Kayne Anderson Rudnick
Investment Management

Small-Mid Cap Sustainable Growth Portfolio

Second Quarter 2022

Portfolio Review

Fears of a recession overtook the war in Ukraine as a primary concern during the quarter. With inflation very high, the Fed took action to slow the economy. A large 75 basis point hike in the quarter led to fears the economy would plow into recession rather than reach the "soft landing." The declines in stock prices were comparable across market capitalizations, with the S&P 500 Index declining 16.10% in the quarter in line with the Russell 2000 Index which was down 17.20%. The Russell 2500 Index also declined 16.98% in the quarter. Value continues to outperform growth handily, driven in large part by the overweight of energy companies in the value indices. The Small-Mid Cap Sustainable Growth portfolio outperformed the Russell 2500 Growth Index in the second quarter. Strong stock selection and an overweight in financials and strong stock selection and an underweight in consumer discretionary contributed positively to performance during the quarter. Poor stock selection in information technology and an underweight in energy detracted from performance. Among the strongest contributors to performance during the quarter was the underweight to companies with higher betas. This reflects the types of high-quality businesses in which we invest. In periods of turbulence, such as the second quarter, our businesses tend to be less volatile as reflected by the lower beta.

The biggest contributors to performance during the quarter were Ollie's Bargain Outlet and Lamb Weston. Despite reporting soft results in the quarter, Ollie Bargain Outlet's stock appreciated due to management commentary around the quality of closeout opportunities emerging currently, and market participant assessment of the opportunity ahead of the company to capture trade-down consumer demand in a simultaneously inflationary and potentially slowing economy. Lamb Weston has seen a normalization in its business, as restaurant demand has resumed, and pricing remains strong for the company's differentiated products. Other top contributors included Ryan Specialty Holdings, Elanco Animal Health, and Azenta.

The biggest detractors to performance during the quarter were Copperleaf Technologies and West Pharmaceuticals Services. CopperLeaf Technologies reported healthy growth in line with consensus estimates. However, the company's contracts are large in nature, which makes them difficult to predict quarter-to-quarter. For instance, last quarter's growth was slightly below trend due to a large contract movement. As the company has been investing in its growth, earnings were under pressure. We believe the long-term outlook is favorable and expect the company to return to profitability in the near-term. West Pharmaceutical Services continues to make strides in selling its Biologics drug delivery products. There is some concern that the strong business the company benefited from with the COVID vaccine doses would be hard to top. However, we believe the core business is very strong and that the competitive position remains intact. Other bottom contributors included Clearwater Analytics Holdings, SiteOne Landscape Supply, and Bentley Systems.

Purchases and Sales

We purchased Azenta during the quarter and we sold Elanco Animal Health, MediaAlpha, and Olo. Azenta provides manufacturing automation solutions for the semiconductor industry and life science sample-based services and solutions for the life sciences market worldwide. The company sells both cold storage and automated DNA sample management equipment as well as providing cold storage sample management to academic institutions, pharmaceutical, and biotech industries. Once a sample is stored it is very unlikely to be moved so these storage contracts work almost like annuities. We sold our position in Elanco Animal Health as we have been disappointed in the progress the company has made in integrating its acquisitions. We also sold our position in MediaAlpha as the company is experiencing weak trends for digital advertising sales. This has been most notable in the automotive insurance industry where insurers are pulling back online spending as they work through the rebound in claims for a normalized economy. We sold our position in Olo as we saw the company struggle to return to the profitability it had as a private company before we participated in the IPO.

