

Small-Mid Cap Sustainable Growth Portfolio

First Quarter 2023

Portfolio Review

The Small-Mid Cap Sustainable Growth portfolio outperformed the Russell 2500 Growth Index during the quarter. Good stock selection in industrials and an underweight in energy contributed positively to performance. Poor stock selection and an overweight in health care and poor stock selection in information technology detracted from performance.

The biggest contributors to performance during the quarter were West Pharmaceutical Services and Duck Creek Technologies. After some operating hiccups in the third quarter, West Pharmaceutical Services reported a solid quarter for year end. The company had been hurt by declining sales from its COVID-related business and it also had to reconfigure equipment for new products. That transition is largely complete and new design wins on the company's highest margin products appear to be sustaining earnings growth. Duck Creek Technologies agreed to be acquired by a private equity firm for a premium to its pre-existing market value, causing shares to perform strongly during the quarter. Other top contributors included Market Access Holdings, Copart, and Fair Isaac.

The biggest detractors from the portfolio during the quarter were Silk Road Medical and Jack Henry and Associates. Silk Road Medical reported a decent fourth quarter as it is seeing improved doctor demand now that it has achieved approval for standard risk patients as opposed to just high-risk patients. The company is also continuing to spend on sales and marketing to improve adoption among trained physicians. Management has noted that penetration is still low, but doctors are adopting once they see the better outcomes with a less invasive surgery. Despite these developments, investors were perhaps disappointed in a slightly lower growth rate and the shares underperformed. In the most recent quarter, Jack Henry & Associates lowered guidance for the full-year due to cyclical issues, which sent the share price lower. The recent turmoil in the regional banking market, which is a key customer segment of the company, also hurt the share price as investors became concerned that smaller banks could face long-lasting profitability headwinds. Other bottom contributors included Globus Medical, Azenta, and Clearwater Analytics.

Purchases and Sales

During the quarter, we purchased Saia and we sold our position in Globus Medical. Saia operates as a transportation holding company. The firm, through its wholly-owned subsidiaries, provides regional and interregional less-than-truckload services through a single integrated organization. From our perspective the company benefits from network density, which it continues to invest in to further distance itself from smaller, unionized competitors. In our view, the company's efforts to improve its reputation have enabled it to implement price increases well ahead of inflation and improve profitability. We believe Saia's efforts to improve service levels will allow it to grow more quickly than the market and further close the pricing gap relative to peers. Globus Medical announced during the first quarter that it was acquiring a peer company that is materially less profitable than Globus. We view this other company as more of a sales and marketing driven organization rather than Globus's focus on product innovation. We believe the synergies were not well-thought out and that this was an acquisition for scale rather than strategic fit. We exited the position fearing challenges to integrate the two businesses.

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.

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Portfolio Highlights

Style: Small-Mid Cap
Sub-Style: Growth
Index: Russell 2500™ Growth
Portfolio Inception: 2018
Portfolio Assets: \$488.9 M*
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	37
Julie Biel, CFA Portfolio Manager + Senior Research Analyst	15
Chris Wright, CFA Portfolio Manager + Senior Research Analyst	11
Todd Beiley, CFA Senior Research Analyst	24
Jon Christensen, CFA Senior Research Analyst	28
Julie Kutasov Senior Research Analyst	22
Craig Stone Senior Research Analyst	34
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 (%)
Ryan Specialty	6.1
West Pharmaceutical Services	6.1
Copart	5.9
HEICO	5.4
Fair Isaac	5.0
Total	28.4

* 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.

