

## Global Dividend Yield Portfolio

First Quarter 2023

### Portfolio Review

The Global Dividend Yield portfolio underperformed the MSCI World High Dividend Yield Index in the first quarter. Poor stock selection and an underweight in information technology and poor stock selection and an overweight in financials detracted from performance. Good stock selection and an underweight in health care and good stock selection in utilities contributed positively to performance.

The biggest contributors to performance during the quarter were Deutsche Post and Omnicom Group.

- Deutsche Post reported a better-than-expected wage agreement in Germany, increased shareholder returns, and a strong outlook for earnings over the next couple of years, which contributed to the stock's outperformance during the quarter.
- Omnicom Group continues to see strong revenue growth as the company's customers are not currently reducing marketing and promotion investments.
- Other top contributors included BAE Systems, Terna, and Fortis.

The biggest detractors to performance during the quarter were Bank of Hawaii and U.S. Bancorp.

- Despite what we believe is a strong competitive position in Hawaii, Bank of Hawaii's shares suffered from the negativity surrounding regional banks in March.
- Despite a strong history of being conservatively managed, U.S. Bancorp's shares suffered from the negativity surrounding regional banks in March. We continue to believe that its acquisition of another bank, while somewhat dilutive to capital in the short-term, will be a strong positive for the bank over the long-term.
- Other bottom contributors included Pfizer, IBM, and Safety Insurance Group.

### Market Review

Perceived safe havens and quality stocks performed well in the first quarter as investors have continued to grapple with high uncertainty in the market outlook. We came into 2023 with clear consensus among investors that the year would bring at least a mild recession. January data was stronger than expected and the market quickly priced in a "no landing" scenario. February data was somewhat weaker, and the market started to price in a "soft landing" outcome. Then a regional bank crisis emerged, and the market started to price in a "hard landing" scenario. Fortunately, banking fears started to dissipate the last two weeks of the quarter. Multiple cross currents in interest rates, inflation, economic growth, and investor sentiment have made for a difficult forecasting environment for investors. While the short-term outlook is somewhat murky, we believe that the long-term outlook should be attractive. Cash is piling up on the sidelines, investors are generally negative, speculation is absent from equities (IPOs, SPACs, and memes are dormant), and businesses are very cautious in hiring and expansion plans. Historically, these types of conditions have led to meaningful long-term investing outcomes, although it will remain to be seen how markets will respond for the remainder of 2023.

### Purchases and Sales

New Purchases	Complete Sales
Canadian Tire	Leggett & Platt
Sumitomo Mitsui	Merck
Takeda Pharmaceuticals	

### Portfolio Highlights

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

### Investment Management Team

Name	Years of research experience
<b>Douglas S. Foreman, CFA</b> Chief Investment Officer	37
<b>Richard Sherry, CFA</b> Portfolio Manager + Senior Research Analyst	25
<b>Chris Armbruster, CFA</b> Senior Research Analyst	18
<b>Ekaterina Advena</b> Research Analyst	14
<b>Noran Eid</b> Research Analyst	10

### Top 10 Holdings

As of March 31, 2023

Company	Percent of equity (%)
BCE	4.7
International Business Machines	4.5
AbbVie	4.1
Amcor	4.1
Southern Company	4.0
Spark New Zealand	3.9
IGM Financial	3.7
Verizon	3.6
Fortis	3.3
MSC Industrial Direct	3.2
<b>Total</b>	<b>39.1</b>

*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. 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.*