Outlook

Signs of an economic slowdown and/or a recession are becoming increasingly obvious. Starting with the consumer (70% of gross domestic product), we have seen material retail sales shortfalls at large retailers and consumer confidence has hit 40-year lows. New orders for the Purchasing Managers' Index have fallen below 50, which signals contraction. Raw materials, such as copper, aluminum, nickel, and zinc, have already experienced significant declines in price in the second quarter. Even the strongest sectors (oil and semiconductors) started to show significant weakness late in the quarter. This may suggest that the U.S. is already in at least a technical recession (two consecutive quarters of negative GDP), and the Fed may be closer than investors realize to bringing inflation under control. Regardless, we believe valuations have become attractive longer term. Many stocks have declined off their highs, and speculation in IPOs, SPACs, and meme stocks is non-existent which makes for a more favorable long-term investing environment. In our view, quality companies have started to perform better on a relative basis given the slowing environment and flattening yield curve.

Portfolio Highlights

Style: Small-Mid Cap
Sub-Style: Growth
Index: Russell 2500™ Growth
Portfolio Inception: 2018
Portfolio Assets: $421.2 M*
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	36
Julie Biel, CFA Portfolio Manager + Senior Research Analyst	14
Chris Wright, CFA Portfolio Manager + Senior Research Analyst	10
Todd Beiley, CFA Senior Research Analyst	23
Jon Christensen, CFA Senior Research Analyst	27
Julie Kutasov Senior Research Analyst	21
Craig Stone Senior Research Analyst	33
Sean Dixon Research Analyst	14
Arthur Su, CFA Research Analyst	7
Adam Xiao, CFA Research Analyst	9

Top Five Holdings

As of June 30, 2022

Company	Percent of equity (%)
Ryan Specialty	6.4
West Pharmaceutical Services	5.7
Jack Henry & Associates	4.6
HEICO	4.6
Copart	4.6
Total	**25.8**

** 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. 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.

Kayne Anderson Rudnick
Investment Management

Investment Process: Discovering Quality

Development of High-Quality Universe

Quantitative Screens
- High return on capital over a full economic cycle
- Long and resilient earnings history
- High return on net operating assets
- Minimal debt

Other Resources
- Research on existing portfolio holdings
- Meetings with companies
- Industry reviews
- Investment conferences
- Third-party research

Proprietary Fundamental Research

Qualitative Analysis
- Evaluate sustainability of business model and assess management's ability to direct capital where it can create further control of its market

Financial Analysis
- Evaluate basis for profitability, long-term growth potential, and ability to allocate capital appropriately

Valuation Analysis
- Determine the current and potential value of the business

Portfolio Construction

Position Weights
- Maximum initial position size is 5% (at cost)
- Maximum position size is 10% (at market)

Sector Tolerances
- Seek broad diversification, but no sector constraints

Non-U.S. Holdings
- Up to 20%

Holding Period
- Typically 3-to-5 years, but is often longer
- Portfolio turnover is typically 25% to 35%

Cash Levels
- Typically will not exceed 10% once a portfolio is fully invested; review by CIO triggered if over 10%

