

## Global Impact-Aligned Portfolio

First Quarter 2025

### Impact Objectives

**Portfolio Impact Objective Alignment\***: Require that a company derives a minimum of 20% of revenue from products and/or services aligned with one or more of the following impact objectives:

Resource Solutions	<ul style="list-style-type: none"> <li>Climate</li> <li>Water</li> <li>Resource Conservation</li> </ul>
Improved Health Care Outcomes	<ul style="list-style-type: none"> <li>Access to Quality Care</li> <li>Food Security &amp; Clean Water</li> <li>Medical Innovation</li> <li>Well-Being</li> </ul>
Equitable Access	<ul style="list-style-type: none"> <li>Educational &amp; Employment Services</li> <li>Financial Security &amp; Inclusion</li> <li>Information &amp; Communication Technologies</li> <li>Sustainable Infrastructure</li> </ul>

### Sustainability Risk Assessment and Ethical Exclusions

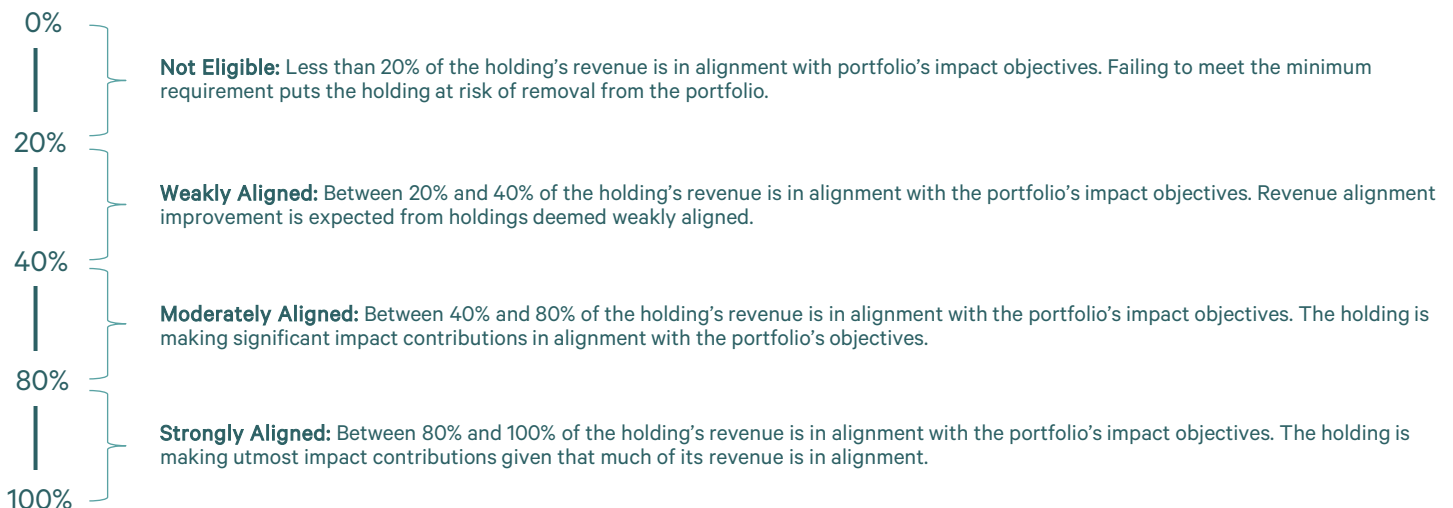
- Ensure that the company manages all relevant material sustainability risks and opportunities in line with or above sector peers
- Exclude businesses with involvement in ESG areas of concern:
  - Controversial weapons
  - Mines
  - Coal
  - Alcohol
  - Tobacco
  - Gambling
  - Egregious Environmental Record
  - Egregious Human Rights Record

### Impact Measurement Process

We aim to measure companies' impact towards the portfolio's objectives through a robust KPI framework

- Determine impact objective(s) and sub-objective(s) the holding best aligns to
- Utilize company reports to substantiate and estimate the degree of impact alignment using KAR's impact KPI index
- Compare data to historical impact reports to ensure positive impact growth trends

### Revenue Alignment Categorization



\*Each company must have at least 20% of revenue from products/services aligned with at least one of the impact objectives (e.g. Resource Solutions, Improved Health Care Outcomes, Equitable Access). The impact report for each company details the relevant impact objectives with their respective Key Performance Indicators. There is no guarantee that the portfolio will meet its objectives.

