

Large Cap Quality Value Portfolio

First Quarter 2022

Portfolio Review

The Large Cap Quality Value portfolio underperformed the Russell 1000 Value Index in the first quarter. Poor stock selection in industrials and an underweight in energy detracted from performance. An underweight in communication services and an underweight in real estate contributed positively to performance.

The biggest contributors to performance were Travelers and FLEETCOR Technologies. Travelers reported strong operating results, a robust capital position (which we believe positions the company well in terms of being able to continue to return capital to shareholders), and a positive outlook for the rest of this year, which contributed to strong stock performance during the quarter. In our view, higher interest rates and the impact that has on the company's financial results were also positive tailwinds. FLEETCOR Technologies reported strong revenue growth this quarter that exceeded expectations and we believe indicates that the business is rebounding off the bottom experienced during COVID. Other top contributors included CME Group, Becton, Dickinson and Company, and WEC Energy.

The biggest detractors to performance were Teradyne and Trane Technologies. After a strong end to 2021, Teradyne shares underperformed during the first quarter as an opportunity related to semiconductor chips got pushed to 2023, which weighed on shares during the quarter. Trane Technologies had a strong year due to COVID-related tailwinds. However, in 2022 supply chain issues and inflation are expected to weigh on earnings. Other bottom contributors included Lowe's, TJX, and Equifax.

Purchases and Sales

During the quarter, we purchased Chevron and General Dynamics. We sold Microsoft. Chevron engages in the provision of administrative, financial management, and technology support for energy and chemical operations. In our view, the company has managed through the past several years of volatility in the energy industry better than most. The company has a leading acreage position in the prolific Permian basin in the U.S. and in other parts of the world, such as Kazakhstan. The company is also a global leader in liquified natural gas, which from our perspective is poised to see a strong and sustained uptick in demand due to the war in Ukraine. Chevron has also developed a comprehensive strategy to create a competitive position as a low-cost, low-carbon producer. It is using its existing set of assets in the refinery space to use different feedstocks with different catalysts in a low carbon way that we believe will be difficult for new entrants to replicate. General Dynamics is a leading supplier of military hardware, such as tanks and submarines, to the U.S. government. The company supplies strategically important equipment to the U.S. Army and Navy. In our view, this has also created a large installed base of business that generates a recurring revenue stream related to parts and supplies. We believe the barriers to entry to compete in this business are high due to the company's existing expertise in producing complex and highly engineered products. In addition, the company's existing scale allows it to be the low-cost producer. Over the years this has allowed the company to produce strong returns. From our perspective, the balance sheet is strong and many of the company's defense related contracts are structured to pass through input costs, thus shielding the company from the negative impact of high inflation. Microsoft has been a strong performer since our initial purchase. However, with a higher valuation, we sold our position to allocate the capital to stocks that we believe offer a better combination of quality, growth, and value.

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
Sub-Style: Value
Index: Russell 1000® Value
Portfolio Inception: 1994
Portfolio Assets: \$593.3 M*
Portfolio Turnover: 25%–35%

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 Five Holdings

As of March 31, 2022

Company	Percent of equity (%)
Travelers	4.8
Linde	4.1
Oracle	3.9
Lowe's Companies	3.7
U.S. Bancorp	3.6
Total	20.2

* Figures in USD.

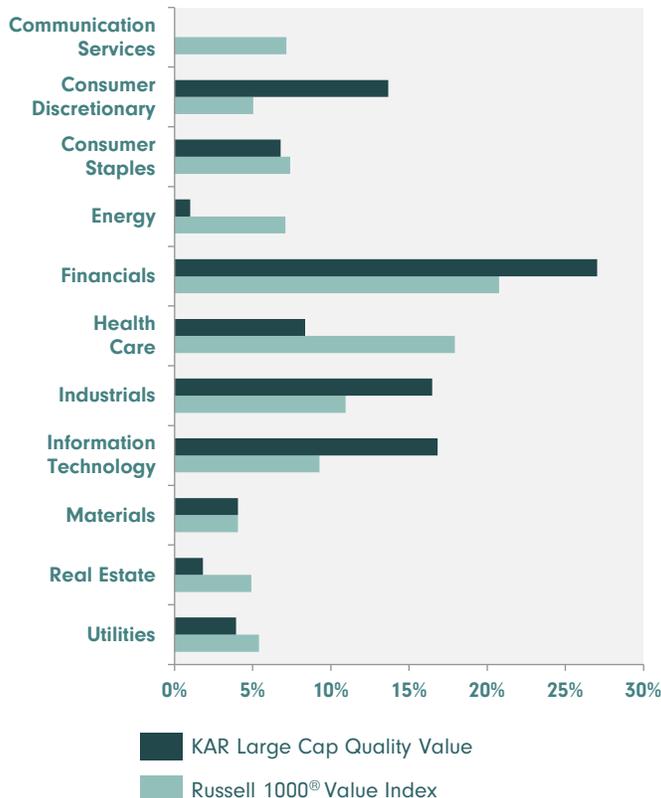
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation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

