

Emerging Markets Small Cap Portfolio

Second Quarter 2022

Market Review

Emerging market equities continued their descent during the second quarter driven by several factors, including rising interest rates, higher inflation, fears of global recession, and the negative economic impact of lockdowns in China. Within emerging markets small cap, all sectors declined except for energy. Information technology was the worst performing sector, partly driven by semiconductor-related names and investor fears of a down cycle. From a geographical perspective, Brazil performed the worst, reversing the gains from the first quarter, led by price declines in commodities such as metals and iron ore, on worries of a global recession. China was one of the few emerging market countries to experience a positive return in the second quarter, supported by a pickup in macroeconomic indicators, policy support, and the lifting of lockdown restrictions. Emerging markets large caps outperformed emerging markets small caps partly because of the strong performance of Chinese large cap internet stocks during June. Value stocks, as measured by the MSCI Emerging Markets Small Cap Value Index, continued to outperform growth, as measured by the MSCI Emerging Markets Small Cap Growth Index.

Portfolio Review

The Emerging Markets Small Cap portfolio outperformed the MSCI Emerging Markets Small Cap Index during the second quarter. Many of the portfolio's holdings held up better than their respective markets. This was more pronounced in Taiwan, where we do not have any exposure to information technology hardware and semiconductor equipment-related companies. In Malaysia, the portfolio's holdings were up slightly while the market was down by around 13%. Good stock selection in India also helped as the portfolio's Indian holdings held up better than the Indian market overall. Brazil, on the other hand, detracted the most, as our names overall declined in line with the worst performing market during the quarter. Poor stock selection in Thailand and an underweight in Hong Kong also detracted from performance.

Stocks that contributed the most to the portfolio during the quarter were Anhui Gujing Distillery and Autohome. Anhui Gujing Distillery is a leading baijiu company in the region of Anhui. It has a strong brand with a long history in the Anhui province. The company reported strong business results that demonstrated solid growth. At the end of May, the company held its annual general meeting, in which management maintained its 2022 annual growth target, pointing to observations of recovery in commercial and private banquets with the lifting of COVID restrictions. Autohome rebounded strongly during this quarter on signs and expectations of a recovery. China auto retail sales in June showed strong growth, and the Chinese government introduced policies to stimulate the auto industry. Auto original equipment manufacturers (OEMs) have been delaying new car model launches, but expectations are for new models to be released sometime in the second half of this year, potentially leading to increased advertisement spending. We also see some stabilization in the competitive intensity, while Autohome remains the leading player and an important marketing channel for auto OEMs. Other stocks that contributed positively to performance were PT Sarana Menara Nusantara, Kaspi, and Carlsberg Brewery Malaysia.

Stocks that detracted the most during the quarter were Boa Vista and Tegma Gestao Logistica. Boa Vista is the second largest credit bureau in Brazil. Boa Vista's strong performance during the previous quarter was supported by solid fundamentals with the core business growing despite a weaker macroeconomic backdrop, as more banks adopted the hybrid solution, a newer solution that the company is offering. During the second quarter, the stock reversed all its gains from the previous quarter, primarily on macroeconomic concerns as credit bureau business results tend to correlate with credit demand. Tegma Gestao Logistica is a Brazil-based logistics company that handles a significant portion of newly built vehicles transportation throughout the country. The industry continues to be challenged with chip shortages still causing delays in auto production. Rising interest rates in Brazil have also been a negative factor, given their implications on auto financing and affordability. Management guided that some auto OEMs expect a recovery in the second half of the year, but the reality is that nobody really knows when things will start to improve. We are okay with this uncertainty as we feel comfortable with Tegma's healthy balance sheet and its ability to cut costs and generate positive cash flow despite a very challenging business environment. We believe a recovery will come sooner or later and are willing to be patient. Tegma continues to return cash to shareholders. Other stocks that detracted from performance were TOTVS, NICE Information Service, and Tongdao Liepin.

