

Small Cap Growth Portfolio

First Quarter 2024

Portfolio Review

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

The biggest contributors to performance during the quarter were Ryan Specialty and Interactive Brokers Group.

- Ryan Specialty experienced increasing policy flow into the excess and surplus portion of the property and casualty insurance market as underwriters seek more flexibility with setting rates and policy terms.
- Interactive Brokers Group reported continued growth in revenues and profits, as well as growth in customer accounts and customer equity. This strong fundamental business performance caused shares to appreciate.
- Other top contributors included AAON, MediaAlpha, and Dream Finders Homes.

The biggest detractors from performance during the quarter were Endava and Fox Factory.

- Endava reported headwinds in verticals and geographies it has outsized exposure to including Payments, Banking & Capital Markets, the United Kingdom, and the European region. These headwinds required management to revise down previous expectations of growth in the size of existing projects with customers.
- Fox Factory continued to suffer from a downdraft in its Specialty Sports business as demand normalizes following the pandemic and retail inventory has ballooned. Additionally, revenue in its Powered Vehicle Group was hurt by a labor strike at its OEM factory.
- Other bottom contributors included MarketAxess, Goosehead Insurance, and BILL.

Purchases and Sales

During the quarter, we purchased Smith Douglas Homes and we sold BILL, MarketAxess, and Mesa Laboratories.

- Smith Douglas Homes is an asset-light homebuilder. The company utilizes a unique business approach allowing the company to assume less risk than other homebuilders and produce higher returns on tangible capital relative to their peers.
- BILL's business has become largely driven by the company's ability to monetize the payment volume flowing over its network between its customers and their suppliers, as well as BILL's customers' employee spending on the Divvy card. Software subscription revenue accounts for just 20% of total. It is unclear to us though what BILL's sustainable economic model will ultimately be from their payment and card volume. Also, we dislike management's acquisition behavior and heavy share issuance.
- MarketAxess became the dominant platform for electronic corporate bond trading in the aftermath of the global financial crisis as dealers receded from the market. A dealer-friendly competitor has since encroached on the company's competitive position aided by dealers' desire to re-establish themselves in the market. Though we still believe it's a good business in a duopolistic market structure, MarketAxess's future pricing power is less clear and its remaining market opportunity likely muted. We sold our holdings with these competitive changes in mind coupled with the stock's premium valuation.
- Mesa Laboratories' management's costly acquisition strategy over the past few years has brought the business into more competitive markets and hurt profitability. Concurrently, leverage has increased and equity holders have been diluted through stock issuance. We sold our stock because of management's poor capital allocation behavior.

Outlook

One large challenge coming out of the pandemic is trying to parse the underlying strength in the economy. Our supply chains were whipsawed, our employment patterns changed dramatically, and we saw unprecedented monetary and fiscal support. Given these factors, it is hard to gauge how much of the strength in the U.S. economy is due to fundamentals versus other exogenous effects. And while interest rates have increased materially in a short period of time, they are only modestly restrictive compared to the long-run average. As a result of low rates and strong government support during the pandemic, we believe the tide lifted all companies and made it easier for everyone to prosper. However, without this assistance, we expect that more fundamental factors will drive corporate profits and thus equity performance going forward. Assuming less exogenous support, we believe companies who are competitively advantaged with better profitability, cash flow, as well as lower leverage will be able to better distinguish themselves going forward.

Portfolio Highlights

Style: Small Cap
Sub-Style: Growth
Index: Russell 2000® Growth
Portfolio Inception: 1998
Portfolio Assets: \$5,528.4 M*
Portfolio Turnover: 25%-35%

Investment Management Team

Name	Research Start Date
Todd Bailey, CFA Portfolio Manager + Senior Research Analyst	1999
Jon Christensen, CFA Portfolio Manager + Senior Research Analyst	1995
Julie Biel, CFA Senior Research Analyst	2004
Julie Kutsov Senior Research Analyst	2001
Craig Stone Senior Research Analyst	1990
Chris Wright, CFA Senior Research Analyst	2012
Adam Xiao, CFA Senior Research Analyst	2013
Tyler Cantarano Research Analyst	2017
Sean Dixon Research Analyst	2008
Luke Longinotti, CFA ESG Research Analyst	2020
Arthur Su, CFA Research Analyst	2015
Clarissa Ali Associate Research Analyst	2023

Top Five Holdings

As of March 31, 2024

Company	Percent of equity (%)
Ryan Specialty	9.8
Morningstar	8.0
AAON	7.8
Auto Trader	6.0
nCino	5.5
Total	37.2

* 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>Quantitative Screens</p> <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 <p>Other Resources</p> <ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research 	<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>Non-U.S. Holdings</p> <ul style="list-style-type: none"> Up to 20% <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>Extended Valuation</p> <p>Portfolio Upgrade</p> <p>Acquisition Activity</p> <p>Negative Company or Industry Changes</p>

