Global Dividend Yield Portfolio

Second Quarter 2025

Portfolio Highlights

Style: Large Cap
Index: MSCI® World High Dividend Yield Index
Portfolio Turnover: 25%–45%
Number of Holdings: 25–50

Portfolio Review

The Global Dividend Yield portfolio outperformed the MSCI World High Dividend Yield Index in the second quarter. Good stock selection and an underweight in consumer discretionary and good stock selection and an overweight in information technology contributed positively to performance. Poor stock selection in materials and communication services detracted from performance.

The biggest contributors to performance during the quarter were Canadian Tire and BAE Systems. Canadian Tire outperformed over the past quarter as the company posted strong first quarter 2025 results, driven by positive same store sales growth in retail across all banners (CTR, SportChek, and Mark's). Canadian Tire continues to build on its Triangle Rewards system by partnering with WestJet Rewards, a major airline reward system in Canada. The company also completed its previously announced Helly Hansen sale in the quarter. BAE Systems benefited from a powerful combination of surging global defense spending, record order intake, and robust financial performance. The company's direct exposure to heightened geopolitical tensions (including the ongoing war in Ukraine, escalating conflicts in the Middle East, and rising confrontation in the Indo-Pacific) has driven unprecedented demand for advanced military systems and modernization programs. Other top contributors included IBM, Broadcom, and NN Group.

The biggest detractors to performance during the quarter were AbbVie and Eastman Chemical. Biopharmaceutical stocks in general have had a tough start to the year as the new administration has taken aim at drug pricing and implemented tariffs impacting the cost of active ingredient components of medications (APIs) which are mostly imported. AbbVie, like many of its peers, is planning to invest in more U.S. manufacturing, reviewing API sourcing, and looking for other ways to mitigate the impact of policy changes. Meanwhile its underlying business is performing well with strength across the portfolio, but particularly in Immunology where Skyrizi and Rinvoq continue to have strong share of patients new to therapy or switching from other therapies. Eastman Chemical's specialty chemicals business continues to struggle to gain traction and produce steady, growing results. In addition, its methanolysis/recycling business continues to struggle to produce the desired economic returns that management articulated. Other bottom contributors included Amcor, Johnson & Johnson, and Verizon Communications.

Market Review

At the peak of tariff terror (the low point for the market), we saw equity valuations normalize, particularly those of expensive technology shares. At that time, valuations ranged from fair to attractive, particularly for small cap stocks. As investors gained confidence that cooler heads would prevail in the tariff wars, we saw valuations bounce back materially. This is particularly true for the largest companies in the S&P 500 (i.e., the big tech firms leading the surge). With so much uncertainty both at home and abroad, it is hard to gauge whether higher valuations are likely to be justified with strong earnings growth. Earnings estimates have been sliding as the year has progressed, which is not unusual. But this does put more pressure on expectations for the end of 2025 and into 2026.

It is also possible that investor expectations for interest rate cuts support higher equity market valuations. We would caution though that the Fed's stance currently is that the economy is on solid enough footing that it does not need to cut rates. Should that change, and the Fed were forced to cut rates, that probably would not be positive for equity valuations overall.

Purchases and Sales

New Purchases	Complete Sales
Medtronic	Pfizer

Investment Management Team

Name	Research Start Date
Richard Sherry, CFA Portfolio Manager + Senior Research Analyst	1998
Chris Armbruster, CFA Senior Research Analyst	2004
Noran Eid Senior Research Analyst	2012
Katie Advena Research Analyst	2011
Luke Longinotti, CFA Governance & Sustainability Analyst	2020
Charlie Wang, CFA Research Analyst	2020
Clarissa Ali Associate Research Analyst	2023

Top 10 Holdings

As of June 30, 2025

Company	Percent of equity (%)
International Business Machines	6.6
Fortis	4.9
Zurich Insurance Group	4.8
Canadian Tire	4.4
Verizon Communications	4.2
BAE Systems	4.1
Southern Company	3.7
AbbVie	3.7
Terna	3.6
Telenor	3.4
Total	**43.4**

