

Emerging Markets Small Cap Portfolio

First Quarter 2024

Market Review

Emerging market small cap equities continued to post gains in the first quarter after returning 23.92% in 2023. The drivers in the first quarter were broadly the same as in 2023. Enthusiasm for artificial intelligence (AI) continued to be a strong driver and China continued to underperform. The surge in interest in AI went as far as creating an unprecedented investment boom in Taiwan by retail investors into ETFs. It was reported that Taiwanese people now hold more than USD \$50 million in ETFs tracking local stocks¹. That is up more than 80% from a year ago and 12 times the 2019 level, with some investors even taking out reverse mortgages to buy ETFs. So far in 2024, however, broad gains for emerging market small caps have been modest, partly because of the depreciation of emerging market currencies against the U.S. dollar as market expectations for interest rate cuts in the U.S. came down over the course of the quarter.

Portfolio Review

The Emerging Markets Small Cap portfolio outperformed the benchmark during the first quarter. The portfolio's outperformance was driven by strong stock selection from a handful of portfolio companies, which helped to offset the detractor that mainly came from the portfolio's meaningful underweight to Taiwan. Taiwan performed well during the quarter led by the AI-theme referenced above.

The biggest contributors to performance during the quarter were Oracle Financial Services Software and Douzone Bizon.

- Oracle Financial Services Software is an India based company that provides software products to financial institutions, primarily banks. Throughout most of 2023, business grew steadily, and in the last quarter of calendar year 2023, the company reported strong growth, which led to a sharp rise in the share price.
- Douzone Bizon is a leading enterprise resource planning (ERP) solution provider in the Korean SME market. Douzone's outperformance during the quarter was primarily driven by solid business results reported for the fourth quarter of 2023. The business showed signs of recovery and margin improvement.
- Other top contributors included Kaspi, Leeno Industrial, and Caixa Seguridade.

The biggest detractors to performance during the quarter were Union Auction and TOTVS.

- Union Auction is the largest operator of used car auctions in Thailand. We believe the underperformance this quarter was a function of the market in Thailand being weak as the country was one of the weakest markets during the quarter. Union Auction's business is also expected to grow at a slower pace in 2024, after having grown strongly in 2023.
- TOTVS is the leading ERP system developer in Brazil with approximately 50% market share among SMEs in Brazil. The stock underperformed after reporting results that were somewhat below market expectations, mainly affected by some weakness in some of their non-core business segments.
- Other detractors included Senara Menara Nusantara, Baltic Classifieds, and mom.com.

Purchases and Sales

New Purchases

Chongqing Brewery

Complete Sales

Koh Young Technology

WebCash

Portfolio Highlights

Style: Small Cap

Index: MSCI[®] Emerging Markets Small Cap Index

Portfolio Turnover: 25%-35%

Number of Holdings: 30-60

Investment Philosophy

We believe that purchasing high-quality businesses with competitive protections at attractive valuations will achieve excess returns over a complete market cycle.

Investment Objectives

- To achieve a return meaningfully above that of the MSCI[®] Emerging Markets Small Cap Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics

Investment Management Team

Name	Research Start Date
Hyung Kim Portfolio Manager + Senior Research Analyst	2009
Craig Thrasher, CFA Portfolio Manager + Senior Research Analyst	2003
David Forward Research Analyst	2015
Luke Longinotti, CFA ESG Research Analyst	2020
Sean Pompa, CFA Research Analyst	2016
Mitch Vogt, CFA Research Analyst	2017
Clarissa Ali Associate Research Analyst	2023

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. Past performance is no guarantee of future results.

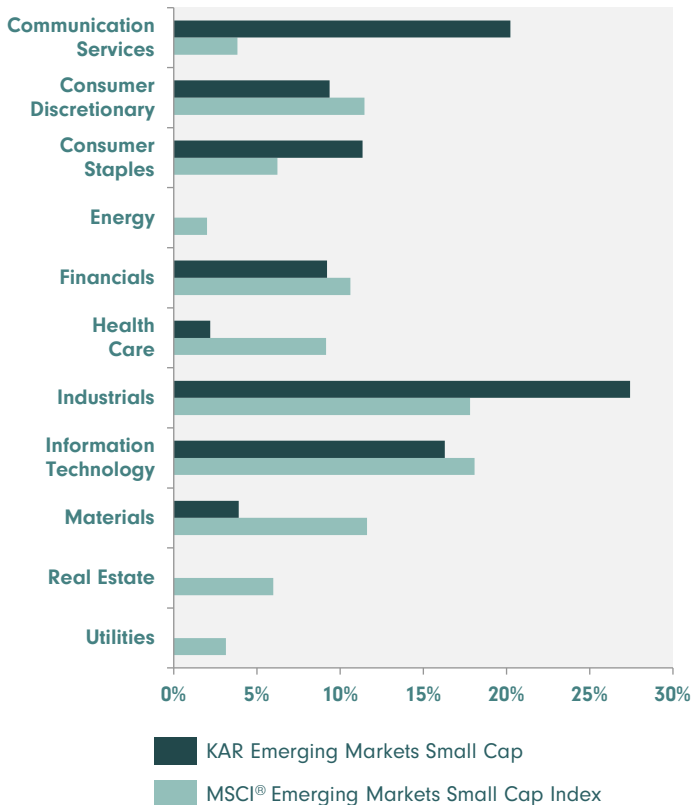
¹Hou, Betty. "AI Stock Frenzy Spurs \$50 Billion ETF Boom in Taiwan." Bloomberg.com, Bloomberg, 9 Apr. 2024, www.bloomberg.com/news/articles/2024-04-09/ai-stock-frenzy-spurs-50-billion-etf-boom-in-taiwan.