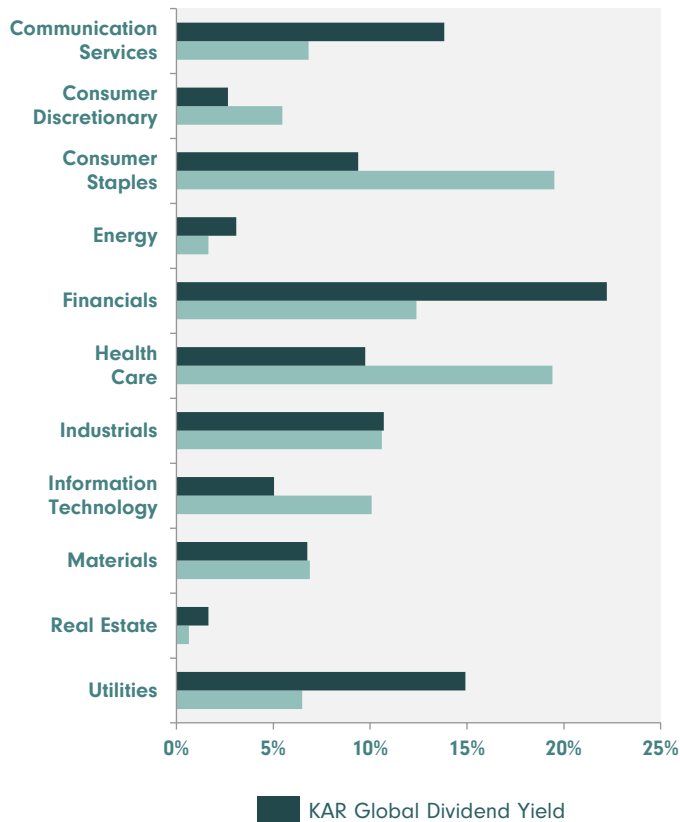
## Investment Process: Discovering Quality

Development of KAR High-Quality Universe	Proprietary Fundamental Research	Portfolio Construction	Sell Discipline
<p><b>KAR Universe</b></p> <p><b>Typical Quantitative Screens</b></p> <ul style="list-style-type: none"> <li>Investment-grade balance sheet</li> <li>Market cap &gt; \$1.0 billion</li> <li>5-year average ROE &gt; 7.5%</li> <li>No dividend cut last five years</li> </ul> <p><b>Other Resources</b></p> <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>	<p><b>Qualitative Analysis</b></p> <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> <p><b>Financial Analysis</b></p> <ul style="list-style-type: none"> <li>Evaluate basis for profitability, long-term growth potential, and ability to allocate capital appropriately</li> </ul> <p><b>Valuation Analysis</b></p> <ul style="list-style-type: none"> <li>Determine the current and potential value of the business</li> </ul>	<p><b>Position Weights</b></p> <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> <p><b>Sector Tolerances</b></p> <ul style="list-style-type: none"> <li>Seek broad diversification, but no sector constraints</li> </ul> <p><b>Holding Period</b></p> <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> <p><b>Cash Levels</b></p> <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>	<p><b>Potential dividend cut</b></p> <p><b>Balance sheet deterioration</b></p> <p><b>Inability to cover dividend via internal cash generation over medium-to-long term</b></p>

