

Mid Cap Sustainable Growth Portfolio

First Quarter 2023

Portfolio Overview

The Mid Cap Sustainable Growth portfolio underperformed the Russell Midcap Growth Index in the first quarter. Poor stock selection in information technology and poor stock selection and an overweight in consumer staples detracted from performance. Good stock selection in consumer discretionary and an underweight in materials contributed positively to performance.

The biggest contributors to performance during the quarter were MercadoLibre and Global-e Online.

- MercadoLibre continued to benefit from competitor issues, posting gross merchandise value growth of 35% with increasing contribution from its high margin advertising business. Additionally, the company posted improvements in credit metrics in its lending business.
- While Global-e Online's sales growth slowed from 80% in 2021 to 67% in 2022 to a seemingly sustainable 40% guide for 2023 and beyond, and holding EBITDA margins above 10%, we believe investors decided the over 75% decline in the stock from its highs to year-end 2022 exceeded the degradation in business fundamentals. From our perspective, ecommerce has stabilized somewhat and Global-e Online continues to sign up meaningful global brands with notable success in the Asia-Pacific region.
- Other top contributors included Goosehead Insurance, Fair Isaac, and The Trade Desk.

The biggest detractors from the portfolio during the quarter were Signature Bank and Silk Road Medical.

- Signature Bank's largely uninsured deposit base, which had some concentration with the venture capital and digital asset communities, left it in a precarious position after the collapse of Silicon Valley Bank. Preemptively, regulators shut down the bank and orchestrated a sale of most of the deposits to New York Community Bank leaving the equity with no intrinsic value.
- After a strong 2022 on the heels of approval for its TCAR procedure for standard surgical risk patients, Silk Road Medical's shares rolled over during the first quarter of 2023. While the timeline to profitability is no doubt weighing on some investors, back-end loaded guidance, international investment, and renewed competition from a legacy procedure (TF-CAS) are all incremental negatives for the stock.
- Other bottom contributors included BILL, Celsius Holdings, and Haliburton Company.

Outlook

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
None	nCino
	Signature Bank

Portfolio Highlights

Style: Mid Cap
Sub-Style: Growth
Index: Russell Midcap® Growth
Portfolio Assets: \$1,930.1 M*
Portfolio Turnover: 25%–35%

Investment Management Team

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

Top Five Holdings

As of March 31, 2023

Company	Percent of equity (%)
SiteOne Landscape Supply	4.7
Fair Isaac	4.6
Celsius Holdings	4.5
Gartner	4.5
Paycom Software	4.0
Total	22.2

* 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. 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>Qualitative Methods</p> <ul style="list-style-type: none"> Investment conferences Meetings with companies Industry reviews Research on existing portfolio holdings Third-party research <p>Quantitative Screens</p> <ul style="list-style-type: none"> High return on capital over a full economic cycle Earnings surprise Long and resilient earnings history High return on net operating assets Minimal debt 	<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 35% <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>Negative Company or Industry Changes</p> <p>Portfolio Upgrade</p> <p>Acquisition Activity</p> <p>Extended Valuation</p>
Higher Quality		Stronger, More Consistent Growth	

Portfolio Characteristics

As of March 31, 2023

	KAR Mid Cap Sustainable Growth	Russell Midcap® Growth Index
Quality		
Return on Equity—Past 5 Years	24.1%	22.8%
Total Debt/EBITDA*	1.2 x	1.5 x
Earnings Variability—Past 10 Years	57.5%	60.3%
Growth		
Sales Per Share Growth—Past 5 Years	13.7%	13.7%
Earnings Per Share Growth—Past 5 Years	18.9%	21.1%
Earnings Per Share Growth—Past 10 Years	13.6%	14.9%
Value		
P/E Ratio—Trailing 12 Months	45.1 x	38.1 x
P/E Ratio—1 Year Forecast FY EPS	28.8 x	21.3 x
Free Cash Flow Yield†	2.3%	2.9%
Market Characteristics		
\$ Weighted Average Market Cap	\$24.0 B	\$26.5 B
Largest Market Cap	\$78.3 B	\$59.1 B

*KAR utilizes the interquartile method when calculating TD/EBITDA. The interquartile method excludes outliers from an aggregate statistic such as weighted average. The interquartile method does not assume that data from the top or bottom of the distribution are outliers—only the extreme ends are excluded—and that it can be applied consistently as a quantitative method for most fundamental characteristics.

†Free cash flow data is as of December 31, 2022. Prices are as of March 31, 2023. Excludes financials.

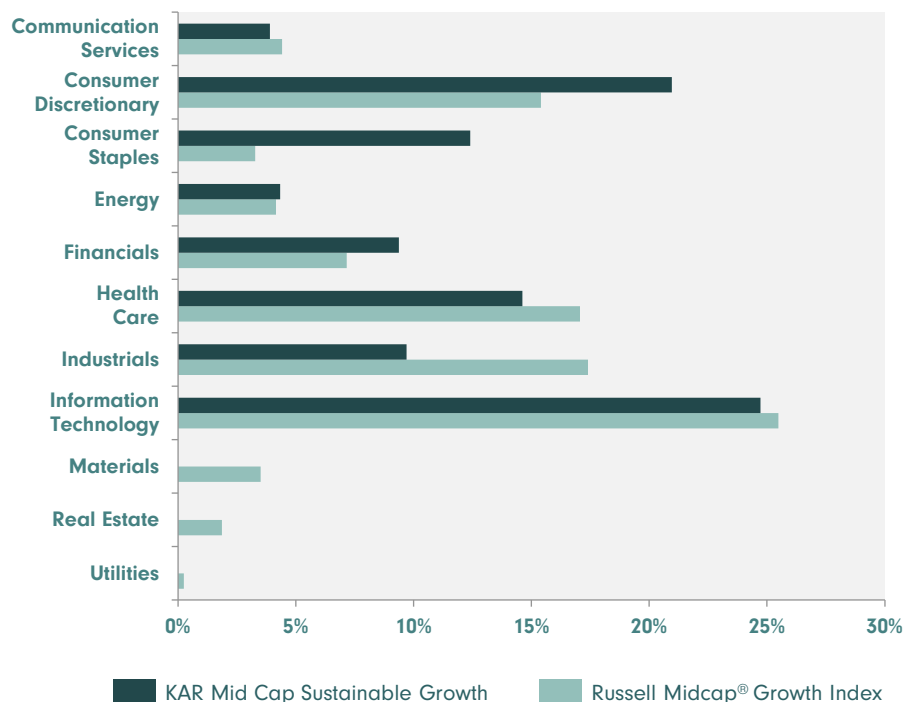
Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. **Past performance is no guarantee of future results.**