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 and Geographic 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 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, 2024



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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Portfolio Characteristics

As of March 31, 2024

	KAR Emerging Markets Small Cap	MSCI® Emerging Markets Small Cap Index
Quality		
Return on Equity—Past 5 Years	21.9%	12.7%
Debt/EBITDA*	0.4 x	1.8 x
Growth		
Earnings Per Share Growth—Past 5 Years	14.1%	15.3%
Earnings Per Share Growth—Past 10 Years	15.1%	10.2%
Dividend Per Share Growth—Past 5 Years	14.7%	13.2%
Dividend Per Share Growth—Past 10 Years	13.4%	8.5%
Value		
P/E Ratio—Trailing 12 Months	19.2 x	20.1 x
Dividend Yield	2.9%	2.4%
Market Characteristics		
\$ Weighted Average Market Cap	\$3.5 B	\$1.9 B

* KAR utilizes the interquartile method when calculating Debt/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. Debt/EBITDA utilizes net debt for the calculation.

Data is obtained from 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.

Emerging Markets Small Cap Portfolio

First Quarter 2024

Top 10 Holdings

As of March 31, 2024

Company	Country	Percent of equity (%)
Oracle Financial Services Software	India	8.6
Baltic Classifieds	Lithuania	6.4
Grupa Pracuj	Poland	5.9
Tegma Gestao Logistica	Brazil	4.1
Leeno Industrial	South Korea	3.5
Heineken Malaysia	Malaysia	3.4
Wirtualna Polska Holding	Poland	3.4
Union Auction Public	Thailand	3.3
Allegro.eu	Poland	3.3
Rightmove	United Kingdom	3.1
Total		45.0

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Country Exposure

As of March 31, 2024



Historical Returns

	KAR Emerging Markets Small Cap (gross)	KAR Emerging Markets Small Cap (net) [§]	MSCI Emerging Markets Small Cap Index
Annualized Returns (%)[†]			
As of March 31, 2024			
1 st Quarter	4.75	4.51	1.05
One Year	20.93	19.80	20.56
Three Years	0.92	(0.04)	4.23
Five Years	8.84	7.82	8.51
Seven Years	10.01	8.98	6.59
Ten Years	8.04	7.02	5.09
Inception [†]	8.23	7.21	5.31
Annual Returns (%)			
2023	23.41	22.27	23.92
2022	(22.04)	(22.79)	(18.02)
2021	0.94	(0.01)	18.75
2020	41.31	40.01	19.29
2019	20.18	19.06	11.50
2018	(3.85)	(4.77)	(18.59)
2017	33.20	31.97	33.84
2016	18.45	17.34	2.28
2015	(16.02)	(16.83)	(6.85)
2014	2.20	1.23	1.01

*"Other" is comprised of securities held in countries within the benchmark which are not held in our representative portfolio. The countries include Chile, Czech Republic, Egypt, Greece, Hong Kong, Hungary, Kuwait, Peru, Philippines, Qatar, Saudi Arabia, Spain, Turkey and United Arab Emirates.

[†]January 1, 2014

[§]All periods less than one year are total returns and are not annualized. Returns are final. Returns could be reduced, or losses incurred, due to currency fluctuations.

[§]Net of all fees and expenses. Assumes a 0.95% 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 final. Returns could be reduced, or losses incurred, due to currency fluctuations. 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.**

Emerging Markets Small Cap Composite

First Quarter 2024

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® Emerging Markets Small Cap Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2014	2.20	0.98	1.01	N/A	N/A	< 5	N/A	5	7,989
2015	(16.02)	(17.04)	(6.85)	N/A	N/A	< 5	N/A	4	8,095
2016	18.45	17.05	2.28	15.00	14.54	< 5	N/A	5	9,989
2017	33.20	31.64	33.84	14.07	14.57	< 5	N/A	14	14,609
2018	(3.85)	(5.00)	(18.59)	12.06	14.21	< 5	N/A	70	17,840
2019	20.18	18.76	11.50	10.76	13.16	< 5	N/A	129	25,685
2020	41.31	39.67	19.29	18.84	23.78	< 5	N/A	591	39,582
2021	0.94	(0.26)	18.75	18.49	22.20	< 5	N/A	686	47,269
2022	(22.04)	(22.99)	(18.02)	20.52	24.30	< 5	N/A	595	33,531
2023	23.41	21.97	23.92	14.97	15.84	< 5	N/A	729	41,186

The MSCI® Emerging Markets Small Cap 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, 2023.

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 Emerging Markets Small Cap Composite has had a performance examination for the period from January 1, 2014 through December 31, 2023. 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 Emerging Markets Small Cap Portfolios. Emerging Markets Small Cap Portfolios are invested in equity securities with market capitalizations in line with the MSCI® Emerging Markets Small Cap 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 MSCI® Emerging Markets Small Cap Index (net). The MSCI® Emerging Markets Small Cap Index is a market capitalization-weighted index of small-capitalization stocks from countries defined as Emerging Markets in the MSCI® Global Investable Market Indices Universe, excluding U.S. companies. The index is calculated on a total-return basis with dividends reinvested, net of withholding taxes. Benchmark returns are not covered by the report of the independent verifiers. The inception date of the composite is January 2014. The composite was created in January 2014. 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 funds 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 1.20% for all periods presented. The

standard management fee schedule currently in effect is as follows: 0.95% for the first \$50 million; 0.85% on the next \$50 million; 0.75% on the balance. 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 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 2016 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® Emerging Markets Small Cap Index is a free float-adjusted market capitalization-weighted index designed to measure small cap equity market performance in the global emerging markets. 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.