

## All Cap Sustainable Growth Portfolio

First Quarter 2022

### Portfolio Review

The All Cap Sustainable Growth portfolio underperformed the Russell 3000 Growth Index in the first quarter. Poor stock selection in information technology and consumer discretionary detracted from performance. An underweight in real estate and utilities contributed positively to performance.

The biggest contributors to performance during the quarter were HealthEquity and Visa. HealthEquity has meaningfully outpaced the slowing growth experienced by the rest of the industry. However, it has acknowledged that as it moves down market to smaller employers, incremental customers are looking for more than just a stand-alone HSA provider. To that end, the company acquired WageWorks, a company that HealthEquity's CEO founded. WageWorks gives HealthEquity additional products to bundle for its smaller enterprise customers like FSAs, COBRA administration, and commuter accounts. We believe HealthEquity continues to consolidate a fragmented industry, and its organic HSA account sales are strong, accounting for roughly 40% of the industry. An overhang on Visa's shares has been weakness in the normally strong, high-margin cross-border payments business which has historically been comprised mostly of travel-related transactions. This business came under pressure during the COVID pandemic. As the economy reopens, cross-border numbers are now improving with the company guiding for 2022 results to be 90% of pre-pandemic levels, which we believe appears conservative as first quarter 2022 volumes were 1% above 2019. Other top contributors included Fair Issac, ServisFirst Bancshares, and Marriott International.

The biggest detractors to performance during the quarter were Meta Platforms and Fox Factory. Controversy and negative headlines have detracted from Meta Platform's performance. Until the most recent quarter, the company's family of social media sites continued to be one of the most valuable advertising platforms in the world. However, in mid-2021, Apple changed how its IDFA service tracked the behavior of users. These changes have impacted Meta Platform's ad targeting and measurement capabilities, creating revenue headwinds in the third and fourth quarters of 2021, which are expected to continue into 2022. Meta Platforms also went all-in on the "metaverse," (a virtual environment where you can be present with people, businesses, and assets in digital spaces), and it is too early to know if this will be a successful business focus. Fox Factory continued to benefit from consumers renewed or newly formed interest in outdoor activities such as mountain biking and off-roading that was ignited during the COVID pandemic. Recently, the company has experienced margin compression due to the impacts of inflation on its cost structure across labor, materials, and freight, but we believe the competitive posture and forward opportunity set for the business remains intact. Other bottom contributors included Netflix, The Trade Desk, and Avalara.

### Outlook

The U.S. is in a position of strength economically even creating excess demand currently, but interest rate increases have already affected mortgage rates, car loans, and lease rates here in the U.S. Unless the Fed wants to throw us into a recession (yield curve inversion), the current future shape of the yield curve may prevent as much of an increase in short-term interest rates than what the market is already anticipating. The inflation outlook was particularly cloudy with COVID-19 getting better globally, but the Russian invasion of Ukraine was a clear negative for inflation. Overall, we believe inflation is likely to stay elevated and above the Fed's target for this year at least. However, comparisons of year-over-year inflation do get easier as we move forward. If the trend is headed in the right direction of moderating inflation, the markets may react positively to this development. We will continue to hunt for investment ideas that in our view meet our quality investment philosophy in all sectors of the economy. When inflationary trends begin to moderate, we believe quality companies will become more interesting to investors. Geopolitical risks are clearly still elevated and will continue to be monitored closely.

### Purchases and Sales

New Purchases	Complete Sales
Block	Alibaba
Dream Finders Homes	Dynatrace
Roblox	Okta
ServisFirst	Tencent

### Portfolio Highlights

**Style:** All Cap  
**Sub-Style:** Growth  
**Index:** Russell 3000® Growth  
**Portfolio Assets:** \$246.3 M\*  
**Portfolio Turnover:** 25%–35%

### Investment Management Team

Name	Years of research experience
<b>Douglas S. Foreman, CFA</b> Chief Investment Officer + Portfolio Manager	36
<b>Chris Armbruster, CFA</b> Portfolio Manager + Senior Research Analyst	17
<b>Todd Beiley, CFA</b> Senior Research Analyst	23
<b>Julie Biel, CFA</b> Senior Research Analyst	14
<b>Jon Christensen, CFA</b> Senior Research Analyst	27
<b>Julie Kutasov</b> Senior Research Analyst	21
<b>Richard Sherry, CFA</b> Senior Research Analyst	24
<b>Craig Stone</b> Senior Research Analyst	33
<b>Chris Wright, CFA</b> Senior Research Analyst	10
<b>Sean Dixon</b> Research Analyst	14
<b>Noran Eid</b> Research Analyst	9
<b>Adam Xiao, CFA</b> Research Analyst	9

### Top Five Holdings

As of March 31, 2022

Company	Percent of equity (%)
Bill.com	8.4
Amazon.com	5.1
NVIDIA	5.1
Visa	2.8
Paycom Software	2.8
<b>Total</b>	<b>24.2</b>

\*Figures in USD.