Mid Cap Sustainable Growth Portfolio

First Quarter 2023

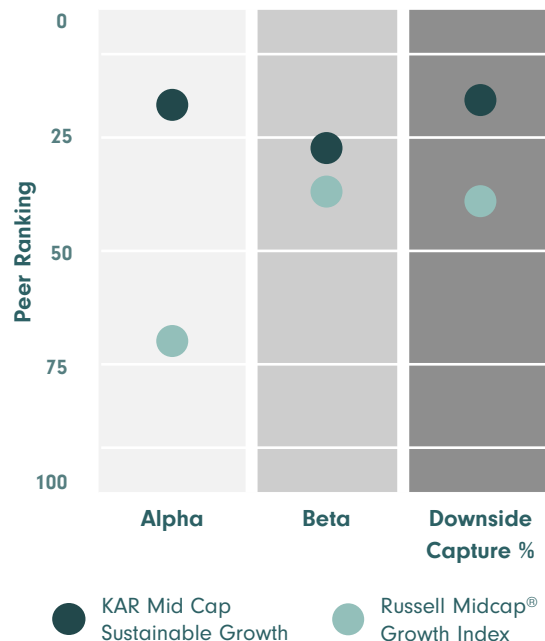
Sector Diversification

As of March 31, 2023



Peer Comparison Chart

Annualized Gross Returns Ending March 31, 2023



The eVestment Mid Cap Growth Universe includes 97 managers categorized in the mid cap growth asset class by eVestment. KAR does not pay any fees to be included in the eVestment Mid Cap Growth 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.**

Historical Returns

	KAR Mid Cap Sustainable Growth (gross)	KAR Mid Cap Sustainable Growth (net) [†]	Russell Midcap Growth Index
Annualized Returns (%)[†]			
As of March 31, 2023			
1 st Quarter	6.10	5.90	9.14
One Year	(15.95)	(16.59)	(8.52)
Three Years	10.15	9.33	15.20
Five Years	11.46	10.64	9.07
Seven Years	15.23	14.38	11.24
Ten Years	12.96	12.13	11.17
Inception*	13.74	12.89	12.39
Annual Returns (%)			
2022	(32.45)	(32.98)	(26.72)
2021	2.40	1.64	12.73
2020	67.52	66.32	35.59
2019	44.29	43.25	35.47
2018	9.04	8.23	(4.75)
2017	35.26	34.28	25.27
2016	3.27	2.50	7.33
2015	4.06	3.29	(0.20)
2014	4.98	4.20	11.90
2013	26.46	25.53	35.74
2012	13.97	13.13	15.81

Performance Statistics

Inception* to March 31, 2023

	KAR Mid Cap Sustainable Growth (gross)	KAR Mid Cap Sustainable Growth (net)	Russell Midcap Growth Index
Alpha	1.24	0.49	N/A
Sharpe Ratio	0.71	0.66	0.69
Information Ratio	0.21	0.08	N/A
Beta	1.02	1.02	1.00
Downside Capture	104.04	105.78	100.00
Tracking Error	6.52	6.52	N/A

*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 0.75% 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. 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 from FactSet Research Systems and is assumed to be reliable. **Past performance is no guarantee of future results.**

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First Quarter 2023

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell Midcap® 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	13.97	12.51	15.81	N/A	N/A	< 5	N/A	82	6,545
2013	26.46	24.85	35.74	N/A	N/A	< 5	N/A	93	7,841
2014	4.98	3.63	11.90	11.25	11.02	< 5	N/A	90	7,989
2015	4.06	2.72	(0.20)	13.28	11.47	< 5	N/A	88	8,095
2016	3.27	1.94	7.33	14.38	12.35	< 5	N/A	83	9,989
2017	35.26	33.56	25.27	13.14	11.04	< 5	N/A	98	14,609
2018	9.04	7.63	(4.75)	14.52	13.00	7	N/A	172	17,840
2019	44.29	42.48	35.47	15.87	14.07	38	0.19	688	25,685
2020	67.52	65.44	35.59	22.29	21.75	203	1.41	3,513	39,582
2021	2.40	1.08	12.73	21.64	20.47	278	0.38	3,461	47,269

The Russell Midcap® Growth Index and Russell 1000® Index are trademarks/service marks 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, 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 Mid Cap Sustainable Growth Composite has had a performance examination for the period from January 1, 2012 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 Mid Cap Sustainable Growth Portfolios. Mid Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell Midcap® 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 Midcap® Growth Index. The Russell Midcap® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 800 smallest companies in the Russell 1000® Index, which comprises the 1,000 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 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: 0.75% for the first \$25 million; 0.65% on the next \$25 million; 0.55% on the next \$50 million; 0.50% 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 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, 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 Russell Midcap® Growth Index is a market capitalization-weighted index of medium-capitalization, growth-oriented stocks of U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.