

Small-Mid Cap Quality Value Portfolio

Second Quarter 2021

Portfolio Review

The Small-Mid Cap Quality Value portfolio delivered positive performance but underperformed the Russell 2500 Value Index in the second quarter. Poor stock selection in materials and consumer discretionary detracted from performance. Good stock selection in industrials and good stock selection and an underweight in financials contributed positively to performance.

The biggest contributors to performance during the quarter were MSCI and CorVel. In its most recent quarter, MSCI delivered organic recurring sales growth across its businesses and commensurate operating leverage, with profits growing faster than sales. The company leveraged additional opportunities in its ESG (environment, social, governance), climate change and thematic offerings. CorVel's shares saw strong performance, supported by the company's robust operating results and broad-based new sales. The pandemic dramatically expanded CorVel's Workers Compensation integrated telemedicine platform. Given the company's attractive valuation, we reduced our position in the company during the quarter. Other top contributors included TransUnion, Zebra Technologies and Teradyne.

The biggest detractors to performance were Scotts Miracle-Gro and Thor Industries. Scotts Miracle-Gro continued to see robust sales and profit results in the most recent quarter from strength in lawn and gardening due to continued stay-at-home behavior and strength in hydroponics due to increasing U.S. cannabis legalization. However, shares pulled back from recent highs as market participants seem concerned about price inflation and the potential of reduced demand for lawn and garden products in the post-pandemic reopening economy. While the RV industry experienced healthy demand during the COVID-19 pandemic, Thor's underperformance appears to be related to the market's view that long-term demand for RVs is overstated relative to current results. Other bottom contributors included WD-40, The Cheesecake Factory and Bank of Hawaii.

Purchases and Sales

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

Outlook

Despite elevated valuations, we believe investors should stay the course and remain invested. Price/earnings (PE) ratios are higher than normal, but this is not unusual when earnings are rapidly recovering and corporate earnings were strong in the first quarter. Ironically, PE ratios may decline as the earnings recovery unfolds. However, as long as earnings growth exceeds multiple contractions, we believe returns should be favorable for investors. As always, our focus remains on high quality businesses regardless of the current economic regime. We believe competitive protections and differentiation are the key investment metrics that matter the most over the long term.



Portfolio Highlights

Style: Small-Mid Cap
Sub-Style: Value
Index: Russell 2500™ Value
Portfolio Inception: 2008
Portfolio Assets: \$451.3 M
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	35
Julie Kutasov Portfolio Manager + Senior Research Analyst	20
Craig Stone Portfolio Manager + Senior Research Analyst	32
Todd Beiley, CFA Senior Research Analyst	22
Julie Biel, CFA Senior Research Analyst	13
Jon Christensen, CFA Senior Research Analyst	26
Chris Wright, CFA Senior Research Analyst	9
Sean Dixon Research Analyst	12
Adam Xiao, CFA Research Analyst	6

Top Five Holdings

As of June 30, 2021

Company	Percent of equity (%)
Zebra Technologies	5.1
Scotts Miracle-Gro	5.1
MSCI	5.0
Teradyne	4.3
Thor Industries	4.3
Total	23.8

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. A complete listing of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. 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 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