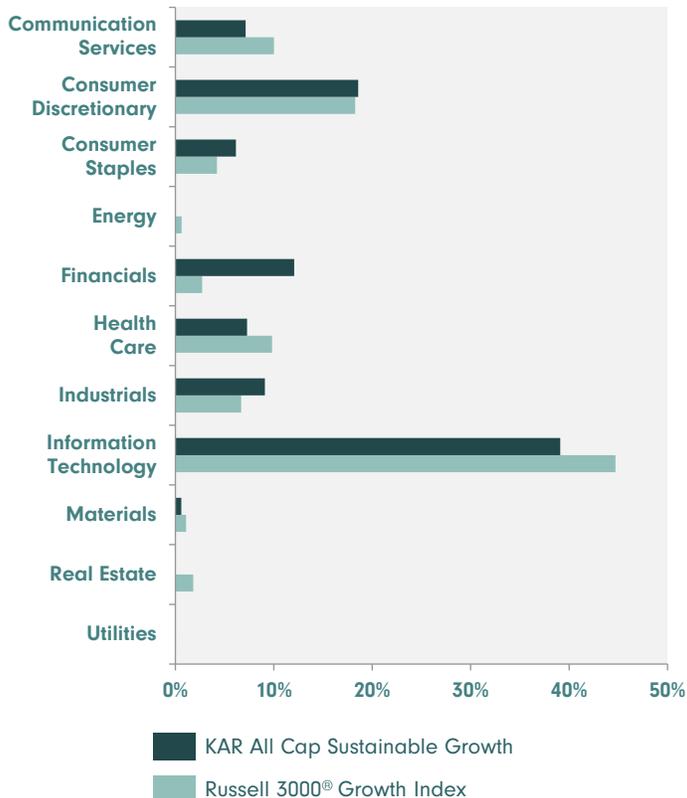
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation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

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

## Sector Diversification

As of March 31, 2022



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, 2022

	KAR All Cap Sustainable Growth	Russell 3000 Growth Index
<b>Quality</b>		
Return on Equity—Past 5 Years	23.3%	27.9%
Total Debt/EBITDA	3.2 x	1.9 x
Earnings Variability—Past 10 Years	37.8%	50.6%
<b>Growth</b>		
Earnings Per Share Growth—Past 5 Years	23.4%	27.0%
Earnings Per Share Growth—Past 10 Years	16.1%	14.1%
Capital Generation—{ROE x (1-Payout)}	19.5%	21.2%
<b>Value</b>		
P/E Ratio—Trailing 12 Months	57.1 x	34.7 x
P/E-to-10-Year Growth	3.5 x	2.5 x
Free Cash Flow Yield*	1.6%	2.9%
<b>Market Characteristics</b>		
\$ Weighted Average Market Cap	\$184.1 B	\$935.2 B
Largest Market Cap	\$1,644.1 B	\$2,864.7 B

\*Free cash flow data is as of December 31, 2021. Prices are as of March 31, 2022.

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.

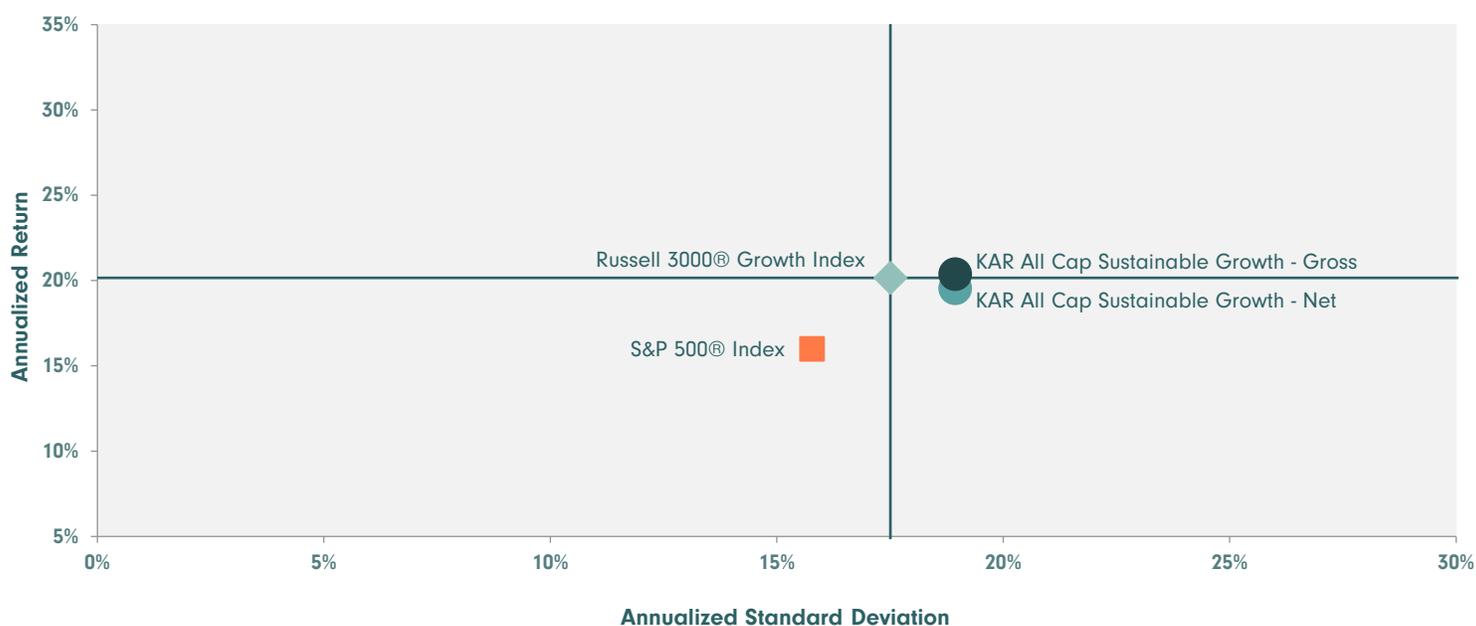
**Past performance is no guarantee of future results.**