High Yield | Market Return | Low Risk

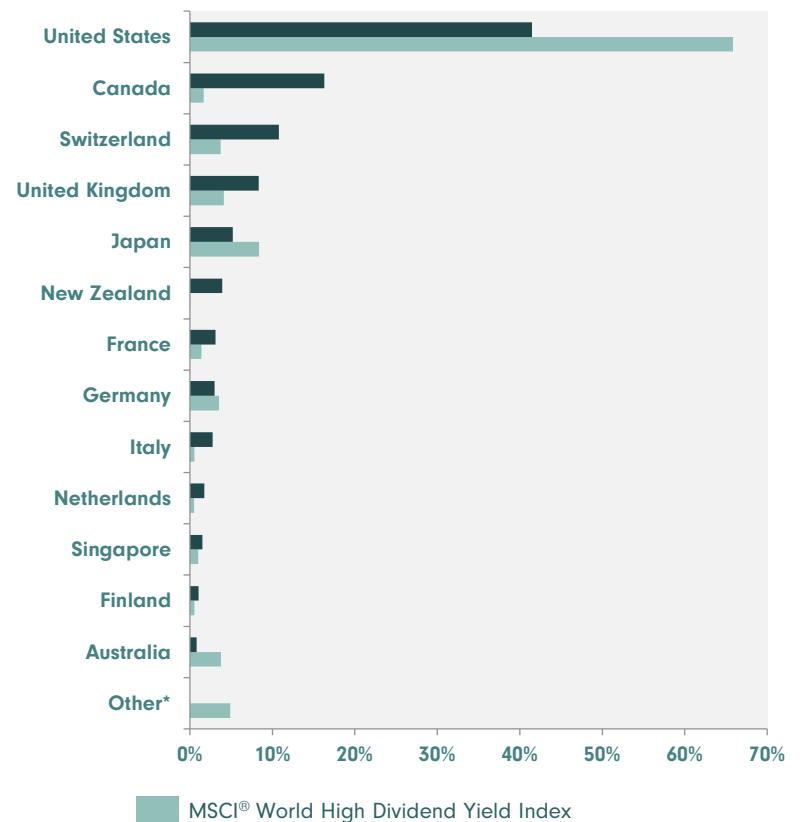
## Sector Diversification

As of March 31, 2023



## Geographical Exposure

As of March 31, 2023



\*"Other" is comprised of securities held in countries within the benchmark which are not held in our representative portfolio. The countries include Austria, Belgium, Brazil, Chile, China, Denmark, Hong Kong, Ireland, Israel, Jordan, Norway, Portugal, South Africa, Spain and Sweden.

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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First Quarter 2023

## Portfolio Characteristics

As of March 31, 2023

	KAR Global Dividend Yield	MSCI® World High Dividend Yield Index
<b>Quality</b>		
Return on Equity—Past 5 Years	19.3%	21.0%
Debt Coverage	5.1 x	7.5 x
<b>Growth</b>		
Earnings Per Share Growth—Past 5 Years	4.4%	11.1%
Dividend Per Share Growth—Past 5 Years	5.0%	8.6%
<b>Value</b>		
Dividend Yield	4.5%	3.8%
<b>Market Characteristics</b>		
Dividend Payout Ratio—5 Year Average	69.8%	60.3%
\$ Weighted Average Market Cap	\$66.2 B	\$131.8 B
Largest Market Cap	\$281.6 B	\$407.9 B
Beta—Since Inception (Net of Fees)*	0.91	1.00

## Historical Returns

	KAR Global Dividend Yield (gross)	KAR Global Dividend Yield (net)†	MSCI® World High Dividend Yield Index
<b>Annualized Returns (%)†</b>			
As of March 31, 2023			
1 <sup>st</sup> Quarter	0.54	0.39	1.66
One Year	(3.21)	(3.79)	(3.38)
Three Years	12.59	11.93	12.78
Five Years	5.40	4.77	5.68
Seven Years	6.09	5.46	6.84
Ten Years	6.96	6.32	6.28
Inception*	8.15	7.51	7.42
<b>Annual Returns (%)</b>			
2022	(1.70)	(2.29)	(4.74)
2021	14.13	13.45	15.83
2020	(5.62)	(6.18)	(0.03)
2019	23.44	22.71	23.15
2018	(4.13)	(4.71)	(7.56)
2017	14.57	13.89	18.14
2016	12.22	11.56	9.29
2015	(3.51)	(4.09)	(3.20)
2014	12.36	11.70	2.48
2013	22.35	21.63	21.91
2012	12.36	11.69	12.24

\*January 1, 2012

†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 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.

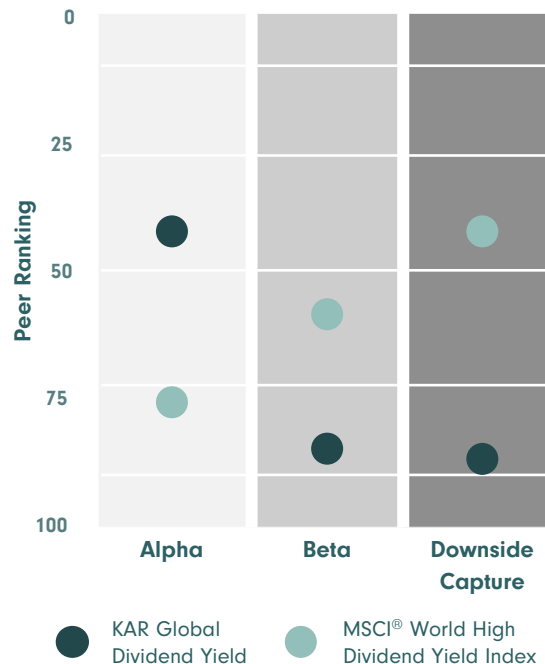
This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Returns of the Kayne Anderson Rudnick composite are preliminary unless otherwise specified. For further details on the composite, please see the disclosure statement in this presentation. 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.**

