

Small Cap Quality Value Portfolio

First Quarter 2023

Portfolio Review

The Small Cap Quality Value portfolio outperformed the Russell 2000 Value Index in the first quarter. Good stock selection and an overweight in industrials and good stock selection in financials contributed positively to performance. Poor stock selection and an underweight in information technology and poor stock selection in health care detracted from performance.

The biggest contributors to performance during the quarter were Watsco and Scotts Miracle-Gro.

- Watsco's shares performed strongly in the first quarter after underperforming in 2022 as market participants were incrementally more positive on HVAC and company fundamentals in 2023.
- Scotts Miracle-Gro recovered strongly in the quarter supported by easing input costs and better-than-expected retailer order shipment activity. Retailers remain committed to the recession-resilient lawn & garden category and Scotts' brands and consumers have not traded down from branded to private label products despite the price gap.
- Other top contributors included Primerica, SiteOne Landscape Supply, and National Beverage.

The biggest detractors from performance were Bank of Hawaii and Azenta.

- Bank of Hawaii's shares, like other regional banks, came under pressure late in the quarter as investors became concerned about deposit outflows after the failure of Silicon Valley Bank and Signature Bank. We believe the bank has a strong deposit franchise as evidenced by the fact that over 70% of deposit accounts have been with the bank for over 10 years, and nearly 50% have been with the bank for over 20 years.
- Azenta reported a mixed quarter. Gene Synthesis continues to be a weak spot for the business. The company also had higher revenue from COVID-related demand that has declined and impacted results. The core business of automated stores and storage remains healthy, and management is working on cost controls and cuts in its operations to improve profitability. We believe this should lead to more sustainable earnings growth.
- Other bottom detractors included Stock Yards Bancorp, UniFirst, and Jack Henry & Associates.

Purchases and Sales

During the quarter, there were no new purchases or complete sales from the portfolio.

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.

Portfolio Highlights

Style: Small Cap
Sub-Style: Value
Index: Russell 2000® Value
Portfolio Inception: 1998
Portfolio Assets: \$5,163.1 M*
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	37
Julie Kutasov Portfolio Manager + Senior Research Analyst	22
Craig Stone Portfolio Manager + Senior Research Analyst	34
Todd Bailey, CFA Senior Research Analyst	24
Julie Biel, CFA Senior Research Analyst	15
Jon Christensen, CFA Senior Research Analyst	28
Chris Wright, CFA Senior Research Analyst	11
Sean Dixon Research Analyst	15
Arthur Su, CFA Research Analyst	8
Adam Xiao, CFA Research Analyst	10

Top Five Holdings

As of March 31, 2023

Company	Percent of equity (%)
Watsco	6.2
Houlihan Lokey	4.5
Landstar System	4.4
RBC Bearings	4.4
Hillman Solutions	4.1
Total	23.5

* 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
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 Non-U.S. Holdings <ul style="list-style-type: none"> Up to 20% 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

