

Small-Mid Cap Quality Value Portfolio

First Quarter 2021

Portfolio Review

The Small-Mid Cap Quality Value portfolio delivered positive performance but underperformed the Russell 2500 Value Index as more cyclical, lower quality names outperformed in the first quarter. Poor stock selection in financials and industrials detracted from performance. Strong stock selection in consumer staples and an underweight in utilities contributed positively to performance.

The biggest contributors to performance during the quarter were National Beverage and Scotts Miracle-Gro.

- Alongside market share recovery, National Beverage's profits outgrew its sales growth. We continue to monitor market share and we believe that National Beverage continues to retain its position as one of the leaders in the growing sparkling water category.
- Scotts Miracle-Gro continues to see demand for its gardening products due to lockdowns, and has executed well to meet the unprecedented demand. Hawthorne, the company's hydroponics segment that services cannabis growers, continued to see growth as well.
- Other top contributors included Cheesecake Factory, Thor Industries and Zebra Technologies.

The biggest detractors to performance were TransUnion and MSCI.

- TransUnion was stagnant during the quarter as some of the company's key international markets, like India, have still been hampered by COVID-19. In addition, the tailwind from mortgage refinancings in 2020 is expected to create tough year-over-year comparisons in 2021. Despite that, the business held up well in a tough environment and we believe the company has some unique data assets with strong growth potential and pricing power.
- MSCI delivered organic sales growth, but the company's shares fell likely due to market participants rotating out of recurring revenue businesses into companies that might see more profit rebound from economies reopening.
- Other bottom contributors included Anika Therapeutics, Terminix Global Holdings and Jack Henry & Associates.

Purchases and Sales

During the quarter, we purchased Leslie's Pool Supply. There were no complete sales from the portfolio. Leslie's Pool Supply is the largest and the only direct-to-consumer pool and spa care brand with national scale, operating a physical network of 934 branded locations and a digital platform. Leslie's has achieved 57 consecutive years of sales growth. Eighty percent of sales is aftermarket products which helps lessen the pool industry's cyclical nature and helps the business overcome recessionary periods.

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: Small-Mid Cap
Sub-Style: Value
Index: Russell 2500™ Value
Portfolio Inception: 2008
Portfolio Assets: \$402.7 M
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	35
Julie Kutasov Portfolio Manager + Senior Research Analyst	20
Craig Stone Portfolio Manager + Senior Research Analyst	32
Todd Beiley, CFA Senior Research Analyst	22
Julie Biel, CFA Senior Research Analyst	13
Jon Christensen, CFA Senior Research Analyst	26
Chris Wright, CFA Senior Research Analyst	9
Sean Dixon Research Analyst	12
Adam Xiao, CFA Research Analyst	6

Top Five Holdings

As of March 31, 2021

Company	Percent of equity (%)
Scotts Miracle-Gro	6.6
Thor Industries	5.2
Zebra Technologies	4.8
W. R. Berkley	4.1
MSCI	4.1
Total	24.8

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
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 Non-U.S. Holdings <ul style="list-style-type: none"> Up to 20% 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