Purchases and Sales

New Purchases	Complete Sales
Qualitas Controladora	Kaspi
	VNV Global

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	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	36
Hyung Kim Portfolio Manager + Senior Research Analyst	18
Craig Thrasher, CFA Portfolio Manager + Senior Research Analyst	18
Ekaterina Advena Research Analyst	13
David Forward Research Analyst	8
Sean Pompa, CFA Research Analyst	7

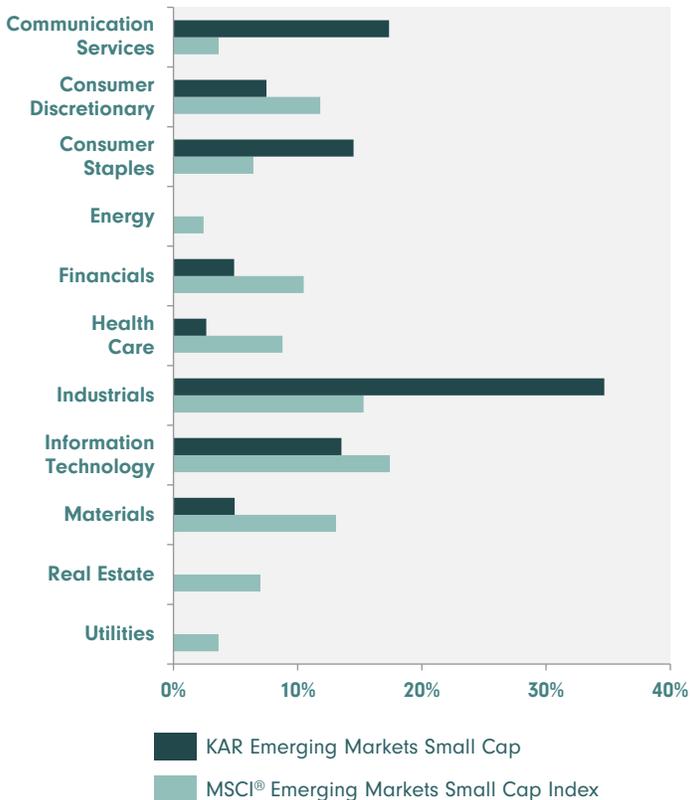
*This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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. **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 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 June 30, 2022



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.

Portfolio Characteristics

As of June 30, 2022

	KAR Emerging Markets Small Cap	MSCI® Emerging Markets Small Cap Index
Quality		
Return on Equity—Past 5 Years	21.8%	12.2%
Total Debt/EBITDA	0.9 x	4.2 x
Interest Expense Coverage	-1.0 x	2.9 x
Growth		
Earnings Per Share Growth—Past 5 Years	12.6%	10.9%
Earnings Per Share Growth—Past 10 Years	10.6%	7.8%
Dividend Per Share Growth—Past 5 Years	13.9%	10.5%
Dividend Per Share Growth—Past 10 Years	10.4%	7.6%
Value		
P/E Ratio—Trailing 12 Months	16.2 x	13.0 x
Dividend Yield	3.0%	3.3%
Market Characteristics		
\$ Weighted Average Market Cap	\$2.5 B	\$1.5 B
Largest Market Cap	\$15.9 B	\$2.9 B*

* Number is from MSCI factsheet as of June 30, 2022.

