

Small-Mid Cap Growth Portfolio

Second Quarter 2025

Portfolio Review

The Small-Mid Cap Growth portfolio underperformed the Russell 2500 Growth Index in the second quarter. Poor stock selection in industrials and financials detracted from performance. Good stock selection and an underweight in health care and an underweight in energy contributed positively to performance.

The biggest contributors to performance during the quarter were HEICO and Bentley Systems.

- HEICO continues to execute in all segments as demand for the company's parts has increased in both commercial and defense aircrafts. The company continues to gain placement within aviation.
- Bentley Systems reported consistent profitable growth, particularly in software subscriptions, as the business benefits from a strengthening infrastructure spending environment.
- Other top contributors included Celsius Holdings, HealthEquity, and Rightmove.

The biggest detractors from performance during the quarter Saia and Ryan Specialty.

- Saia's share price declined after the company reported a decline in profits. Near-term profitability is being pressured by the added costs of new terminals opened last year and a still weak shipping environment, which may worsen over the coming months due to tariff uncertainty.
- Recent organic revenue growth was healthy despite lower premium rates in the property market. However, Ryan Specialty's profit progress was obfuscated by heavy acquisition activity.
- Other bottom contributors included Enerpac Tool Group, POOLCORP, and Auto Trader Group.

Purchases and Sales

During the quarter, we purchased Auto Trader Group. There were no complete sales.

Founded in 1977, Auto Trader operates the leading online automotive marketplace in the U.K. Auto Trader is the clear market leader accounting for over 75% of minutes spent on automotive classified sites and is 10x larger than the number two classified player. This attracts dealers to list their inventory with Auto Trader in order to access the largest unique vehicle-buying audience in the U.K. and is a significant competitive barrier. The business is also highly cash generative and management returns most of its excess profits to shareholders.

Outlook

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.

Portfolio Highlights

Style: Small-Mid Cap
Sub-Style: Growth
Index: Russell 2500™ Growth
Portfolio Inception: 2018
Portfolio Assets: \$692.0 M*
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Research Start Date
Julie Biel, CFA Portfolio Manager + Senior Research Analyst	2004
Chris Wright, CFA Portfolio Manager + Senior Research Analyst	2012
Todd Bailey, CFA Senior Research Analyst	1999
Jon Christensen, CFA Senior Research Analyst	1995
Julie Kutasov Senior Research Analyst	2001
Craig Stone Senior Research Analyst	1990
Adam Xiao, CFA Senior Research Analyst	2013
Tyler Cantarano Research Analyst	2017
Sean Dixon Research Analyst	2008
Luke Longinotti, CFA Governance & Sustainability Analyst	2020
Arthur Su, CFA Research Analyst	2015
Clarissa Ali Associate Research Analyst	2023

Top Five Holdings

As of June 30, 2025

Company	Percent of equity (%)
HEICO	7.3
Ryan Specialty	5.0
Tyler Technologies	4.7
HealthEquity	4.5
Ollie's Bargain Outlet	4.4
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. 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
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 <ul style="list-style-type: none"> Portfolio Upgrade Acquisition Activity Negative Company or Industry Changes

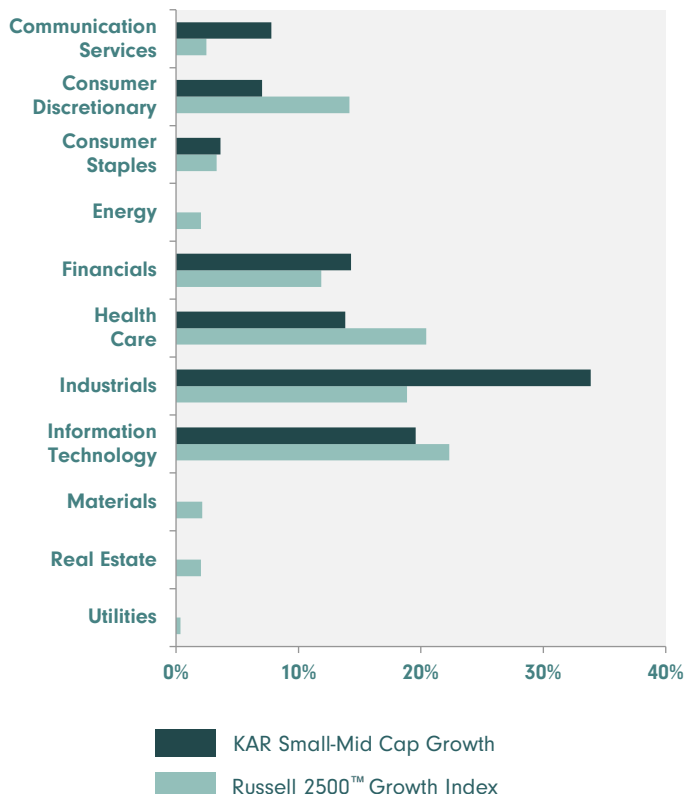
Seeking Higher Quality

Seeking Stronger, More Consistent Growth

Seeking Better Value

Sector Diversification

As of June 30, 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 June 30, 2025