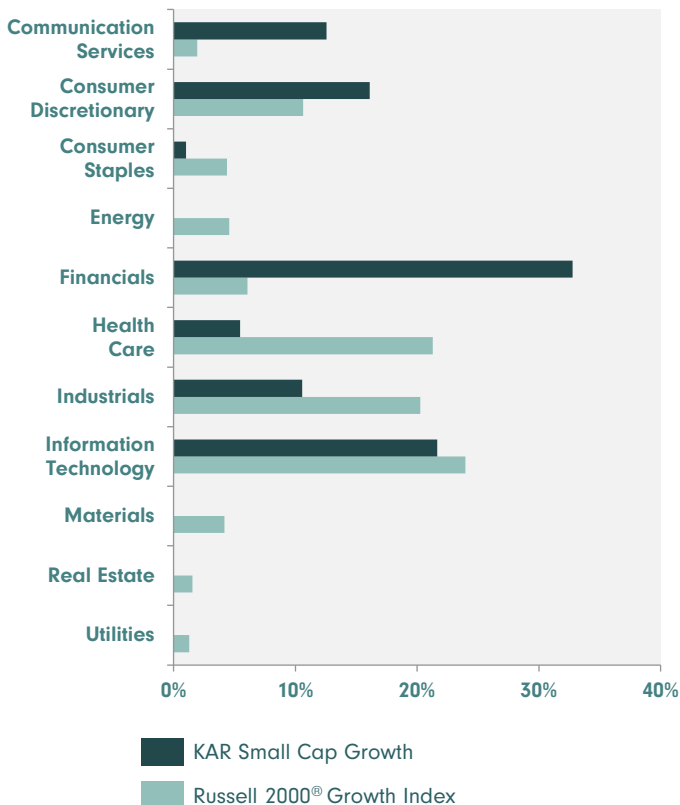
Higher Quality

Stronger, More Consistent Growth

Better Value

Sector Diversification

As of March 31, 2024



Portfolio Characteristics

As of March 31, 2024

	KAR Small Cap Growth	Russell 2000 [®] Growth Index
Quality		
Return on Equity—Past 5 Years	18.8%	10.8%
Debt/EBITDA*	0.8 x	1.4 x
Earnings Variability—Past 10 Years	34.5%	84.0%
Growth		
Earnings Per Share Growth—Past 10 Years	14.9%	14.5%
Capital Generation—{ROE x (1-Payout)}	16.0%	9.8%
Value		
P/E Ratio—Trailing 12 Months	45.5 x	73.6 x
Free Cash Flow Yield [†]	4.6%	2.0%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$6.5 B	\$3.6 B
Largest Market Cap—3-Year Avg.	\$19.9 B	\$15.0 B
Annualized Standard Deviation—Since Inception [‡]	18.6%	23.0%

*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.

[†]Free cash flow data is as of December 31, 2023. Prices are as of March 31, 2024. Excludes financials.

[‡]January 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.

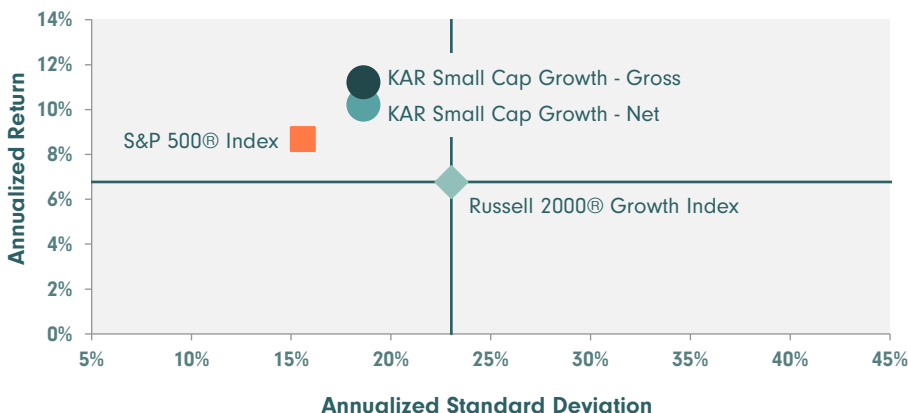
Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual Investors' holdings may differ slightly. The sector information represented above is based on GICS sector classifications. Data is obtained by FactSet Research Systems and is assumed to be reliable.