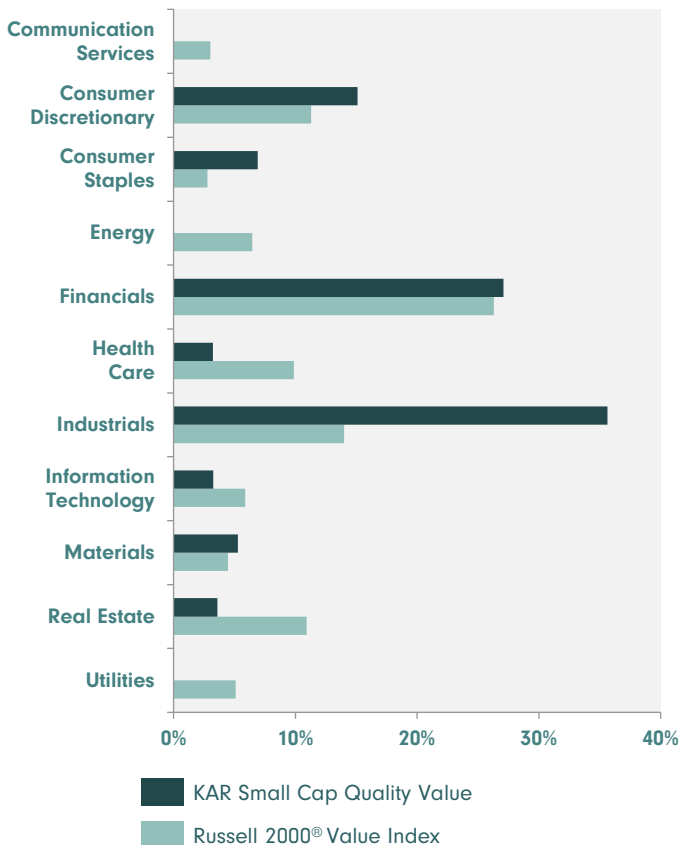
Higher Quality

Stronger, More Consistent Growth

Better Value

Sector Diversification

As of March 31, 2023



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Portfolio Characteristics

As of March 31, 2023

	KAR Small Cap Quality Value	Russell 2000 Value Index
Quality		
Return on Equity—Past 5 Years	23.5%	8.6%
Total Debt/EBITDA*	1.7 x	3.3 x
Earnings Variability—Past 10 Years	38.8%	81.1%
Growth		
Earnings Per Share Growth—Past 5 Years	11.6%	10.8%
Earnings Per Share Growth—Past 10 Years	12.0%	7.4%
Dividend Per Share Growth—Past 5 Years	9.2%	3.9%
Dividend Per Share Growth—Past 10 Years	10.7%	4.5%
Capital Generation—{ROE x (1-Payout)}	13.9%	6.2%
Value		
P/E Ratio—Trailing 12 Months	21.9 x	20.1 x
Dividend Yield	1.5%	2.3%
Free Cash Flow Yield†	2.2%	1.7%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$4.9 B	\$2.5 B
Largest Market Cap—3-Year Avg.	\$13.1 B	\$13.4 B
Annualized Standard Deviation—Since Inception‡	17.1%	19.6%

*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.

‡June 1, 1998. Standard deviation for the KAR strategy is based on net of fee returns.

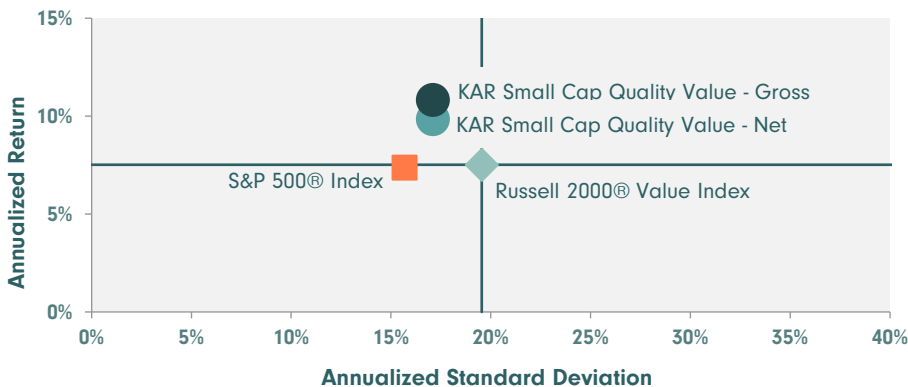
This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. 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 2023

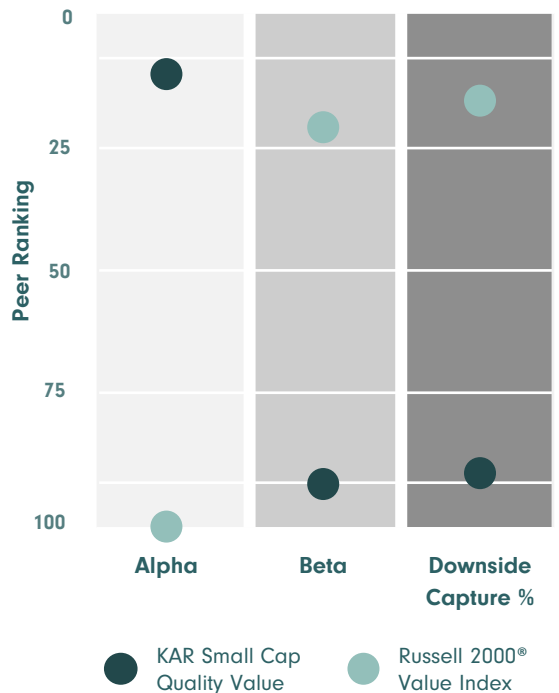
Risk-Return Analysis

Inception* to March 31, 2023



Peer Comparison Chart

Inception* to March 31, 2023



The eVestment Small Cap Value Universe includes 66 managers categorized in the small cap value asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small Cap Value 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 Small Cap Quality Value (gross)	KAR Small Cap Quality Value (net) [†]	Russell 2000 [®] Value Index
Annualized Returns (%)[†]			
As of March 31, 2023			
1 st Quarter	2.73	2.50	(0.66)
One Year	(8.47)	(9.30)	(12.96)
Three Years	16.48	15.45	21.01
Five Years	6.23	5.28	4.55
Seven Years	9.59	8.62	7.86
Ten Years	10.18	9.20	7.22
Inception*	10.83	9.85	7.52

