

Mid Cap Sustainable Growth Portfolio

First Quarter 2021

Portfolio Overview

The Mid Cap Sustainable Growth portfolio underperformed the Russell Midcap Growth Index in the first quarter as more cyclical and lower quality names outperformed in the first quarter. Poor stock selection in information technology and consumer discretionary detracted from performance. Good stock selection and an underweight in communication services and an underweight in industrials contributed positively to performance.

The biggest contributors to performance during the quarter were Kansas City Southern and Bill.com. Kansas City Southern was acquired for a significant premium following our purchase. As the only railroad that connects Canada with Mexico, we believe a number of long-term drivers should provide strong growth for years to come. Bill.com reported another strong quarter and raised guidance again on the strength of wallet share and average revenue-per-unit gains from adoption of higher cross-border margins (for international vendors) and virtual card (check alternative) offerings. Other top contributors included DraftKings, Signature Bank and Freshpet.

The biggest detractors to performance during the quarter were The Trade Desk and Avalara. The Trade Desk was pressured by concerns over Apple's opt-in policy for its Identifier for Advertisers (IDFA) and Google's cookie policies (tools advertisers use to target and track users with iOS or Android devices). The Trade Desk's management stated that only 10% of the ad spend on its platform is on iOS and it has plenty of other inventory to sell advertisers in its place. Google's decision complicates tracking a little more, but The Trade Desk is working with a consortium of adtech companies to develop an alternative called Unified ID that leverages email identification to deliver targeted ads. For the third quarter in a row, Avalara has moved between being one of the top and bottom performers in the strategy. Avalara has been focusing on a string of smaller acquisitions that have paved the way for strong ongoing growth. Acquisitions in Germany and the U.K. add to the company's rapidly growing overseas business and Business Licenses enables the business to expand beyond taxes, offering businesses the ability to identify, apply for and renew licenses/registrations/permits. Other bottom contributors included MercadoLibre, Paycom Software and Okta.

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.

Purchases and Sales

New Purchases	Complete Sales
Lyft	C3.ai
Olo	Fidelity National Information Services
Signature Bank	Grocery Outlet
	Vital Farms



Portfolio Highlights

Style: Mid Cap
Sub-Style: Growth
Index: Russell Midcap® Growth
Portfolio Assets: \$3,464.7 M
Portfolio Turnover: 25%–35%

Investment Management Team

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

Top Five Holdings

As of March 31, 2021

Company	Percent of equity (%)
The Trade Desk	6.3
MercadoLibre	5.8
Bill.com	4.9
Paycom Software	3.5
Okta	3.3
Total	23.8

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
<p>Qualitative Methods</p> <ul style="list-style-type: none"> Investment conferences Meetings with companies Industry reviews Research on existing portfolio holdings Third-party research <p>Quantitative Screens</p> <ul style="list-style-type: none"> High return on capital over a full economic cycle Earnings surprise Long and resilient earnings history High return on net operating assets Minimal debt 	<p>Qualitative Analysis</p> <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 <p>Financial Analysis</p> <ul style="list-style-type: none"> Evaluate basis for profitability, long-term growth potential, and ability to allocate capital appropriately <p>Valuation Analysis</p> <ul style="list-style-type: none"> Determine the current and potential value of the business 	<p>Position Weights</p> <ul style="list-style-type: none"> Maximum initial position size is 5% (at cost) Maximum position size is 10% (at market) <p>Sector Tolerances</p> <ul style="list-style-type: none"> Seek broad diversification, but no sector constraints <p>Holding Period</p> <ul style="list-style-type: none"> Typically 3-to-5 years, but is often longer Portfolio turnover is typically 25% to 35% <p>Cash Levels</p> <ul style="list-style-type: none"> Typically will not exceed 10% once a portfolio is fully invested; review by CIO triggered if over 10% 	<p>Negative Company or Industry Changes</p> <p>Portfolio Upgrade</p> <p>Acquisition Activity</p> <p>Extended Valuation</p>
Higher Quality		Stronger, More Consistent Growth	

