

Equity Income Portfolio

First Quarter 2022

Portfolio Review

The Equity Income portfolio outperformed the MSCI USA High Dividend Yield Index in the first quarter. Good stock selection in communication services and industrials contributed positively to performance. Poor stock selection and an underweight in health care and poor stock selection in consumer staples detracted from performance.

The biggest contributors to performance during the quarter were BAE Systems and Omnicom Group.

- The war in Ukraine triggered many European countries to spend more on defense than they have in the past. We believe BAE Systems is well positioned to provide countries the products and services they require. This environment has produced strong results and stronger-than-expected free cash flow generation.
- Omnicom Group is benefitting from a cyclical upswing in economic activity related to COVID with increased spend in digital advertising and other changes in media habits that contributed to strong expectations for 2022.
- Other top contributors included Zurich Insurance, Patterson, and AbbVie.

The biggest detractors from the portfolio during the quarter were Pfizer and Cisco Systems.

- After a strong performance last year driven by the company's COVID vaccine, Pfizer experienced some weakness early this year.
- Cisco Systems posted strong results despite industry supply issues, but the shares were negatively impacted by the broad weakness in technology stocks during the quarter.
- Other bottom contributors included Kimberly-Clark, Leggett & Platt, and Eastman Chemical.

Purchases and Sales

During the quarter, we purchased AbbVie, Chevron, Flowers Foods and Safety Insurance Group. We sold our position in Paychex.

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.

Portfolio Highlights

Style: Large Cap
Index: MSCI® U.S. High Dividend Yield Index
Portfolio Turnover: 25%–45%
Number of Holdings: 25–50

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	36
Richard Sherry, CFA Portfolio Manager + Senior Research Analyst	24
Chris Armbruster, CFA Senior Research Analyst	17
Noran Eid Research Analyst	9

Top 10 Holdings

As of March 31, 2022

Company	Percent of equity (%)
Omnicom Group	6.0
Zurich Insurance Group	4.8
Pfizer	4.6
Verizon	4.5
BAE Systems	4.3
MSC Industrial Direct	4.1
Patterson Companies	4.1
International Business Machines	4.0
Bank of Hawaii	4.0
Amcor	3.7
Total	44.2