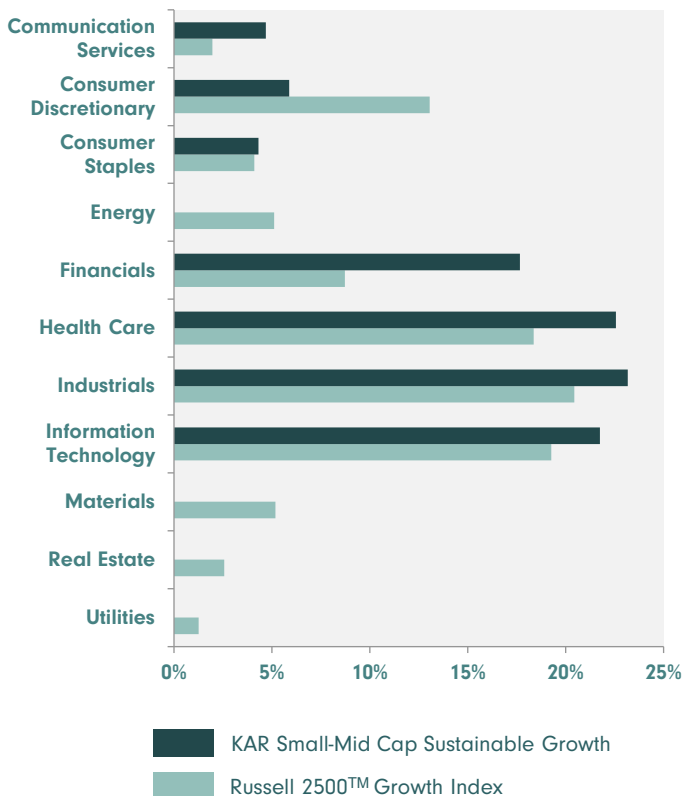
Investment Process: Discovering Quality

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



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, 2023

	KAR Small-Mid Cap Sustainable Growth	Russell 2500™ Growth Index
Quality		
Return on Equity—Past 5 Years	22.7%	16.0%
Total Debt/EBITDA*	1.7 x	1.7 x
Earnings Variability—Past 10 Years	33.6%	74.2%
Growth		
Earnings Per Share Growth—Past 10 Years	15.7%	13.7%
Capital Generation—{ROE x (1-Payout)}	19.2%	13.7%
Value		
P/E Ratio—Trailing 12 Months	68.5 x	37.5 x
Free Cash Flow Yield†	1.3%	2.6%
Market Characteristics		
\$ Weighted Average Market Cap.	\$13.9 B	\$6.2 B
Largest Market Cap	\$35.7 B	\$23.9 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.

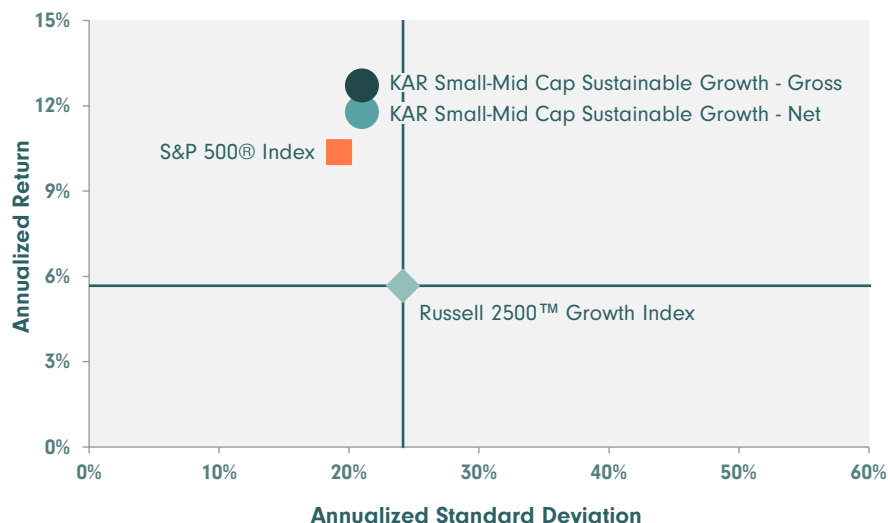
†Free cash flow data is as of December 31, 2022. Prices are as of March 31, 2023. Excludes financials. This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be 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.**