Annual Returns (%)	KAR Small Cap Quality Value (gross)	KAR Small Cap Quality Value (net)	Russell 2000 [®] Value Index
2022	(23.41)	(24.11)	(14.48)
2021	20.68	19.62	28.27
2020	29.85	28.71	4.63
2019	25.79	24.68	22.39
2018	(14.80)	(15.57)	(12.86)
2017	20.48	19.41	7.84
2016	26.74	25.62	31.74
2015	(0.16)	(1.05)	(7.47)
2014	3.05	2.13	4.22
2013	41.06	39.84	34.52
2012	9.97	8.99	18.05
2011	6.57	5.61	(5.50)
2010	25.10	24.00	24.50
2009	26.97	25.85	20.58
2008	(28.51)	(29.17)	(28.92)
2007	2.19	1.27	(9.78)
2006	24.45	23.36	23.48
2005	8.88	7.91	4.71
2004	28.10	26.98	22.25
2003	21.88	20.80	46.03
2002	1.11	0.21	(11.43)
2001	19.42	18.36	14.02
2000	24.92	23.82	22.83
1999	(7.69)	(8.52)	(1.49)
1998	9.61	9.04	(10.93)

Performance Statistics

Inception* to March 31, 2023

	KAR Small Cap Quality Value (gross)	KAR Small Cap Quality Value (net)	Russell 2000 [®] Value Index
Alpha	4.34	3.41	0.00
Sharpe Ratio	0.53	0.47	0.29
Information Ratio	0.36	0.26	N/A
Beta	0.77	0.77	1.00
Downside Capture	71.74	73.32	100.00
Tracking Error	9.09	9.09	N/A

*June 1, 1998

[†]All periods less than one year are total returns and are not annualized. Returns are preliminary.

^{||}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 calculations are for the seven months ended December 31, 1998.

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

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First Quarter 2023

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2000® Value Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2012	9.97	8.56	18.05	16.24	20.17	120	0.35	474	6,545
2013	41.06	39.29	34.52	14.50	16.05	142	1.05	646	7,841
2014	3.05	1.72	4.22	13.06	12.98	149	0.52	581	7,989
2015	(0.16)	(1.45)	(7.47)	13.94	13.65	151	0.20	535	8,095
2016	26.74	25.13	31.74	14.30	15.72	141	1.13	711	9,989
2017	20.48	18.94	7.84	12.32	14.17	191	0.56	996	14,609
2018	(14.80)	(15.92)	(12.86)	14.42	15.98	152	0.35	895	17,840
2019	25.79	24.20	22.39	14.59	15.90	126	0.65	1,107	25,685
2020	29.85	28.20	4.63	22.12	26.49	121	0.97	1,835	39,582
2021	20.68	19.15	28.27	19.96	25.35	118	0.36	2,932	47,269

The Russell 2000® 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, 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 Small Cap Quality Value Composite has had a performance examination for the period from January 1, 1999 through December 31, 2021. 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 Small Cap Quality Value Portfolios. Small Cap Quality Value Portfolios are invested in equity securities with capitalizations consistent with the Russell 2000® Value 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 2000® Value Index. The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks of the 2,000 smallest companies in the Russell Universe, which comprises 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 independent verifiers. The inception date of the composite is June 1998. The composite was created in June 1998. 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: 0.90% for the first \$25 million; 0.80% on the next \$25 million; 0.70% 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.

GLOSSARY

Standard Deviation: Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk. **Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Information Ratio:** The information ratio (IR) is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Downside Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. It is used to evaluate how well an investment manager performed relative to an index during periods when that index has dropped.

Tracking Error: The divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. It is reported as a standard deviation percentage difference, which reports the difference between the return an investor receives and that of the benchmark they were attempting to imitate.

INDEX DEFINITION

The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest 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.