Portfolio Characteristics

As of March 31, 2021

	KAR Mid Cap Sustainable Growth	Russell Midcap® Growth Index
Quality		
Return on Equity—Past 5 Years	16.9%	16.6%
Total Debt/EBITDA*	112.3 x	2.9 x
Earnings Variability—Past 10 Years	40.4%	52.6%
Growth		
Sales Per Share Growth—Past 5 Years	16.7%	13.4%
Earnings Per Share Growth—Past 5 Years	22.0%	19.4%
Earnings Per Share Growth—Past 10 Years	14.0%	13.3%
Value		
P/E Ratio—Trailing 12 Months	165.5 x	82.5 x
P/E Ratio—1 Year Forecast FY EPS	41.7 x	32.6 x
Free Cash Flow Yield†	1.2%	2.6%
Market Characteristics		
\$ Weighted Average Market Cap	\$26.8 B	\$24.6 B
Largest Market Cap	\$104.5 B	\$53.0 B

*There was a material difference in Total Debt/EBITDA and Interest Coverage Expense quality indicators for the strategy as of March 31, 2021 over the prior quarter end of December 31, 2020. This is primarily due to a single issuer in the portfolio experiencing a depressed EBITDA due to the effect of the pandemic on that issuer's business.

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

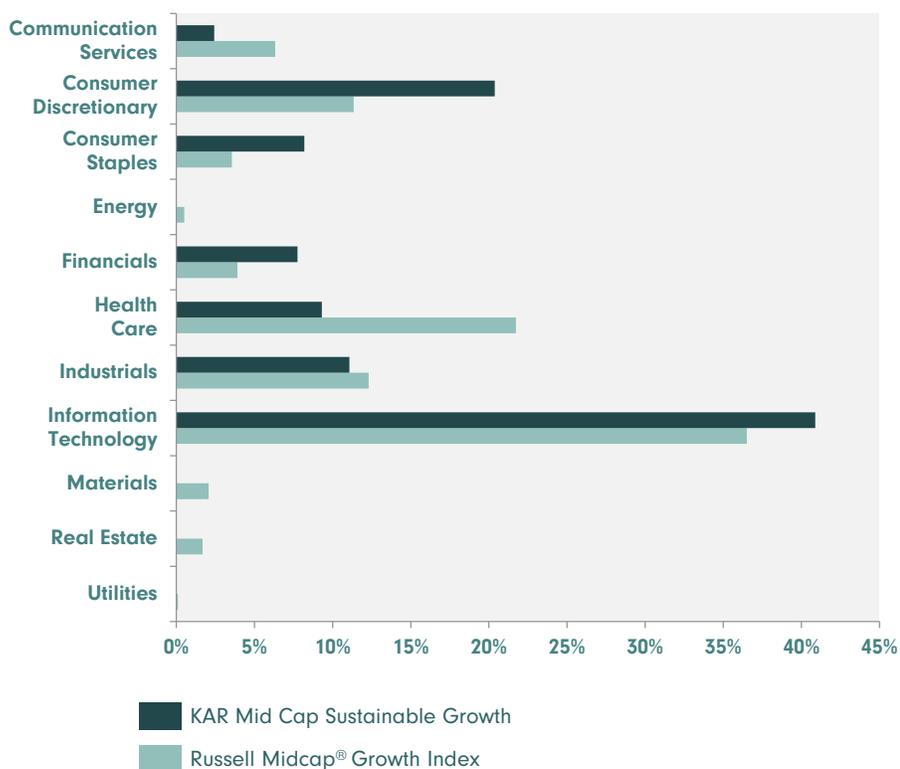
Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. **Past performance is no guarantee of future results.**

