

Emerging Markets Small Cap Portfolio

First Quarter 2022

Market Review

Emerging markets had a rough start to the year. Markets initially declined modestly on concerns about the Omicron variant and the prospect of the Federal Reserve raising interest rates. At the end of February, the markets declined further as Russia invaded Ukraine. By the end of the first quarter, the MSCI Emerging Markets Index declined 6.97% and the MSCI Emerging Markets Small Cap Index declined 4.33%. Countries that heavily export commodities, such as Brazil, Chile, and Peru, outperformed while Eastern European countries, such as Hungary and Poland, underperformed due to their geographic proximity to and their economic ties with Russia and Ukraine. From a sector standpoint, energy materially outperformed all other sectors. The worst performing sector was communication services.

Portfolio Review

The Emerging Markets Small Cap portfolio underperformed the MSCI Emerging Markets Small Cap Index during the quarter. Our strategy will typically hold up better in a risk-off environment. However, the portfolio's overweight exposure to Russia was the primary reason for the underperformance. The portfolio's exposure to Poland, Baltic countries, and Kazakhstan also detracted from performance during the quarter given their geographic proximity to the Russia/Ukraine conflict, as well as their economic ties with the two countries. The portfolio's overweight to Brazil contributed positively to performance as did stock selection in South Korea and China. However, these exposures were not enough to offset the declines in the above-mentioned regions.

Stocks that contributed the most to the portfolio during the quarter were Boa Vista and Tegma Gestao Logistica. Boa Vista is the second-largest credit bureau in Brazil. Boa Vista's share price fell by over 50% during the fourth quarter last year (despite a good set of third quarter results) primarily driven by macroeconomic concerns with rising inflation, rising interest rates, and the upcoming election in Brazil. We believed the valuation of the stock was attractive late last year and early this year and we increased our weight in February. The outperformance this quarter was led by a combination of solid fundamentals and the recovery in the Brazilian market. The company continued to report good results with the core business growing as more banks adopted their hybrid solution, a newer product that the company is offering. Tegma Gestao Logistica is a Brazil-based logistics company that handles close to 30% of all newly built vehicle transportation throughout the country. Tegma's outperformance during the first quarter was mostly driven by the recovery in the Brazilian market. The business continues to face a challenging operating environment as new car production in Brazil is still being affected by chip shortages. We have not yet seen an actual recovery in the business, but some experts in the industry expect a gradual recovery starting in the second half of this year. In our view, Tegma has a strong balance sheet, and the majority of its costs are variable which the company was able to reduce materially. As a result, Tegma was able to generate positive profits and cash flow in 2021 (albeit much lower than pre-pandemic levels). We describe Tegma as an "out of favor quality" company due to transitory weakness in the business. However, it is trading at what we believe is an attractive valuation relative to its normal, long-term earning power. Other stocks that contributed positively to performance included TOTVS, Vasta Platform, and NICE Information Service.

Stocks that detracted the most during the quarter were Headhunter and Kaspi. Headhunter is the leading online job portal in Russia. The company connects job seekers with employers and benefits from a strong network effect. Since our first purchase in the IPO in 2019, HeadHunter performed strongly. However, with the Russian invasion of Ukraine, the decision was made to sell all our Russian holdings. On the day after the invasion, we sold the vast majority of Headhunter, leaving only a small position before trading was halted in Russian securities. Kaspi is the leading fintech, payments, and e-commerce company in Kazakhstan. Since our initial purchase in 2020, Kaspi's business has experienced strong performance. However, Kaspi has faced challenging external factors in 2022. These events included a large-scale protest in Kazakhstan in January triggered by an increase in energy costs and the Russia/Ukraine war which created uncertainty for the company as Kazakhstan's economy is closely tied to that of Russia. Given these factors, the stock materially underperformed in the first quarter. Other stocks that detracted from performance during the quarter included Baltic Classifieds, VNV Global, and Yandex.

Purchases and Sales

This quarter, we sold Headhunter and Yandex. There were no purchases this quarter.

Portfolio Highlights

Style: Small Cap
Index: MSCI® Emerging Markets Small Cap Index
Portfolio Turnover: 25%-35%
Number of Holdings: 30-60

Investment Philosophy

We believe that purchasing high-quality businesses with competitive protections at attractive valuations will achieve excess returns over a complete market cycle.

Investment Objectives

- To achieve a return meaningfully above that of the MSCI® Emerging Markets Small Cap Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	36
Hyung Kim Portfolio Manager + Senior Research Analyst	18
Craig Thrasher, CFA Portfolio Manager + Senior Research Analyst	18
Ekaterina Advena Research Analyst	13
David Forward Research Analyst	8
Sean Pompa, CFA Research Analyst	7