*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.***

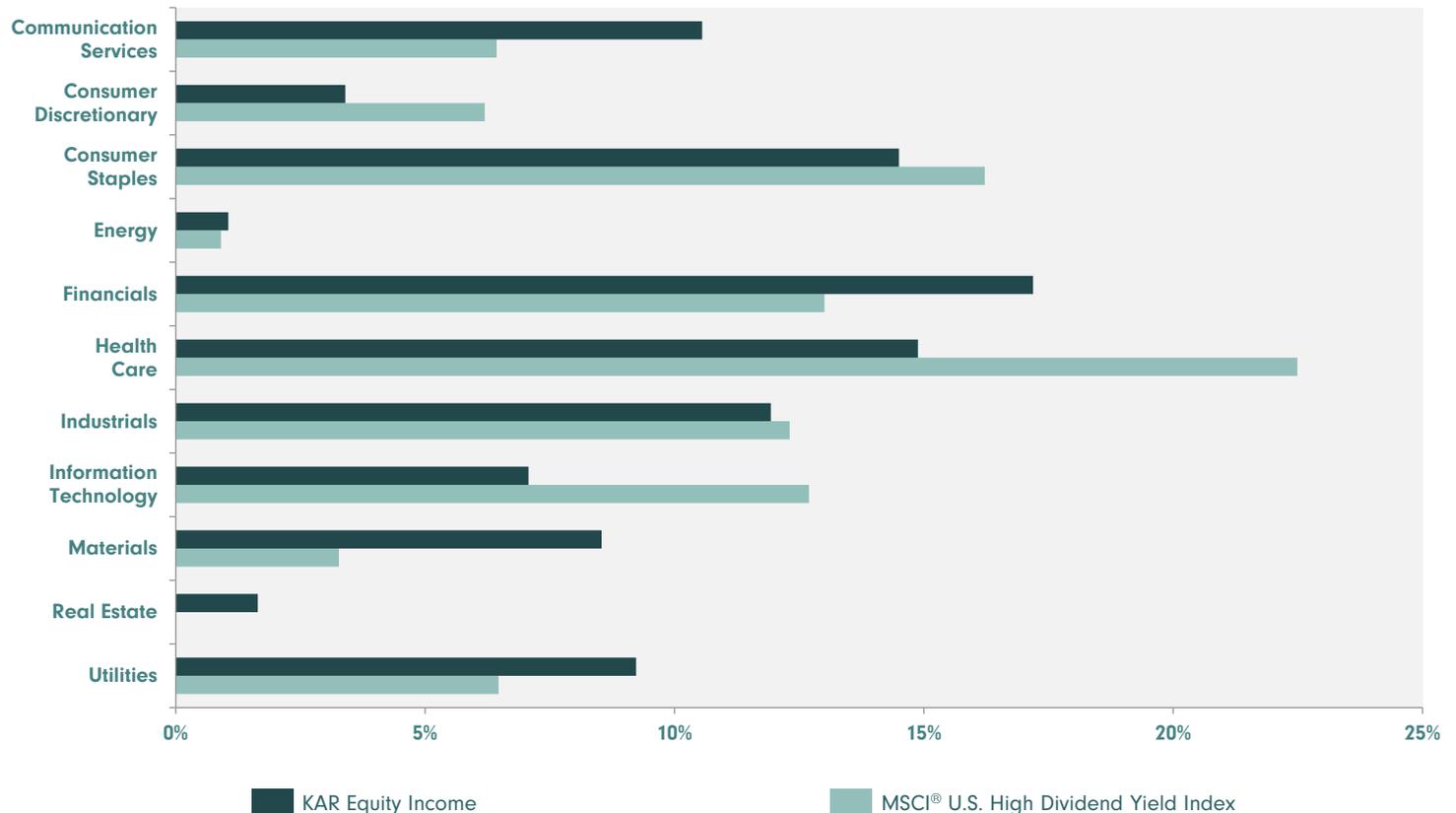
Investment Process: Discovering Quality

Development of High-Quality Universe	Proprietary Fundamental Research	Portfolio Construction	Sell Discipline
<p>KAR Universe</p> <p>Typical Quantitative Screens</p> <ul style="list-style-type: none"> Investment-grade balance sheet Market cap > \$1.0 billion 5-year average ROE > 7.5% No dividend cut the last five years (under normal market conditions) <p>Other Resources</p> <ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research 	<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 45% <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>Potential dividend cut</p> <p>Balance sheet deterioration</p> <p>Inability to cover dividend via internal cash generation over medium-to-long term</p>



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.

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Portfolio Characteristics

As of March 31, 2022

	KAR Equity Income	MSCI® U.S. High Dividend Yield Index
Quality		
Return on Equity—Past 5 Years	26.2%	24.9%
Debt Coverage	10.0 x	9.8 x
Growth		
Earnings Per Share Growth—Past 5 Years	6.5%	10.4%
Dividend Per Share Growth—Past 5 Years	6.2%	8.9%
Value		
Dividend Yield	3.4%	2.8%
Market Characteristics		
Dividend Payout Ratio—5 Year Average	67.6%	59.4%
\$ Weighted Average Market Cap	\$99.8 B	\$159.9 B
Largest Market Cap	\$466.7 B	\$466.7 B

Historical Returns

	KAR Equity Income (gross)	KAR Equity Income (net) [‡]	MSCI® U.S. High Dividend Yield Index
Annualized Returns (%)[†]			
As of March 31, 2022			
1 st Quarter	0.10	(0.08)	(1.71)
One Year	10.47	9.70	10.48
Inception*	20.28	19.45	18.28
Annual Returns (%)			
2021	18.49	17.68	20.86
2020 [§]	20.10	19.56	16.14

*May 1, 2020

[†]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. 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.

[§]Performance calculations are for the eight months ended December 31, 2020.

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. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. 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.

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Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® USA High Dividend Yield Index (net) Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Total Firm Assets (\$ Millions)
2020*	20.10	19.56	16.14	N/A	N/A	< 5	N/A	235	39,582

*2020 performance numbers in this table reflect the composite inception date of May 1, 2020 through December 31, 2020. The MSCI® USA High Dividend Yield Index is a trademark/service mark of MSCI®. MSCI® is a trademark of MSCI Inc.

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.

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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 Equity Income Portfolios. Equity Income Portfolios are primarily invested in U.S. equity securities of high-quality companies that pay sustainable dividends. For comparison purposes, the composite is measured against the MSCI® USA High Dividend Yield Index (net). The MSCI® USA High Dividend Yield Index is designed to reflect the performance in the MSCI® USA Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. Benchmark returns are not covered by the report of the independent verifiers. The inception date of the composite is May 2020. The composite was created in May 2020. 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 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 because 36 monthly composite returns are not available.