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First Quarter 2022

## Risk-Return Analysis

Five Years Ending March 31, 2022



## Historical Returns

	KAR All Cap Sustainable Growth (gross)	KAR All Cap Sustainable Growth (net) <sup>†</sup>	Russell 3000® Growth Index
<b>Annualized Returns (%)<sup>†</sup></b>			
As of March 31, 2022			
1 <sup>st</sup> Quarter	(13.38)	(13.54)	(9.25)
One Year	(3.26)	(3.94)	12.86
Three Years	17.78	16.97	22.68
Five Years	20.37	19.54	20.16
Seven Years	16.93	16.13	16.72
Ten Years	16.28	15.47	16.64
Inception*	16.95	16.14	17.23
<b>Annual Returns (%)</b>			
2021	9.08	8.33	25.85
2020	51.47	50.44	38.26
2019	40.72	39.77	35.85
2018	1.18	0.47	(2.12)
2017	35.78	34.85	29.59
2016	5.88	5.15	7.39
2015	7.41	6.67	5.09
2014	9.48	8.70	12.44
2013	32.17	31.27	34.23
2012 <sup>‡</sup>	7.87	7.17	8.59

\*February 1, 2012

<sup>†</sup>All periods less than one year are total returns and are not annualized. Returns are preliminary.

<sup>‡</sup>Net of all fees and expenses. Assumes a 0.70% annual fee. Fees presented on the Disclosure page could vary from the assumed fee in the net-of-fee calculation, as actual fees paid by a particular client account differ depending on a variety of factors including, but not limited to, business unit and size of mandate. The fee used on the Disclosure page utilizes an assumed maximum fee across the firm's business units, which is further detailed on that page.

<sup>§</sup>Performance statistics are based on gross of fee returns.

<sup>||</sup>Performance calculations are for eleven months ended December 31, 2012.

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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

## Performance Statistics

Five Years Ending March 31, 2022

	KAR All Cap Sustainable Growth <sup>§</sup>	Russell 3000® Growth Index
Annualized Standard Deviation	18.94	17.51
Alpha	0.50	0.00
Beta	1.00	1.00
Sharpe Ratio	1.03	1.10
R-Squared	85.15	100.00

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### Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 3000® 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*	7.87	7.17	8.59	N/A	N/A	12	N/A	67	6,545
2013	32.17	31.27	34.23	N/A	N/A	10	0.37	65	7,841
2014	9.48	8.70	12.44	N/A	N/A	10	0.37	89	7,989
2015	7.41	6.67	5.09	12.34	10.95	9	N/A	92	8,095
2016	5.88	5.15	7.39	13.13	11.50	10	0.10	97	9,989
2017	35.78	34.85	29.59	12.08	10.77	25	0.44	141	14,609
2018	1.18	0.47	(2.12)	13.85	12.47	28	0.12	140	17,840
2019	40.72	39.77	35.85	15.42	13.38	31	0.36	134	25,685
2020	51.47	50.44	38.26	21.45	20.15	48	0.94	281	39,582

\*2012 performance numbers in this table reflect the composite inception date of February 1, 2012 through December 31, 2012. The Russell 3000® Growth 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, 2020. The verification reports are available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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 as all fully discretionary institutional and pooled All Cap Sustainable Growth Portfolios. All Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell 3000® 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 3000® Growth Index. The Russell 3000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 3,000 largest 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 inception date of the composite is February 2012. The composite was created in February 2012. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The firm's list of composite descriptions, list of broad distribution pooled fund and the list of limited distribution pooled funds descriptions are available upon request.

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 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 or for time periods less than one 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 2015 because 36 monthly composite returns are not available.