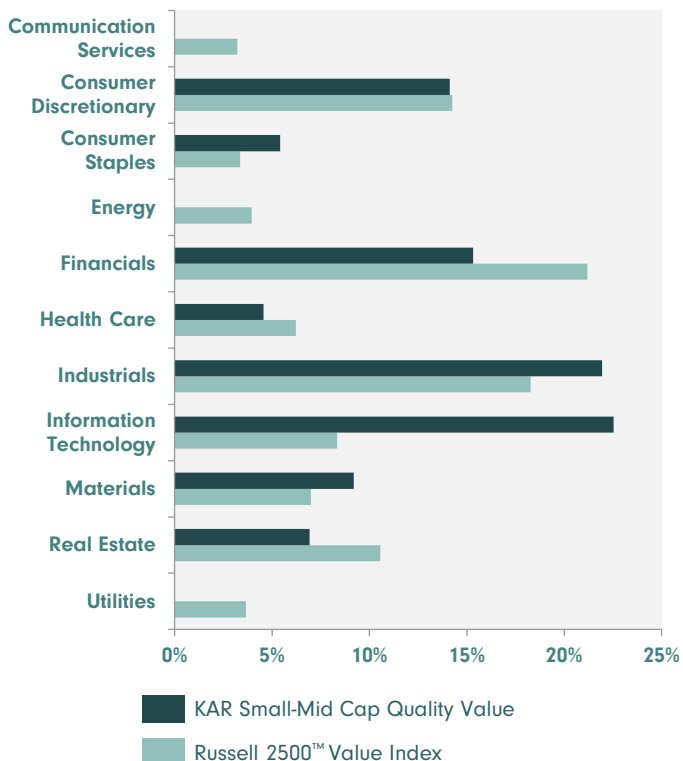
Higher Quality

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 Small-Mid Cap Quality Value	Russell 2500 Value Index
Quality		
Return on Equity—Past 5 Years	22.6%	9.8%
Total Debt/EBITDA	2.1 x	10.9 x
Earnings Variability—Past 10 Years	41.5%	75.9%
Growth		
Earnings Per Share Growth—Past 5 Years	9.2%	6.2%
Earnings Per Share Growth—Past 10 Years	8.6%	6.8%
Dividend Per Share Growth—Past 5 Years	13.1%	4.2%
Dividend Per Share Growth—Past 10 Years	11.9%	8.3%
Capital Generation—{ROE x (1-Payout)}	14.1%	7.0%
Value		
P/E Ratio—Trailing 12 Months	50.9 x	69.2 x
Dividend Yield	1.0%	1.5%
Free Cash Flow Yield*	4.0%	3.8%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$8.2 B	\$5.0 B
Largest Market Cap—3-Year Avg.	\$22.8 B	\$16.7 B
Annualized Standard Deviation—Since Inception†	17.7%	20.3%

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

†January 1, 2008

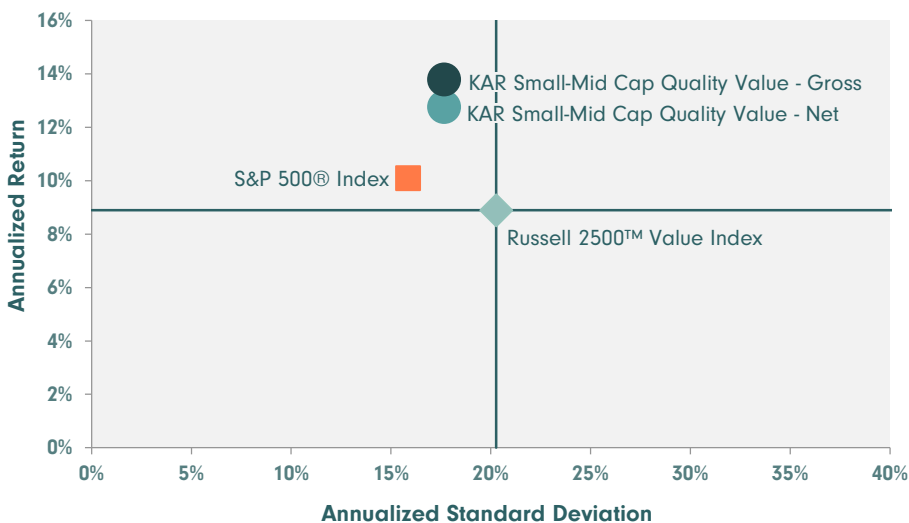
This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics.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