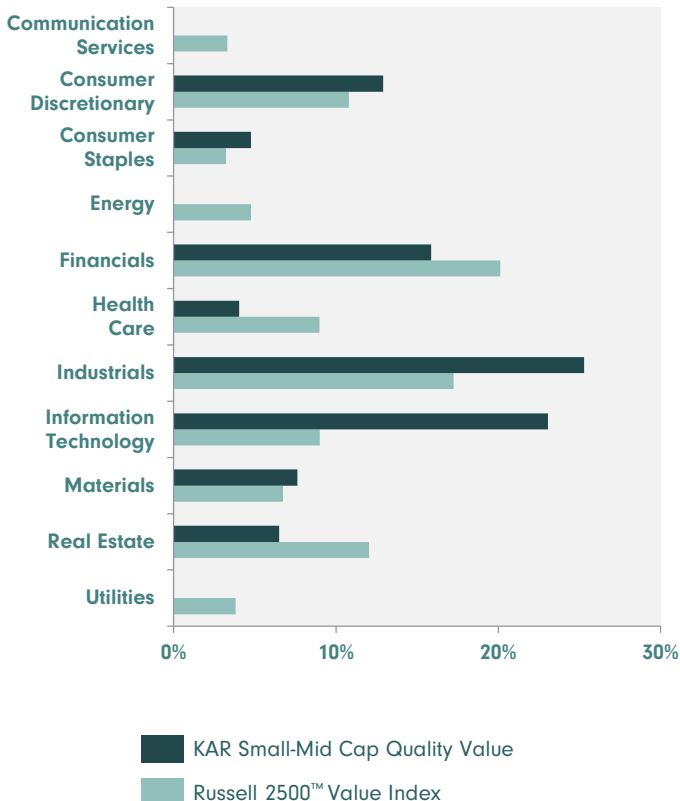
Higher Quality

Stronger, More Consistent Growth

Better Value

Sector Diversification

As of June 30, 2021



Portfolio Characteristics

As of June 30, 2021

	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
Quality		
Return on Equity—Past 5 Years	24.8%	10.6%
Total Debt/EBITDA	2.0 x	5.5 x
Earnings Variability—Past 10 Years	36.9%	76.8%
Growth		
Earnings Per Share Growth—Past 5 Years	14.0%	8.7%
Earnings Per Share Growth—Past 10 Years	9.6%	6.4%
Dividend Per Share Growth—Past 5 Years	12.7%	3.8%
Dividend Per Share Growth—Past 10 Years	13.4%	8.9%
Capital Generation—{ROE x (1-Payout)}	16.1%	7.6%
Value		
P/E Ratio—Trailing 12 Months	36.2 x	32.6 x
Dividend Yield	1.0%	1.5%
Free Cash Flow Yield*	4.3%	4.5%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$8.6 B	\$5.2 B
Largest Market Cap—3-Year Avg.	\$24.8 B	\$17.5 B
Annualized Standard Deviation—Since Inception†	17.5%	20.1%

*Free cash flow data is as of March 31, 2021. Prices are as of June 30, 2021. Excludes financials.

†January 1, 2008

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.**

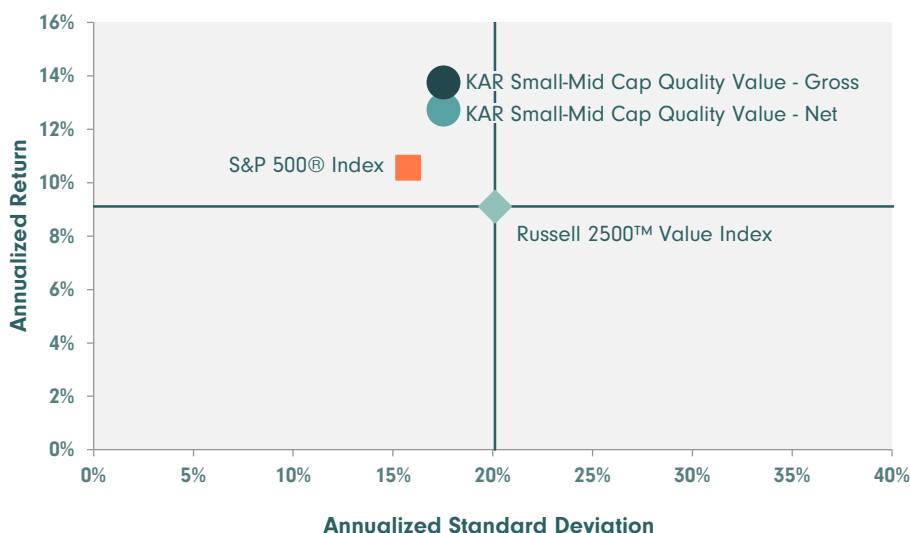
A complete listing of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. The sector information represented above is based on GICS sector classifications. Data is obtained by FactSet Research Systems and is assumed to be reliable.