Small Cap Growth Portfolio

First Quarter 2024

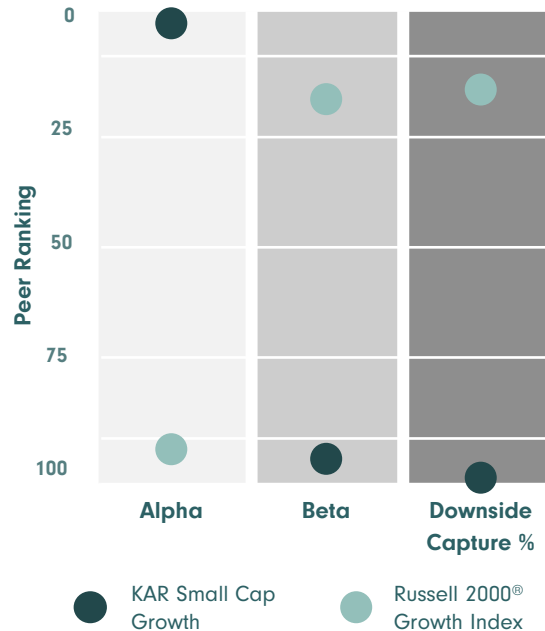
Risk-Return Analysis

Inception* to March 31, 2024



Peer Comparison Chart

Ten Years Ending March 31, 2024



The eVestment Small Cap Growth Universe includes 121 managers categorized in the small cap growth asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small 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 Small Cap Growth (gross)	KAR Small Cap Growth (net) [†]	Russell 2000 [®] Growth Index
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Annualized Returns (%)[†]

As of March 31, 2024

1 st Quarter	4.17	3.94	7.58
One Year	11.13	10.14	20.35
Three Years	(1.35)	(2.24)	(2.68)
Five Years	9.56	8.58	7.38
Seven Years	15.84	14.82	8.40
Ten Years	15.64	14.62	7.89
Inception*	11.22	10.23	6.77

Annual Returns (%)

2023	21.43	20.36	18.66
2022	(29.37)	(30.03)	(26.36)
2021	5.69	4.75	2.83
2020	44.70	43.44	34.63
2019	41.37	40.13	28.48
2018	10.69	9.70	(9.31)
2017	39.03	37.82	22.17
2016	26.11	25.00	11.32
2015	2.57	1.65	(1.38)
2014	6.47	5.52	5.60
2013	39.89	38.67	43.30
2012	13.29	12.28	14.59
2011	17.82	16.78	(2.91)
2010	14.82	13.80	29.09
2009	38.51	37.30	34.47
2008	(33.61)	(34.23)	(38.54)
2007	(0.59)	(1.48)	7.05
2006	15.80	14.78	13.35
2005	1.88	0.97	4.15
2004	12.82	11.82	14.31
2003	38.44	37.23	48.54
2002	(23.82)	(24.52)	(30.26)
2001	0.48	(0.42)	(9.23)
2000	6.28	5.33	(22.43)
1999	31.19	30.04	43.09
1998	3.33	2.40	1.23

*January 1, 1998

[†]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 0.90% 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.

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. 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.**

Performance Statistics

Inception* to March 31, 2024

	KAR Small Cap Growth (gross)	KAR Small Cap Growth (net)	Russell 2000 [™] Growth Index
Alpha	5.53	4.59	0.00
Sharpe Ratio	0.50	0.44	0.21
Information Ratio	0.38	0.29	N/A
Beta	0.70	0.70	1.00
Downside Capture	65.13	66.46	100.00
Tracking Error	11.76	11.76	N/A

Small Cap Growth Composite

First Quarter 2024

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2000® Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2014	6.47	5.10	5.60	12.35	14.02	20	0.40	205	7,989
2015	2.57	1.25	(1.38)	14.08	15.16	17	0.40	244	8,095
2016	26.11	24.51	11.32	14.85	16.91	19	0.54	614	9,989
2017	39.03	37.29	22.17	12.69	14.80	40	1.40	2,038	14,609
2018	10.69	9.27	(9.31)	13.29	16.69	79	0.85	4,738	17,840
2019	41.37	39.59	28.48	14.18	16.60	94	0.89	6,416	25,685
2020	44.70	42.88	34.63	20.63	25.46	124	0.64	8,888	39,582
2021	5.69	4.33	2.83	19.15	23.40	159	0.60	7,749	47,269
2022	(29.37)	(30.31)	(26.36)	22.65	26.57	153	0.35	4,092	33,531
2023	21.43	19.88	18.66	20.98	22.10	147	0.36	4,298	41,186

The Russell 2000® 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, 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 Small Cap Growth Composite has had a performance examination for the period from January 1, 1999 through December 31, 2023. 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 Growth Portfolios. Small Cap Growth Portfolios are invested in equity securities with market capitalizations in line with the Russell 2000® 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 2000® Growth Index. The Russell 2000® Growth Index is a market capitalization-weighted index of growth-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 the independent verifiers. The inception date of the composite is January 1998. The composite was created in January 1998. Prior to April 2024, the name of the composite was the Small Cap Sustainable Growth Composite. 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® Growth Index is a market capitalization-weighted index of growth-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.