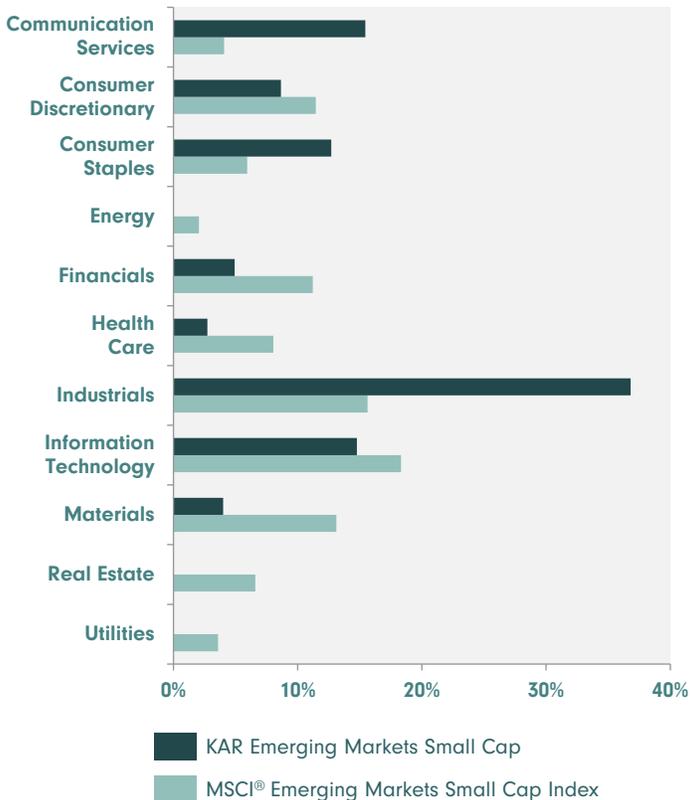
*This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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. **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 and Geographic 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 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, 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 Emerging Markets Small Cap	MSCI® Emerging Markets Small Cap Index
Quality		
Return on Equity—Past 5 Years	21.6%	12.2%
Total Debt/EBITDA	1.0 x	4.3 x
Interest Expense Coverage	-3.7 x	3.1 x
Growth		
Earnings Per Share Growth—Past 5 Years	14.2%	10.4%
Earnings Per Share Growth—Past 10 Years	9.9%	7.5%
Dividend Per Share Growth—Past 5 Years	16.4%	10.9%
Dividend Per Share Growth—Past 10 Years	8.5%	7.7%
Value		
P/E Ratio—Trailing 12 Months	18.5 x	15.4 x
Dividend Yield	2.7%	2.8%
Market Characteristics		
\$ Weighted Average Market Cap	\$2.4 B	\$1.9 B
Largest Market Cap	\$13.0 B	\$4.0 B*

* Number is from MSCI factsheet as of March 31, 2022.

Data is obtained from 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

Emerging Markets Small Cap Portfolio

First Quarter 2022

Top 10 Holdings

As of March 31, 2022

Company	Country	Percent of equity (%)
Tegma Gestao Logistica	Brazil	6.1
Boa Vista Servicos	Brazil	4.5
Grupa Pracuj	Poland	4.2
Oracle Financial Services Software	India	4.2
Saramin HR	South Korea	3.8
S-1	South Korea	3.7
Anhui Gujing Distillery	China	3.7
Union Auction Public	Thailand	3.6
Vasta Platform	Brazil	3.6
NICE Information Service	South Korea	3.4
Total		40.7

Country Exposure

As of March 31, 2022



Historical Returns

	KAR Emerging Markets Small Cap (gross)	KAR Emerging Markets Small Cap (net) [§]	MSCI Emerging Markets Small Cap Index
Annualized Returns (%)[†]			
As of March 31, 2022			
1 st Quarter	(11.61)	(11.89)	(4.33)
One Year	(9.87)	(10.96)	5.52
Three Years	10.24	8.93	11.93
Five Years	11.33	10.01	7.81
Seven Years	9.98	8.68	6.11
Inception [†]	8.58	7.29	5.74
Annual Returns (%)			
2021	0.94	(0.26)	18.75
2020	41.31	39.67	19.29
2019	20.18	18.76	11.50
2018	(3.85)	(5.00)	(18.59)
2017	33.20	31.64	33.84
2016	18.45	17.05	2.28
2015	(16.02)	(17.04)	(6.85)
2014	2.20	0.98	1.01

^{**}"Other" is comprised of securities held in countries within the benchmark which are not held in our representative portfolio. The countries include Belgium, Cayman Islands, Chile, Colombia, Czech Republic, Egypt, Greece, Hong Kong, Hungary, Kuwait, Peru, Philippines, Qatar, Saudi Arabia, Spain, Turkey and United Arab Emirates.

[†]January 1, 2014

^{*}All periods less than one year are total returns and are not annualized. Returns are preliminary. Returns could be reduced, or losses incurred, due to currency fluctuations.

[§]Net of all fees and expenses. Assumes a 1% 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.

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.

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

Emerging Markets Small Cap Portfolio

First Quarter 2022

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® Emerging Markets Small Cap Index (net) Annual Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2014	2.20	0.98	1.01	N/A	N/A	< 5	N/A	5	7,989
2015	(16.02)	(17.04)	(6.85)	N/A	N/A	< 5	N/A	4	8,095
2016	18.45	17.05	2.28	15.00	14.54	< 5	N/A	5	9,989
2017	33.20	31.64	33.84	14.07	14.57	< 5	N/A	14	14,609
2018	(3.85)	(5.00)	(18.59)	12.06	14.21	< 5	N/A	70	17,840
2019	20.18	18.76	11.50	10.76	13.16	< 5	N/A	129	25,685
2020	41.31	39.67	19.29	18.84	23.78	< 5	N/A	591	39,582

The MSCI® Emerging Markets Small Cap 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.

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. The Emerging Markets Small Cap Composite has had a performance examination for the period from January 1, 2014 through December 31, 2020. The verification and performance examination reports are available upon request.

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 all fully discretionary institutional and pooled Emerging Markets Small Cap Portfolios. Emerging Markets Small Cap Portfolios are invested in equity securities with market capitalizations in line with the MSCI® Emerging Markets Small Cap 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 MSCI® Emerging Markets Small Cap Index (net). The MSCI® Emerging Markets Small Cap Index is a market capitalization-weighted index of small-capitalization stocks from countries defined as Emerging Markets in the MSCI® Global Investable Market Indices Universe, excluding U.S. companies. The index is calculated on a total-return basis with dividends reinvested, net of withholding taxes. Benchmark returns are not covered by the report of the independent verifiers. The inception date of the composite is January 2014. The composite was created in January 2014. 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 1.20% 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 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 2016 because 36 monthly composite returns are not available.