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## Peer Comparison Chart

Inception\* to March 31, 2023



The eVestment Global Dividend Focus Universe includes 58 managers categorized in the global dividend focus asset class by eVestment. KAR does not pay any fees to be included in the eVestment Global Dividend Focus Universe or for the ranking itself. KAR does pay fees for the use of certain products and services provided by eVestment. eVestment rankings are based on gross of fee returns. Gross of fee returns will be reduced by investment management fees and other expenses that may be incurred in the management of the account. Management fees are described in KAR's Form ADV Part 2A, which is available upon request and can also be found at <https://kayne.com/wp-content/uploads/ADV-Part-2A.pdf>. Returns could be reduced or losses incurred due to currency fluctuations. **Past performance is no guarantee of future results.**

## Performance Statistics

Inception\* to March 31, 2023

	KAR Global Dividend Yield (gross)	KAR Global Dividend Yield (net)	MSCI® World High Dividend Yield Index
Annualized Standard Deviation	12.23	12.23	12.59
Alpha	1.34	0.73	N/A
Beta	0.91	0.91	1.00
Sharpe Ratio	0.61	0.55	0.53
R-Squared	86.94	86.94	100.00

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## Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® World High Dividend Yield Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Total Firm Assets (\$ Millions)
2012	12.36	10.92	12.24	N/A	N/A	< 5	N/A	< 1	6,545
2013	22.35	20.80	21.91	N/A	N/A	5	N/A	2	7,841
2014	12.36	10.92	2.48	8.95	10.59	24	0.29	14	7,989
2015	(3.51)	(4.76)	(3.20)	10.15	11.32	44	0.82	33	8,095
2016	12.22	10.78	9.29	9.32	10.61	61	0.82	332	9,989
2017	14.57	13.10	18.14	8.00	9.59	221	0.38	128	14,609
2018	(4.13)	(5.38)	(7.56)	8.23	9.14	234	0.47	111	17,840
2019	23.44	21.87	23.15	8.62	9.80	268	0.67	144	25,685
2020	(5.62)	(6.84)	(0.03)	16.60	15.91	277	1.31	123	39,582
2021	14.13	12.67	15.83	16.56	15.72	269	0.44	141	47,269

The MSCI® World 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, 2021.

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 Global Dividend Yield Composite has had a performance examination for the period from January 1, 2014 through December 31, 2021. The verification and performance examination reports are available upon request.

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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 Global Dividend Yield Portfolios. Global Dividend Yield Portfolios are invested in globally diversified securities of high-quality, mature companies with high dividend yields. For comparison purposes, the composite is measured against the MSCI® World High Dividend Yield Index (net). The MSCI® World High Dividend Yield Index is designed to reflect the performance in the MSCI® World Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The benchmark was changed retroactively effective January 2019, as the previous benchmark was discontinued December 2018. Benchmark returns are not covered by the report of the independent verifiers. The inception date of the composite is January 2012. The composite was created in January 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 model management fee used for the net returns in this table is 1.30% for all periods presented. The standard Institutional management fee schedule currently in effect is as follows: 0.60% for the first \$25 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, 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 2014 because 36 monthly composite returns are not available.

### GLOSSARY

Alpha: A risk-adjusted measure of an investment's excess return relative to a benchmark. Beta: A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. R2: A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. Sharpe Ratio: A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. Standard Deviation: Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

### INDEX DEFINITION

The MSCI® World High Dividend Yield Index (net) is based on the MSCI World Index, its parent index, and includes large and mid cap stocks across 23 Developed Markets (DM) countries. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.