**Past performance is not indicative of future results.**

\*Please see the Disclosure page for important information regarding the MSCI® ACWI Sustainable Development Index. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

### Portfolio Highlights

**Style:** Sustainable Impact  
**Index:** MSCI® ACWI Sustainable Development Index†  
**Portfolio Inception:** 2023  
**Portfolio Turnover:** 25%-35%  
**Number of Holdings:** 25 - 35

### Investment Objectives

Identify companies that demonstrate a commitment to sustainable business practices and positive impact† while offering the potential for strong financial returns

\*There is no guarantee that the portfolio will meet its objective.

### Investment Philosophy

We focus on purchasing high-quality businesses with competitive protections and demonstrated leadership in one or more of the following impact areas:

- Resource Solutions
- Improved Health Care Outcomes
- Equitable Access

### Investment Management Team

Name	Research Start Date
<b>Noran Eid</b> Portfolio Manager + Senior Research Analyst	2012
<b>19 Analysts</b>	16 years of research experience*

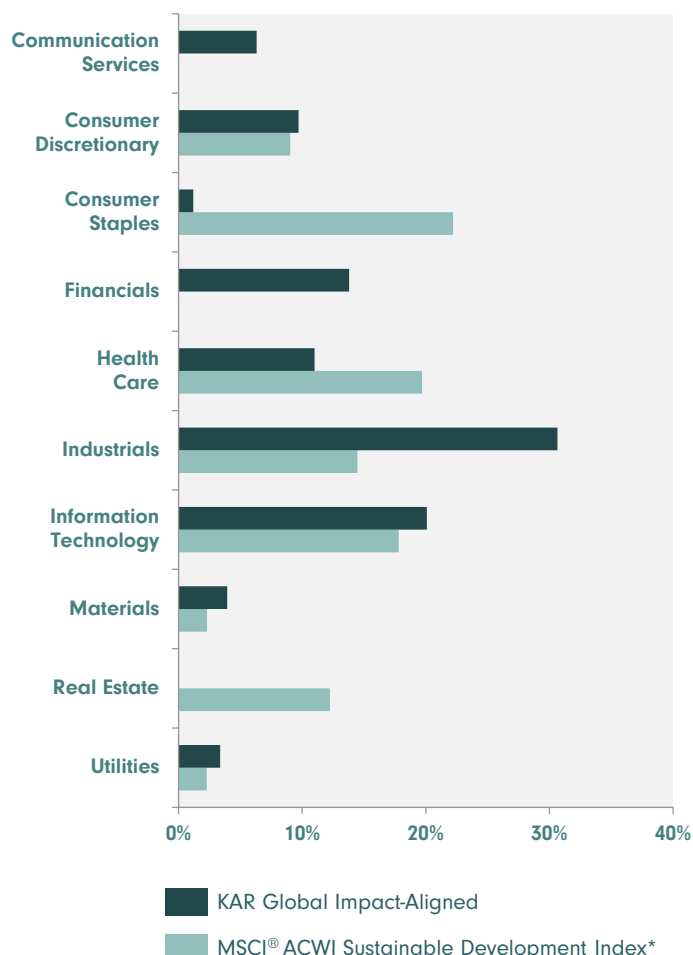
\*Average years of research experience.