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.***

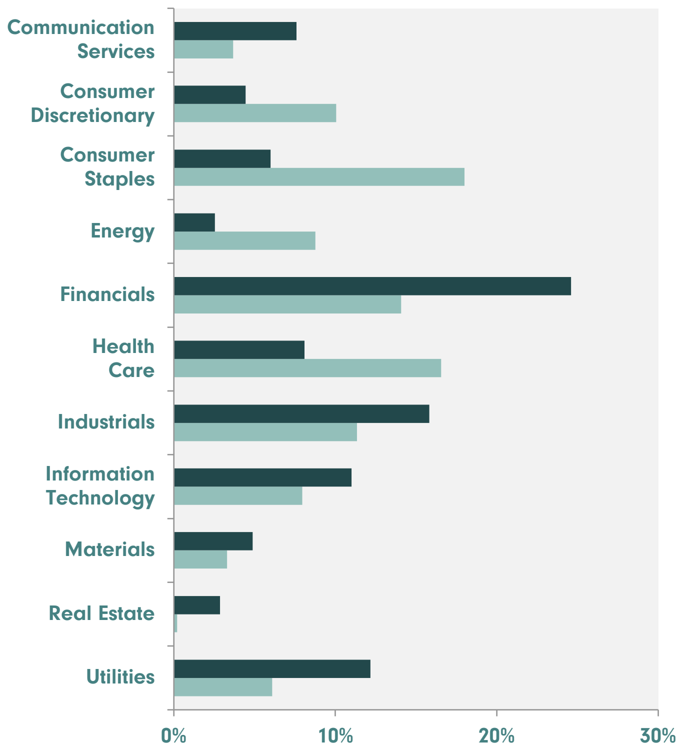
Investment Process: Discovering Quality

Development of KAR High-Quality Universe	Proprietary Fundamental Research	Portfolio Construction	Sell Discipline
KAR Universe **Typical Quantitative Screens** • Investment-grade balance sheet • Market cap > $1.0 billion • 5-year average ROE > 7.5% • No dividend cut last five years **Other Resources** • Research on existing portfolio holdings • Meetings with companies • Industry reviews • Investment conferences • Third-party 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	**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 **Holding Period** • Typically 3-to-5 years, but is often longer • Portfolio turnover is typically 25% to 45% **Cash Levels** • Typically will not exceed 10% once a portfolio is fully invested; review by CIO triggered if over 10%	**Potential dividend cut** **Balance sheet deterioration** **Inability to cover dividend via internal cash generation over medium-to-long term**