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First Quarter 2021

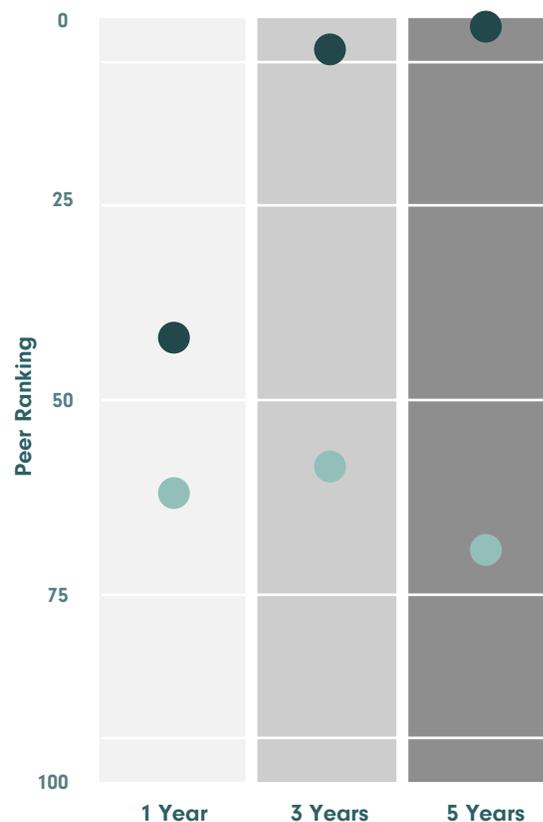
Sector Diversification

As of March 31, 2021



Peer Comparison Chart

Annualized Gross Returns Ending March 31, 2021



● KAR Mid Cap Sustainable Growth
● Russell Midcap Growth Index

Historical Returns

	KAR Mid Cap Sustainable Growth (gross)	KAR Mid Cap Sustainable Growth (net) [‡]	Russell Midcap Growth Index
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Annualized Returns (%)[†]

As of March 31, 2021

1 st Quarter	(4.34)	(4.54)	(0.57)
One Year	74.19	72.86	68.61
Three Years	30.89	29.87	19.41
Five Years	28.59	27.59	18.39
Seven Years	21.44	20.49	14.37
Inception*	20.34	19.40	16.50

Annual Returns (%)

2020	67.52	66.24	35.59
2019	44.29	43.18	35.47
2018	9.04	8.17	(4.75)
2017	35.26	34.21	25.27
2016	3.27	2.45	7.33
2015	4.06	3.24	(0.20)
2014	4.98	4.15	11.90
2013	26.46	25.47	35.74
2012	13.97	13.07	15.81

*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 0.75% annual fee.

[§]Performance statistics are based on gross of fee returns.

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. 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 from FactSet Research Systems and is assumed to be reliable. **Past performance is no guarantee of future results.**

Performance Statistics

Inception* to March 31, 2021

	KAR Mid Cap Sustainable Growth [§]	Russell Midcap Growth Index
Annualized Standard Deviation	16.36	15.21
Beta	0.99	1.00
Sharpe Ratio	1.21	1.05
R-Squared	84.66	100.00

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Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell Midcap® Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2012	13.97	13.07	15.81	N/A	N/A	< 5	N/A	82	6,545
2013	26.46	25.47	35.74	N/A	N/A	< 5	N/A	93	7,841
2014	4.98	4.15	11.90	11.25	11.02	< 5	N/A	90	7,989
2015	4.06	3.24	(0.20)	13.28	11.47	< 5	N/A	88	8,095
2016	3.27	2.45	7.33	14.38	12.35	< 5	N/A	83	9,989
2017	35.26	34.21	25.27	13.14	11.04	< 5	N/A	98	14,609
2018	9.04	8.17	(4.75)	14.52	13.00	7	N/A	172	17,840
2019	44.29	43.18	35.47	15.87	14.07	38	0.19	688	25,685

The Russell Midcap® Growth Index and Russell 1000® Index are trademarks/service marks 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 Mid Cap Sustainable Growth Composite has been examined for the period from January 1, 2012 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 Mid Cap Sustainable Growth Portfolios. Mid Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell Midcap® Growth 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 Russell Midcap® Growth Index. The Russell Midcap® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 800 smallest companies in the Russell 1000® Index, which comprises the 1,000 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 January 2012. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Non-fee-paying portfolios represent < 1% of the composite assets at year-end from 2012 through 2019.

The standard management fee schedule currently in effect is 0.80% per annum. 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 management fees and 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.