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Second Quarter 2021

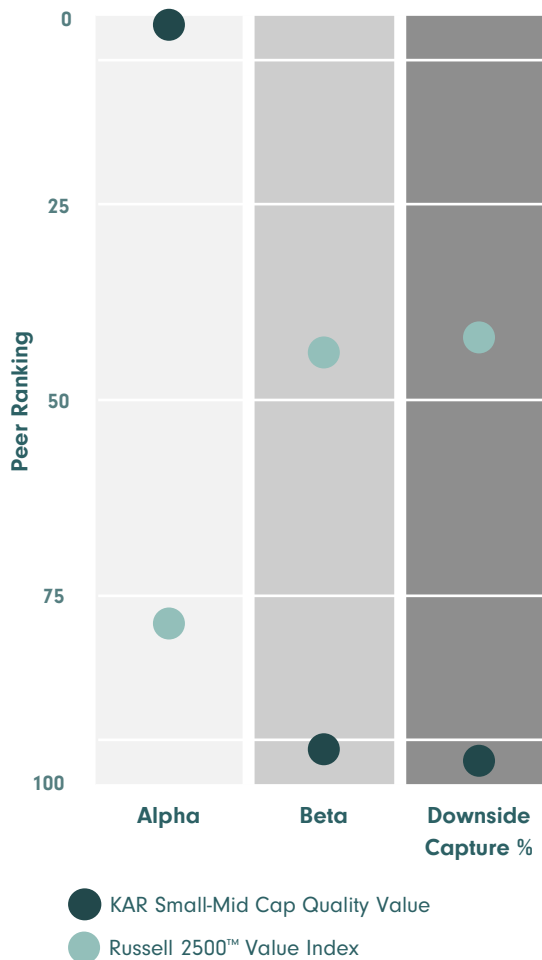
Strong Risk-Adjusted Returns

Inception* to June 30, 2021



Peer Comparison Chart

Inception* to June 30, 2021



Historical Returns

	KAR Small-Mid Cap Quality Value (gross)	KAR Small-Mid Cap Quality Value (net) [‡]	Russell 2500™ Value Index
Annualized Returns (%)[†]			
As of June 30, 2021			
2 nd Quarter	2.80	2.57	5.00
Year to Date	15.77	15.27	22.68
One Year	47.55	46.27	63.23
Three Years	18.56	17.51	10.60
Five Years	16.96	15.93	12.29
Seven Years	14.03	13.01	8.82
Ten Years	14.46	13.46	10.93
Inception*	13.76	12.74	9.11

Annual Returns (%)

Year	KAR Small-Mid Cap Quality Value (gross)	KAR Small-Mid Cap Quality Value (net) [‡]	Russell 2500™ Value Index [§]
2020	24.69	23.59	4.88
2019	33.20	32.03	23.56
2018	(11.97)	(12.77)	(12.36)
2017	18.43	17.38	10.36
2016	19.69	18.63	25.20
2015	(0.58)	(1.47)	(5.49)
2014	8.88	7.89	7.11
2013	36.30	35.13	33.32
2012	11.01	10.07	19.21
2011	7.40	6.52	(3.36)
2010	25.83	24.61	24.82
2009	32.51	31.22	27.68
2008	(18.99)	(19.82)	(31.99)

*January 1, 2008

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

[‡]Net of all fees and expenses. Assumes a 0.90% annual fee.

[§]Performance Statistics are based on gross of fee returns.

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 and gross of fees unless otherwise specified. For further details on the composite, please see the disclosure statement in this presentation. The Small-Mid Cap Value Universe includes all managers categorized in the small-mid cap value asset class by eVestment. 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 June 30, 2021

	KAR Small-Mid Cap Quality Value [§]	Russell 2500™ Value Index
Annualized Standard Deviation	17.53	20.11
Alpha	5.60	0.00
Beta	0.83	1.00
Sharpe Ratio	0.75	0.42
R-Squared	89.82	100.00

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Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2500™ Value Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2010	25.83	24.61	24.82	24.26	27.35	< 5	N/A	< 1	4,729
2011	7.40	6.52	(3.36)	20.07	24.57	< 5	N/A	1	5,232
2012	11.01	10.07	19.21	13.97	18.67	< 5	N/A	85	6,545
2013	36.30	35.12	33.32	12.01	15.29	6	0.13	138	7,841
2014	8.88	7.89	7.11	10.65	11.41	12	0.09	140	7,989
2015	(0.58)	(1.47)	(5.49)	12.25	12.19	17	0.05	371	8,095
2016	19.69	18.63	25.20	12.24	13.36	22	0.24	395	9,989
2017	18.43	17.38	10.36	10.88	11.98	49	0.45	427	14,609
2018	(11.97)	(12.77)	(12.36)	12.93	13.77	36	0.40	162	17,840
2019	33.20	32.03	23.56	13.84	14.43	22	0.12	183	25,685

The Russell 2500™ 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, 2019.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Small-Mid Cap Quality Value Composite has been examined for the period from January 1, 2012 through December 31, 2019. The verification and performance examination reports are available upon request.

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 Quality Value Portfolios (including cash) under management for at least one full quarter. Small-Mid Cap Quality Value

Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ 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 2500™ Value Index. The Russell 2500™ Value Index is a market capitalization-weighted index of value-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 composite was created in June 2008. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

As of January 1, 2011, the composite was redefined to include both institutional and mutual fund [or pooled] accounts. Previously, only institutional accounts were included. Prior to January 1, 2011, the composite minimum was \$250,000, and accounts that experienced a significant cash flow, defined as aggregate flows that exceeded 25% of the account's beginning of period market value, were temporarily removed from the composite.

Non-fee-paying portfolios represent < 1% of the composite assets at year-end from 2013 through 2019.

The standard fee schedule in effect is as follows: 0.90% for the first \$25 million; 0.80% on the next \$25 million; 0.75% on the next \$50 million; 0.60% 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 IIA 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 measures the variability of the composite (using gross returns) and the benchmark for the 36-month period.