Small-Mid Cap Sustainable Growth Portfolio

First Quarter 2023

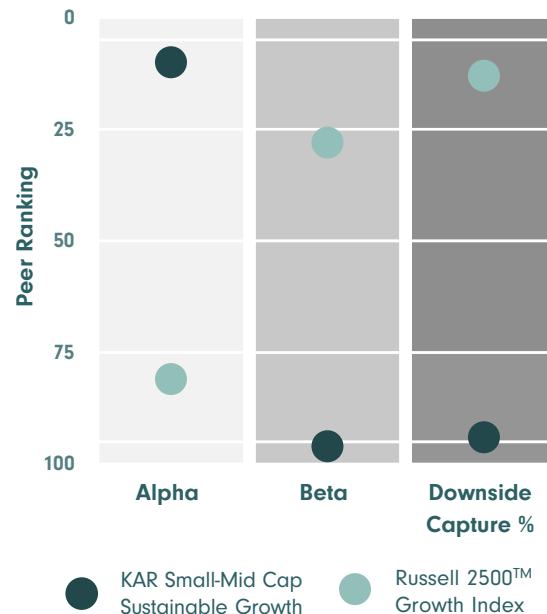
Risk-Return Analysis

Inception* to March 31, 2023



Peer Comparison Chart

Inception* to March 31, 2023



Historical Returns

	KAR Small-Mid Cap Sustainable Growth (gross)	KAR Small-Mid Cap Sustainable Growth (net) [†]	Russell 2500™ Growth Index
Annualized Returns (%)[†]			
As of March 31, 2023			
1 st Quarter	7.06	6.84	6.54
One Year	(7.08)	(7.88)	(10.35)
Three Years	14.52	13.56	14.75
Inception*	12.72	11.78	5.67
Annual Returns (%)			
2022	(21.94)	(22.62)	(26.21)
2021	6.58	5.68	5.04
2020	48.40	47.18	40.47
2019	46.11	44.91	32.65
2018 [§]	(9.44)	(9.77)	(15.93)

The eVestment Small-Mid Cap Growth Universe includes 63 managers categorized in the small-mid cap growth asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small-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.**

Performance Statistics

Inception* to March 31, 2023

	KAR Small-Mid Cap Sustainable Growth (gross)	KAR Small-Mid Cap Sustainable Growth (net)	Russell 2500™ Growth Index
Alpha	7.43	6.53	N/A
Sharpe Ratio	0.55	0.50	0.18
Information Ratio	0.75	0.65	N/A
Beta	0.80	0.80	1.00
Downside Capture	73.22	74.48	100.00
Tracking Error	9.44	9.44	N/A

*August 1, 2018

[†]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 0.90% 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 five months ended December 31, 2018.

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. 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 2500™ Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2018*	(9.44)	(9.95)	(15.93)	N/A	N/A	< 5	N/A	< 1	17,840
2019	46.11	44.28	32.65	N/A	N/A	< 5	N/A	< 1	25,685
2020	48.40	46.54	40.47	N/A	N/A	65	N/A	24	39,582
2021	6.58	5.21	5.04	18.89	22.28	126	0.81	427	47,269

*2018 performance numbers in this table reflect the composite inception date of August 1, 2018 through December 31, 2018.

The Russell 2500™ Growth 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-Mid Cap Sustainable Growth Composite has had a performance examination for the period from August 1, 2018 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 is defined as all fully discretionary institutional and pooled Small-Mid Cap Sustainable Growth Portfolios. Small-Mid Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ Growth Index, that have market control, solid 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 2500™ Growth Index. The Russell 2500™ Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 2,500 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 the independent verifiers. The inception date of the composite is August 2018. The composite was created in August 2018. 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: 0.85% for the first \$25 million; 0.75% on the next \$25 million; 0.70% on the next \$50 million; 0.60% 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 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 2021 because 36 monthly composite returns are not available.

GLOSSARY

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 2500™ Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 2,500 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. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.