Sell Discipline

Extended Valuation

Portfolio Upgrade

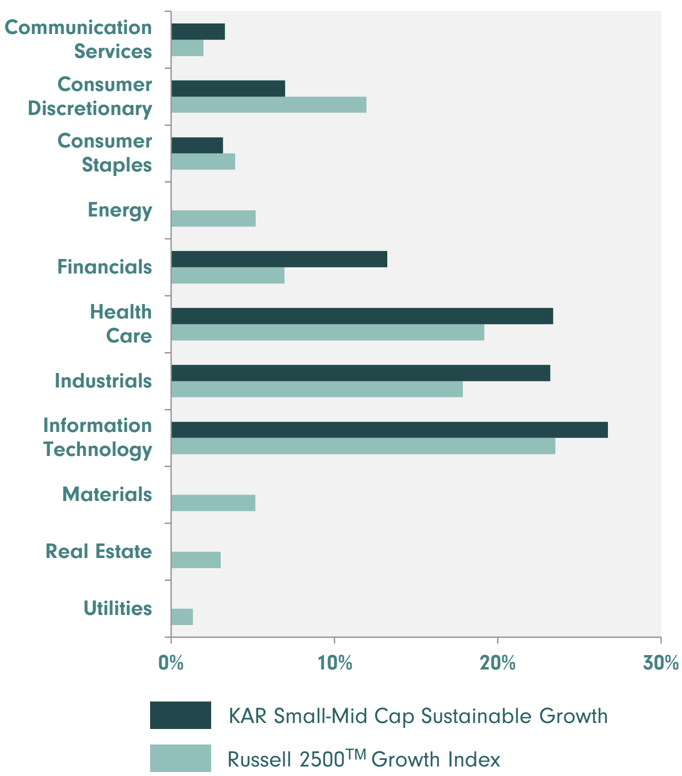
Acquisition Activity

Negative Company or Industry Changes

Higher Quality | Stronger, More Consistent Growth | Better Value

Sector Diversification

As of June 30, 2022



Portfolio Characteristics

As of June 30, 2022

	KAR Small-Mid Cap Sustainable Growth	Russell 2500™ Growth Index
Quality		
Return on Equity—Past 5 Years	**23.5%**	14.2%
Total Debt/EBITDA	**2.9 x**	4.7 x
Earnings Variability—Past 10 Years	**45.8%**	72.1%
Growth		
Earnings Per Share Growth—Past 10 Years	**16.2%**	12.3%
Capital Generation—{ROE x (1-Payout)}	**20.2%**	12.1%
Value		
P/E Ratio—Trailing 12 Months	**49.2 x**	51.0 x
Free Cash Flow Yield†	**1.9%**	1.8%
Market Characteristics		
$ Weighted Average Market Cap.	**$12.2 B**	$5.3 B
Largest Market Cap	**$29.1 B**	$18.0 B

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.

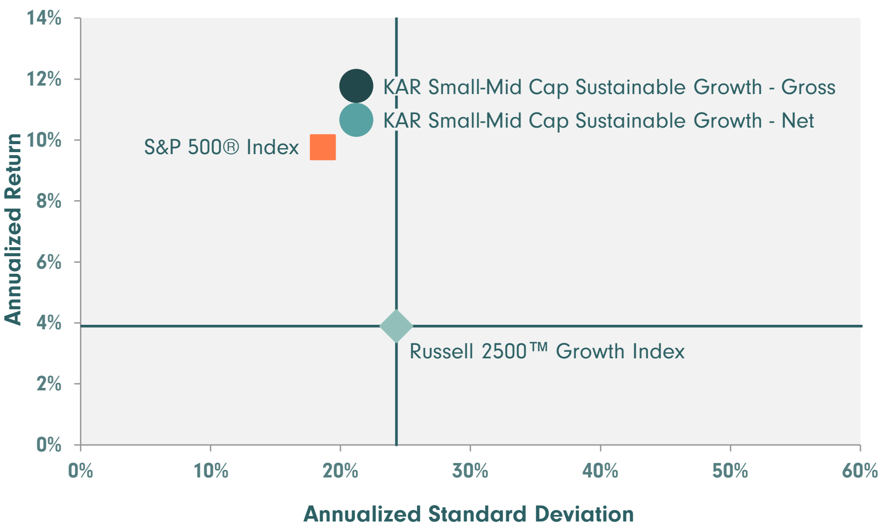
†Free cash flow data is as of March 31, 2022. Prices are as of June 30, 2022. Excludes financials. This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. 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.***