Seeking High Yield | Seeking Market Return | Seeking Low Risk

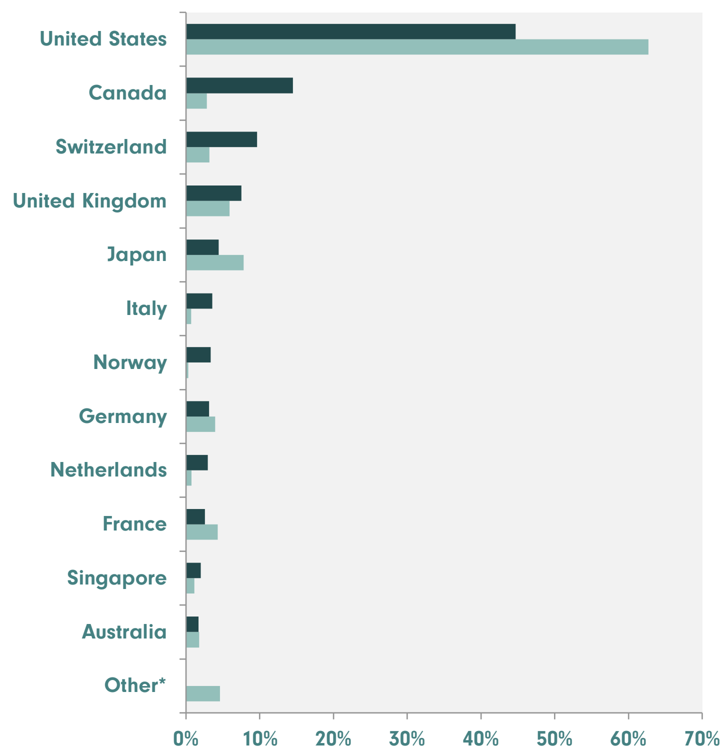
Sector Diversification

As of June 30, 2025



Geographical Exposure

As of June 30, 2025



KAR Global Dividend Yield   MSCI® World High Dividend Yield Index

** "Other" is comprised of securities held in countries within the benchmark which are not held in our representative portfolio. The countries include Austria, Belgium, Chile, China, Denmark, Finland, Hong Kong, Israel, Jordan, Portugal, Spain and Sweden.*

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.

Global Dividend Yield Portfolio
Second Quarter 2025

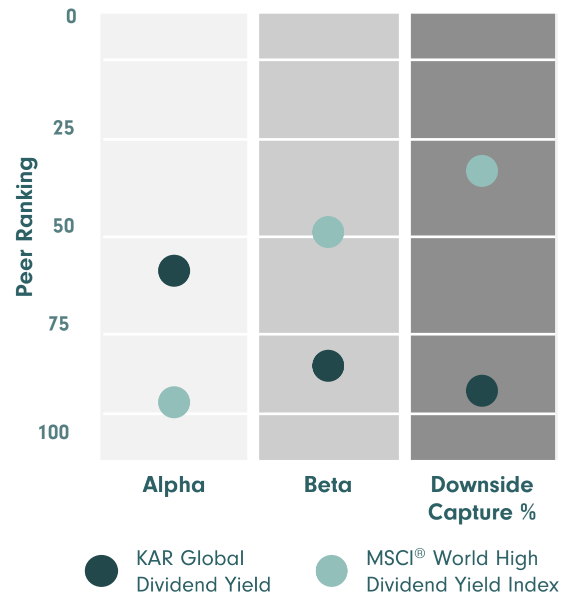
Portfolio Characteristics
As of June 30, 2025

	KAR Global Dividend Yield	MSCI® World High Dividend Yield Index
Quality		
Return on Equity—Past 5 Years	**20.8%**	20.4%
Debt Coverage	**4.9 x**	5.7 x
Growth		
Earnings Per Share Growth—Past 5 Years	**3.7%**	11.0%
Dividend Per Share Growth—Past 5 Years	**3.8%**	8.7%
Value		
Dividend Yield*	**3.5%**	3.5%
Market Characteristics		
Dividend Payout Ratio—5 Year Average	**74.8%**	61.2%
$ Weighted Average Market Cap	**$138.7 B**	$152.2 B
Largest Market Cap	**$1,296.1 B**	$466.3 B
Beta—Since Inception† (Net of Fees)	**0.92**	1.00

Historical Returns

	KAR Global Dividend Yield (gross)	KAR Global Dividend Yield (net)‡	MSCI® World High Dividend Yield Index
Annualized Returns (%)§ As of June 30, 2025			
2nd Quarter	6.53	6.35	2.59
Year to Date	15.78	15.38	9.35
One Year	21.37	20.53	13.56
Three Years	9.37	8.61	10.28
Five Years	11.06	10.29	10.35
Seven Years	7.33	6.58	7.64
Ten Years	7.28	6.53	7.36
Inception†	8.73	7.98	8.02
Annual Returns (%)			
2024	5.60	4.86	7.95
2023	5.50	4.77	9.12
2022	(1.70)	(2.39)	(4.74)
2021	14.13	13.34	15.83
2020	(5.62)	(6.28)	(0.03)
2019	23.44	22.59	23.15
2018	(4.13)	(4.81)	(7.56)
2017	14.57	13.77	18.14
2016	12.22	11.45	9.29
2015	(3.51)	(4.18)	(3.20)
2014	12.36	11.58	2.48
2013	22.35	21.51	21.91
2012	12.36	11.58	12.24

