79.23	100.00
R-Squared	93.30	100.00

*Period from April 1, 2006 to March 31, 2021. 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 statistics are based on gross of fee returns

^{||}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

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 1000® Value Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2010	14.30	13.19	15.51	20.07	23.51	12	0.29	6	4,729
2011	1.65	0.96	0.39	18.19	20.98	24	0.21	63	5,232
2012	13.63	12.85	17.51	14.75	15.73	66	0.50	177	6,545
2013	29.95	29.07	32.53	12.04	12.88	61	0.34	183	7,841
2014	13.88	13.07	13.45	8.95	9.33	69	0.28	218	7,989
2015	(3.09)	(3.76)	(3.83)	11.08	10.83	65	0.27	197	8,095
2016	10.70	9.93	17.34	11.43	10.93	75	0.27	209	9,989
2017	18.58	17.76	13.66	10.44	10.34	394	1.29	465	14,609
2018	(3.90)	(4.57)	(8.27)	10.33	10.98	381	0.50	385	17,840
2019	29.61	28.73	26.54	10.64	12.02	379	0.45	464	25,685

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

KAR (as defined below) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. KAR has been independently verified for the period from January 1, 1999 through December 31, 2019.

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, 2019. The verification and performance examination reports are available upon request.

Kayne Anderson Rudnick Investment Management, LLC ("KAR"), 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. KAR 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. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

As of January 1, 2011, the composite was redefined to include both institutional and mutual fund [or pooled] accounts. Previously, only institutional accounts were included. Prior to January 1, 2011, the composite minimum was \$250,000, and 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.

Non-fee-paying portfolios represent < 1% of the composite assets at year-end from 2013 through 2019.

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.