## Investment Process: Intensive Fundamental Research

<b>Sustainability Analysis</b>	<b>Qualitative Analysis</b>	<b>Valuation Analysis</b>	<b>Financial Analysis</b>
<p><b>Purpose:</b> Identify businesses aligned with our impact objectives, ensure that they do not engage in activities on the ethical exclusions list, and evaluate their sustainability risks</p> <ul style="list-style-type: none"> <li>Identify businesses that generate a minimum of 20% of revenue from a product or service contributing to one of the three impact objectives</li> <li>Confirm that a potential holding does not engage in activities on our ethical exclusions list</li> <li>Utilize our SASB-informed framework to determine and evaluate material sustainability risks</li> </ul>	<p><b>Purpose:</b> Determine if competitive advantage exists and evaluate its strength</p> <ul style="list-style-type: none"> <li>Review regulatory filings, company materials, industry data, and third-party research</li> <li>Conduct comprehensive interviews with management; contact other relevant parties</li> <li>Understand basis of competition within industry</li> <li>Assess competitive threats and obsolescence risk: What protects the business?</li> </ul>	<p><b>Purpose:</b> Estimate total return over several year period; compare to other opportunities considering varying levels of certainty</p> <ul style="list-style-type: none"> <li>Consider economic earning power in relation to enterprise value</li> <li>In our view, mispricing can be created by factors such as: Underfollowed company, investors' over-reaction to short-term challenges, improved competitive position not yet recognized</li> </ul>	<p><b>Purpose:</b> Evaluate source, level, and sustainability of economic profitability</p> <ul style="list-style-type: none"> <li>Seek: High and resilient return on capital</li> <li>Seek: Persistent earning power</li> <li>Seek: Abundant discretionary cash flow</li> <li>Seek: Under-levered balance sheet</li> <li>Assess management's capital allocation practices; favor high insider ownership</li> </ul>

## Sector Diversification

As of March 31, 2025



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, 2025

	KAR Global Impact-Aligned	MSCI ACWI Sustainable Development Index*
<b>Quality</b>		
Return on Equity—Past 5 Years	20.9%	9.9%
Debt/EBITDA†	0.7 x	2.2 x
Earnings Variance—Past 10 Years	41.1%	49.4%
<b>Growth</b>		
Sales Per Share Growth—Past 5 Years	13.0%	8.2%
Earnings Per Share Growth—Past 10 Years	14.7%	10.1%
Dividend Per Share Growth—Past 10 Years	11.4%	4.7%
<b>Value</b>		
P/E Ratio—Trailing 12 Months	30.4 x	22.4 x
P/E Ratio—1-Year Forecast FY EPS	27.0 x	14.4 x
<b>Market Characteristics</b>		
\$ Weighted Average Market Cap	\$73.2 B	\$120.8 B
Largest Market Cap	\$503.1 B	\$2,666.1 B

\*The MSCI ACWI Sustainable Development Index is designed to identify listed companies whose core business addresses at least one of the world's social and environmental challenges, as defined by the United Nations Sustainable Development Goals (UN SDGs). Prior to February 3, 2025, the MSCI ACWI Sustainable Development Index was called the MSCI ACWI Sustainable Impact Index. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

†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 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. Please see the Disclosure page for important information regarding the MSCI ACWI Sustainable Development Index. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