Small-Mid Cap Quality Value Portfolio

First Quarter 2021

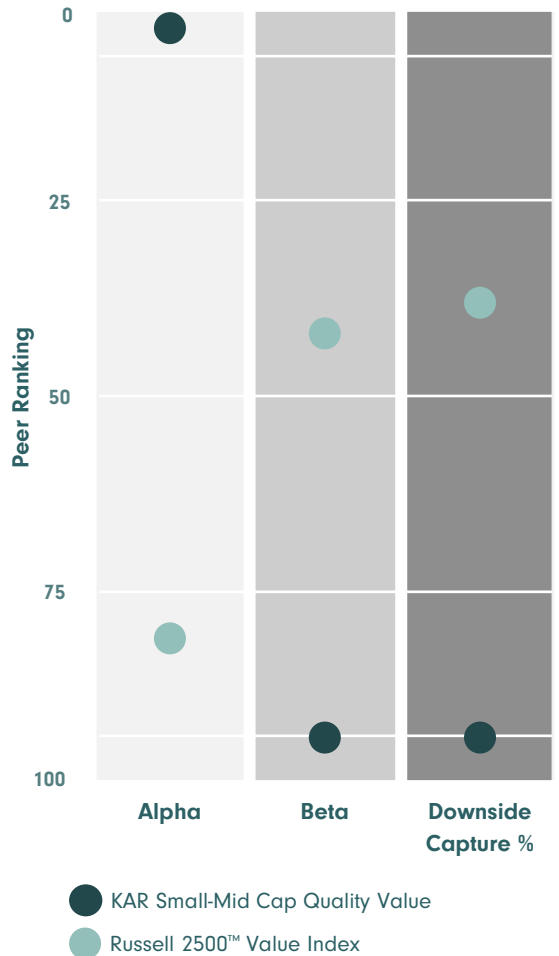
Strong Risk-Adjusted Returns

Inception* to March 31, 2021



Peer Comparison Chart

Inception* to March 31, 2021



Historical Returns

	KAR Small-Mid Cap Quality Value (gross)	KAR Small-Mid Cap Quality Value (net) [‡]	Russell 2500 [™] Value Index
Annualized Returns (%)[†]			
As of March 31, 2021			
1 st Quarter	12.62	12.38	16.83
One Year	83.91	82.34	87.47
Three Years	18.62	17.57	10.88
Five Years	16.78	15.74	12.15
Seven Years	14.25	13.24	8.70
Ten Years	14.29	13.29	10.23
Inception*	13.80	12.77	8.89

Annual Returns (%)			
2020	24.69	23.59	4.88
2019	33.20	32.03	23.56
2018	(11.97)	(12.77)	(12.36)
2017	18.43	17.38	10.36
2016	19.69	18.63	25.20
2015	(0.58)	(1.47)	(5.49)
2014	8.88	7.89	7.11
2013	36.30	35.13	33.32
2012	11.01	10.07	19.21
2011	7.40	6.52	(3.36)
2010	25.83	24.61	24.82
2009	32.51	31.22	27.68
2008	(18.99)	(19.82)	(31.99)

Performance Statistics

Inception* to March 31, 2021

	KAR Small-Mid Cap Quality Value [§]	Russell 2500 [™] Value Index
Annualized Standard Deviation	17.65	20.27
Alpha	5.80	0.00
Beta	0.83	1.00
Sharpe Ratio	0.75	0.41
R-Squared	90.05	100.00

*January 1, 2008

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

[‡]Net of all fees and expenses. Assumes a 0.90% 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. The Small-Mid Cap Value Universe includes all managers categorized in the small-mid cap value 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.**

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First Quarter 2021

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2500™ 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	25.83	24.61	24.82	24.26	27.35	< 5	N/A	< 1	4,729
2011	7.40	6.52	(3.36)	20.07	24.57	< 5	N/A	1	5,232
2012	11.01	10.07	19.21	13.97	18.67	< 5	N/A	85	6,545
2013	36.30	35.12	33.32	12.01	15.29	6	0.13	138	7,841
2014	8.88	7.89	7.11	10.65	11.41	12	0.09	140	7,989
2015	(0.58)	(1.47)	(5.49)	12.25	12.19	17	0.05	371	8,095
2016	19.69	18.63	25.20	12.24	13.36	22	0.24	395	9,989
2017	18.43	17.38	10.36	10.88	11.98	49	0.45	427	14,609
2018	(11.97)	(12.77)	(12.36)	12.93	13.77	36	0.40	162	17,840
2019	33.20	32.03	23.56	13.84	14.43	22	0.12	183	25,685

The Russell 2500™ 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 Small-Mid Cap Quality Value 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 is defined as all fully discretionary institutional and pooled Small-Mid Cap Quality Value Portfolios (including cash) under management for at least one full quarter. Small-Mid Cap Quality Value

Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ Value 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 2500™ Value Index. The Russell 2500™ Value Index is a market capitalization-weighted index of value-oriented stocks of the 2,500 smallest companies in the Russell Universe, which comprises 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 June 2008. 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, 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 fee schedule in effect is as follows: 0.90% for the first \$25 million; 0.80% on the next \$25 million; 0.75% on the next \$50 million; 0.60% 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 IIA 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 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.