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 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, 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 Large Cap Quality Value	Russell 1000 Value Index
Quality		
Return on Equity—Past 5 Years	21.5%	16.4%
Total Debt/EBITDA	2.6 x	3.5 x
Earnings Variability—Past 10 Years	29.4%	54.4%
Growth		
Earnings Per Share Growth—Past 5 Years	9.0%	11.5%
Earnings Per Share Growth—Past 10 Years	8.4%	6.7%
Dividend Per Share Growth—Past 5 Years	10.1%	6.7%
Dividend Per Share Growth—Past 10 Years	11.2%	9.7%
Capital Generation—{ROE x (1-Payout)}	12.4%	9.5%
Value		
P/E Ratio—Trailing 12 Months	24.2 x	19.2 x
Dividend Yield	1.6%	2.0%
Free Cash Flow Yield*	3.8%	4.7%
Market Characteristics		
\$ Weighted Average Market Cap	\$95.6 B	\$169.6 B
Beta†	0.87	1.00
Annualized Standard Deviation—Tenure Period†	14.3%	15.8%

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

†Period from April 1, 2006 to March 31, 2022. This period delineates the period that Richard Sherry, CFA has managed the portfolio as the sole portfolio manager.

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

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First Quarter 2022

Risk-Return Analysis

Tenure Period*



Historical Returns

	KAR Large Cap Quality Value (gross)	KAR Large Cap Quality Value (net) [†]	Russell 1000® Value Index
Annualized Returns (%)[‡]			
As of March 31, 2022			
1 st Quarter	(8.17)	(8.41)	(0.74)
One Year	8.87	7.79	11.67
Three Years	14.02	12.90	13.02
Five Years	12.95	11.83	10.29
Seven Years	10.83	9.74	9.73
Ten Years	12.14	11.04	11.70
Inception*	9.18	8.10	7.93
Annual Returns (%)			
2021	25.08	23.86	25.16
2020	13.14	12.03	2.80
2019	29.61	28.35	26.54
2018	(3.90)	(4.86)	(8.27)
2017	18.58	17.41	13.66
2016	10.70	9.61	17.34
2015	(3.09)	(4.06)	(3.83)
2014	13.88	12.75	13.45
2013	29.95	28.68	32.53
2012	13.63	12.51	17.51
2011	1.65	0.63	0.39
2010	14.30	13.17	15.51
2009	26.02	24.79	19.69
2008	(30.58)	(31.30)	(36.85)
2007	1.45	0.44	(0.17)
2006 [¶]	14.21	13.37	15.40

Performance Statistics

Tenure Period*

	KAR Large Cap Quality Value [§]	Russell 1000® Value Index
Alpha	1.98	0.00
Beta	0.87	1.00
Sharpe Ratio	0.57	0.44
Downside Capture	82.17	100.00
R-Squared	92.11	100.00

*Period from April 1, 2006 to March 31, 2022. This period delineates the period that Richard Sherry, CFA has managed the portfolio as the sole portfolio manager.

[†]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.

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

[¶]Performance calculations are for the nine months ended December 31, 2006.

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.**

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Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 1000® Value Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2011	1.65	0.63	0.39	18.19	20.98	24	0.21	63	5,232
2012	13.63	12.51	17.51	14.75	15.73	66	0.50	177	6,545
2013	29.95	28.68	32.53	12.04	12.88	61	0.34	183	7,841
2014	13.88	12.75	13.45	8.95	9.33	69	0.28	218	7,989
2015	(3.09)	(4.06)	(3.83)	11.08	10.83	65	0.27	197	8,095
2016	10.70	9.61	17.34	11.43	10.93	75	0.27	209	9,989
2017	18.58	17.41	13.66	10.44	10.34	394	1.29	465	14,609
2018	(3.90)	(4.86)	(8.27)	10.33	10.98	381	0.50	385	17,840
2019	29.61	28.35	26.54	10.64	12.02	379	0.45	464	25,685
2020	13.14	12.03	2.80	17.16	19.90	376	1.54	466	39,582

The Russell 1000® 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, 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 Large Cap Quality Value Composite has had a performance examination for the period from January 1, 1999 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 Large Cap Quality Value Portfolios. Large Cap Quality Value Portfolios are invested in equity securities with market capitalizations consistent with the Russell 1000® Value Index, that have rising free cash flow, rising dividends and or stock repurchases, strong balance sheets and a high relative yield. For comparison purposes, the composite is measured against the Russell 1000® Value Index. The Russell 1000® Value Index is a market capitalization-weighted index of value-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises of 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 October 1994. The composite was created in October 1994. 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 model management fee used for the net returns in this table is 1.00% for all periods presented. The standard Institutional 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. The maximum

Wealth Advisory Services Fee in effect is 1.30% for all assets, which breaks out as follows: 1.00% for the first \$3 million; 0.80% on the next \$2 million; 0.70% on the next \$5 million; 0.60% on the balance; with an additional 0.30% for any assets invested in separately managed accounts strategies. The standard investment advisory fee schedule currently in effect for clients not engaging in Wealth Advisory Services is 1.00%. 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, 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.