# Global Impact-Aligned Portfolio

First Quarter 2025

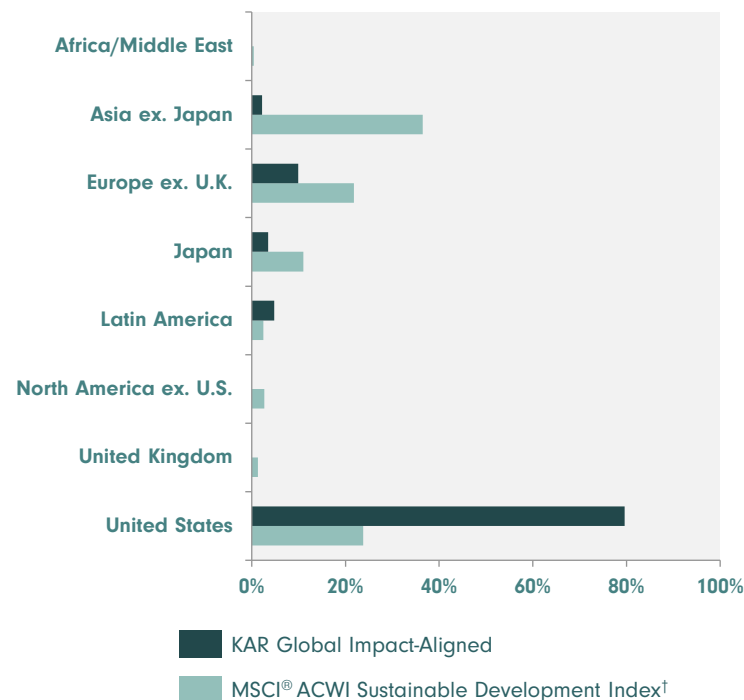
## Top 10 Holdings

As of March 31, 2025

Company	Impact Theme*	Percent of equity (%)
Trane Technologies	Resource Solutions	7.1
Mastercard	Equitable Access	6.3
Waste Management	Resource Solutions	5.5
Badger Meter	Resource Solutions	5.4
Moody's	Equitable Access	5.1
Watts Water Technologies	Resource Solutions	4.8
MercadoLibre	Equitable Access	4.8
Xylem	Resource Solutions	4.8
ANSYS	Resource Solutions	4.6
Baltic Classifieds	Equitable Access	4.1
<b>Total</b>		<b>52.5</b>

## Geographical Exposure

As of March 31, 2025



## Historical Returns

	KAR Global Impact-Aligned (gross)	KAR Global Impact-Aligned (net) <sup>§</sup>	MSCI ACWI Sustainable Development Index†
<b>Annualized Returns (%)<sup>‡</sup></b>			
As of March 31, 2025			
1 <sup>st</sup> Quarter	(3.42)	(3.61)	0.26
One Year	(4.06)	(4.78)	(6.18)
Inception <sup>  </sup>	7.36	6.57	(2.10)
<b>Annual Returns (%)</b>			
2024	4.27	3.49	(9.39)
2023	16.52	15.66	4.94

\*Each company must have at least 20% of revenue from products/services aligned with at least one of the impact objectives (e.g. Resource Solutions, Improved Health Care Outcomes, Equitable Access). The impact report for each company details the relevant impact objectives with their respective Key Performance Indicators. There is no guarantee that the portfolio will meet its objectives.

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‡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 0.75% 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.

||January 1, 2023

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.

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.**

# Global Impact-Aligned Composite

First Quarter 2025

## Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® ACWI Sustainable Development Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2023	16.52	15.66	4.94	N/A	N/A	< 5	N/A	3	41,186
2024	4.27	3.49	(9.39)	N/A	N/A	< 5	N/A	3	45,494

The MSCI® ACWI Sustainable Development 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, 2024. The verification reports are available upon request.

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. Verification does not provide assurance on the accuracy of any specific performance report.

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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 Global Impact-Aligned Portfolios. Global Impact-Aligned Portfolios are invested in equity securities of all market capitalizations that have market control, rising free cash flow, shareholder-oriented management, strong consistent profit growth and low-debt balance sheets. In addition, the securities have demonstrated leadership in one or more impact areas such as resource solutions, improved health care outcomes, and/or equitable access. Effective April 2025, the composite name was changed from Global All Cap Sustainable Impact to Global Impact-Aligned. For comparison purposes, the composite is measured against the MSCI® ACWI Sustainable Development Index (net). The MSCI® ACWI Sustainable Development Index is a market capitalization-weighted index of stocks within the MSCI® Global Investable Market Indices Universe whose core business addresses at least one of the world's social and environmental challenges, as defined by the United Nations Sustainable Development Goals. 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. Effective February 2025, the benchmark name was changed from MSCI® ACWI Sustainable Impact Index to MSCI® ACWI Sustainable Development Index. The inception date of the composite is January 2023. The composite was created in January 2023. 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 0.75% for all periods presented. The standard 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. 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 withholding taxes, 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 because 36 monthly composite returns are not available.