Peer Comparison Chart
Inception† to June 30, 2025



The eVestment Global Dividend Focus Universe includes 50 managers categorized in the global dividend focus asset class by eVestment. KAR does not pay any fees to be included in the eVestment Global Dividend Focus 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.***

Performance Statistics
Inception† to June 30, 2025

	KAR Global Dividend Yield (gross)	KAR Global Dividend Yield (net)	MSCI® World High Dividend Yield Index
Annualized Standard Deviation	12.06	12.06	12.28
Alpha	1.22	0.52	0.00
Beta	0.92	0.92	1.00
Sharpe Ratio	0.60	0.54	0.53
R-Squared	87.24	87.24	100.00

**Dividend yield is a financial ratio that shows how much companies have paid out in dividends in the most recent year relative to their stock price at the end of such year. Dividend yield is being shown here as a characteristic of the stocks held in the portfolio and not to infer how the stocks have or will perform, as dividends are not the only component of the portfolio's performance. Dividends are subject to change from year-to-year, and the portfolio's dividend yield could be lower or higher in future years.*
†January 1, 2012.
‡Net of all fees and expenses. Assumes a 0.70% 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.

§All periods less than one year are total returns and are not annualized. Returns are final. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment. Returns could be reduced, or losses incurred, due to currency fluctuations.
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 and the index, please see the disclosure statement in this presentation. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. Data is obtained from FactSet Research Systems and BNY Mellon and are assumed to be reliable. ***Past performance is no guarantee of future results.***

Kayne Anderson Rudnick
Investment Management

Global Dividend Yield Composite

Second Quarter 2025

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® World High Dividend Yield Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets ($ Millions)	Firm Assets ($ Millions)
2015	(3.51)	(4.76)	(3.20)	10.15	11.32	44	0.82	33	8,095
2016	12.22	10.78	9.29	9.32	10.61	61	0.82	332	9,989
2017	14.57	13.10	18.14	8.00	9.59	221	0.38	128	14,609
2018	(4.13)	(5.38)	(7.56)	8.23	9.14	234	0.47	111	17,840
2019	23.44	21.87	23.15	8.62	9.80	268	0.67	144	25,685
2020	(5.62)	(6.84)	(0.03)	16.60	15.91	277	1.31	123	39,582
2021	14.13	12.67	15.83	16.56	15.72	269	0.44	141	47,269
2022	(1.70)	(2.97)	(4.74)	18.69	17.40	286	0.88	160	33,531
2023	5.50	4.14	9.12	13.96	13.99	287	0.62	159	41,186
2024	5.60	4.24	7.95	13.94	13.60	264	0.56	149	45,494

The MSCI® World High Dividend Yield 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.

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 Global Dividend Yield Composite has had a performance examination for the period from January 1, 2014 through December 31, 2024. The verification and performance examination reports are available upon request.

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The composite includes all fully discretionary institutional and pooled Global Dividend Yield Portfolios. Global Dividend Yield Portfolios are invested in globally diversified securities of high-quality, mature companies with high dividend yields. For comparison purposes, the composite is measured against the MSCI® World High Dividend Yield Index (net). The MSCI® World High Dividend Yield Index is designed to reflect the performance in the MSCI® World Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The benchmark was changed retroactively effective January 2019, as the previous benchmark was discontinued December 2018. Benchmark returns are not covered by the report of the independent verifiers. The inception date of the composite is January 2012. The composite was created in January 2012. 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: 0.70% for the first $25 million; 0.55% on the next $25 million; 0.45% on the next $50 million; 0.35% 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

Alpha: A risk-adjusted measure of an investment's excess return relative to a benchmark. Beta: A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. R2: A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. Sharpe Ratio: A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. Standard Deviation: Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.