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

Second Quarter 2022

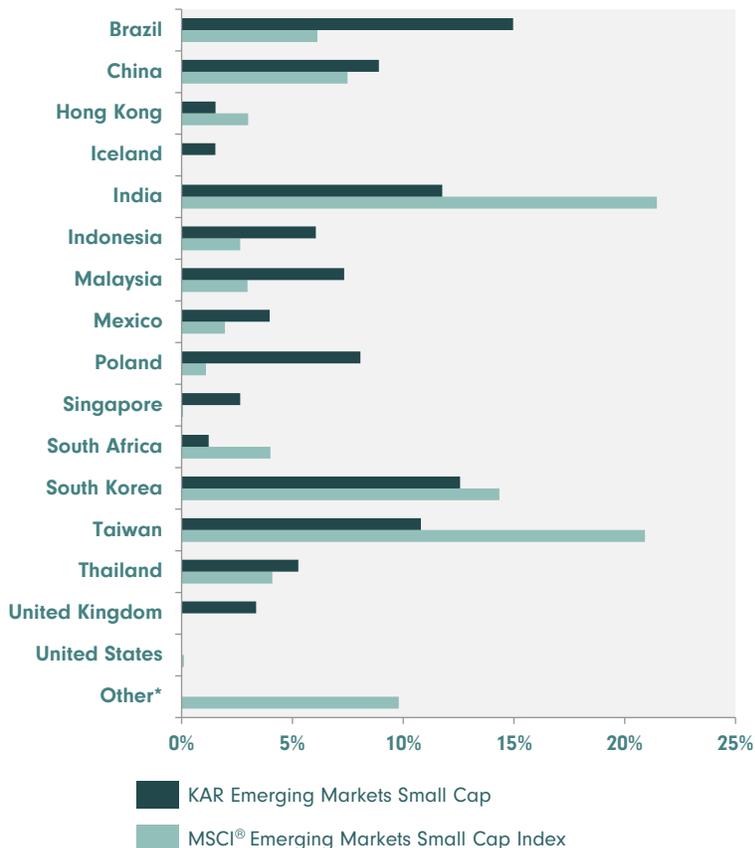
Top 10 Holdings

As of June 30, 2022

Company	Country	Percent of equity (%)
Tegma Gestao Logistica	Brazil	5.9
Anhui Gujing Distillery	China	4.8
Grupa Pracuj	Poland	4.6
Oracle Financial Services Software	India	4.1
Vasta Platform	Brazil	3.8
Heineken Malaysia	Malaysia	3.8
Saramin HR	South Korea	3.7
PT Sarana Menara Nusantara	Indonesia	3.6
S-1	South Korea	3.6
Carlsberg Brewery Malaysia	Malaysia	3.5
Total		41.5

Country Exposure

As of June 30, 2022



Historical Returns

	KAR Emerging Markets Small Cap (gross)	KAR Emerging Markets Small Cap (net) [§]	MSCI Emerging Markets Small Cap Index
Annualized Returns (%)[†]			
As of June 30, 2022			
2 nd Quarter	(13.91)	(14.13)	(16.41)
Year to Date	(24.15)	(24.53)	(20.03)
One Year	(28.43)	(29.13)	(20.72)
Three Years	4.46	3.31	5.78
Five Years	6.01	4.81	3.48
Seven Years	7.41	6.18	2.78
Inception [†]	6.39	5.16	3.36
Annual Returns (%)			
2021	0.94	(0.12)	18.75
2020	41.31	39.67	19.29
2019	20.18	18.76	11.50
2018	(3.85)	(5.00)	(18.59)
2017	33.20	31.64	33.84
2016	18.45	17.05	2.28
2015	(16.02)	(17.04)	(6.85)
2014	2.20	0.98	1.01

**"Other" is comprised of securities held in countries within the benchmark which are not held in our representative portfolio. The countries include Belgium, Chile, Colombia, Czech Republic, Egypt, Greece, 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 preliminary. Returns could be reduced, or losses incurred, due to currency fluctuations.

[§] Net of all fees and expenses. Assumes a 1% 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 preliminary. 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 Portfolio

Second Quarter 2022

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® Emerging Markets Small Cap Index (net) Annual 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

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, 2020.

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, 2020. 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 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 fund and the list of limited distribution pooled funds descriptions are available upon request.

The standard management fee schedule currently in effect is 1.20% per annum. 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.