Small-Mid Cap Sustainable Growth Portfolio

Second Quarter 2022

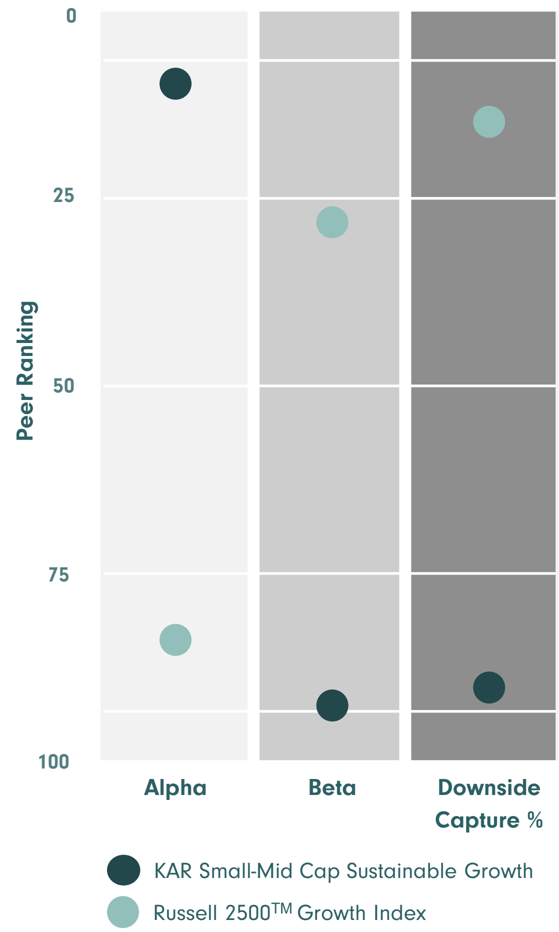
Strong Risk-Adjusted Returns

Inception* to June 30, 2022



Peer Comparison Chart

Inception* to June 30, 2022



Historical Returns

	KAR Small-Mid Cap Sustainable Growth (gross)	KAR Small-Mid Cap Sustainable Growth (net)‡	Russell 2500™ Growth Index
Annualized Returns (%)† As of June 30, 2022			
2nd Quarter	(17.86)	(18.08)	(19.55)
Year to Date	(26.12)	(26.51)	(29.45)
One Year	(25.33)	(26.09)	(31.81)
Three Years	8.77	7.69	3.68
Inception*	11.77	10.66	3.89
Annual Returns (%)			
2021	6.58	5.52	5.04
2020	48.40	46.97	40.47
2019	46.11	44.70	32.65
2018‖	(9.44)	(9.83)	(15.93)

Performance Statistics

Inception* to June 30, 2022

	KAR Small-Mid Cap Sustainable Growth§	Russell 2500™ Growth Index
Annualized Standard Deviation	**21.23**	24.29
Alpha	**8.08**	0.00
Beta	**0.80**	1.00
Sharpe Ratio	**0.51**	0.12
R-Squared	**83.71**	100.00

**August 1, 2018*
†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. 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.
§Performance statistics are based on gross of fee returns.
‖Performance calculations are for the five months ended December 31, 2018.
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 Growth Universe includes all managers categorized in the small-mid cap growth 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.*** *Returns could be reduced, or losses incurred, due to currency fluctuations.*

Kayne Anderson Rudnick
Investment Management

Small-Mid Cap Sustainable Growth Portfolio

Second Quarter 2022

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2500™ Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets ($ Millions)	Firm Assets ($ Millions)
2018*	(9.44)	(9.83)	(15.93)	N/A	N/A	< 5	N/A	< 1	17,840
2019	46.11	44.70	32.65	N/A	N/A	< 5	N/A	< 1	25,685
2020	48.40	46.97	40.47	N/A	N/A	65	N/A	24	39,582

**2018 performance numbers in this table reflect the composite inception date of August 1, 2018 through December 31, 2018.*
The Russell 2500™ 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, 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 Small-Mid Cap Sustainable Growth Composite has had a performance examination for the period from August 1, 2018 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 is defined as all fully discretionary institutional and pooled Small-Mid Cap Sustainable Growth Portfolios. Small-Mid Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ Growth Index, that have market control, solid 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™ Growth Index. The Russell 2500™ Growth Index is a market capitalization-weighted index of growth-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 inception date of the composite is August 2018. The composite was created in August 2018. 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 1.00% for all periods presented. The standard Institutional 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. 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 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 or for time periods less than one 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.