	KAR Small-Mid Cap Growth	Russell 2500™ Growth Index
Quality		
Return on Equity—Past 5 Years	17.9%	10.7%
Debt/EBITDA*	1.2 x	1.5 x
Earnings Variability—Past 10 Years	51.3%	80.6%
Growth		
Earnings Per Share Growth—Past 10 Years	14.2%	14.2%
Capital Generation—{ROE x (1-Payout)}	14.6%	9.6%
Value		
P/E Ratio—Trailing 12 Months	43.4 x	87.7 x
Free Cash Flow Yield†	2.5%	2.2%
Market Characteristics		
\$ Weighted Average Market Cap	\$15.8 B	\$7.2 B
Largest Market Cap	\$44.5 B	\$23.9 B

*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.

†Free cash flow data is as of March 31, 2025. Prices are as of June 30, 2025. 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.

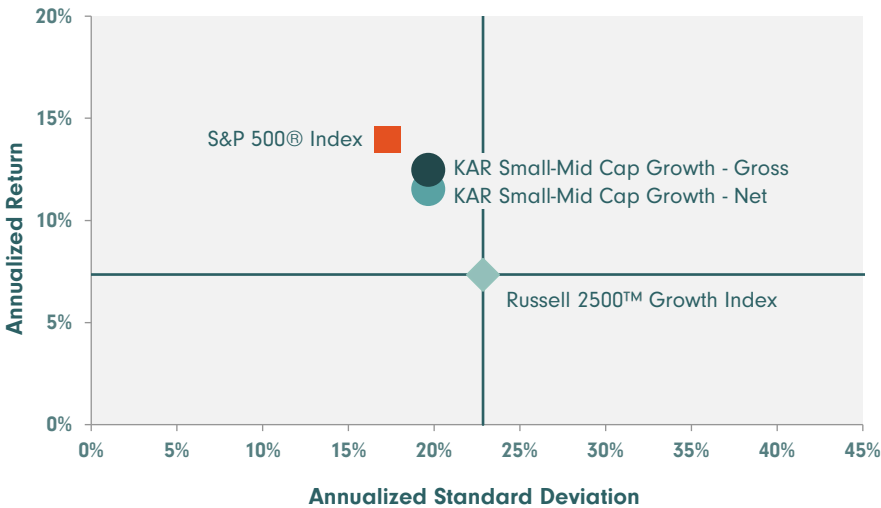
Past performance is no guarantee of future results.

Small-Mid Cap Growth Portfolio

Second Quarter 2025

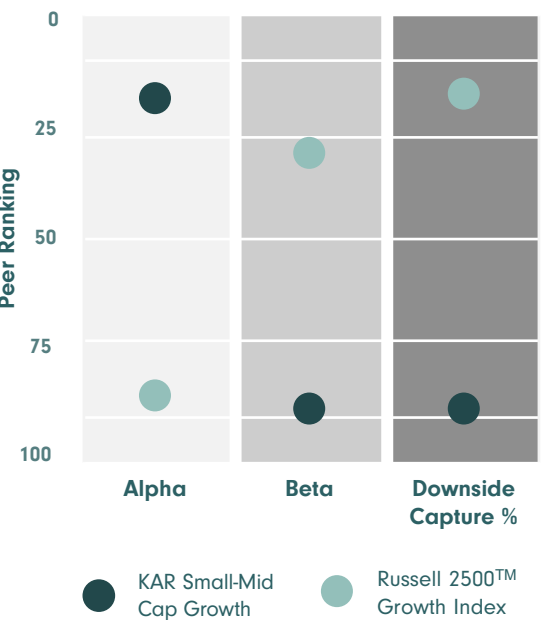
Risk-Return Analysis

Inception* to June 30, 2025



Peer Comparison Chart

Inception* to June 30, 2025



Historical Returns

	KAR Small-Mid Cap Growth (gross)	KAR Small-Mid Cap Growth (net) [‡]	Russell 2500™ Growth Index
Annualized Returns (%)[†]			
As of June 30, 2025			
2 nd Quarter	5.95	5.73	11.31
Year to Date	1.97	1.54	(0.71)
One Year	11.10	10.17	8.81
Three Years	13.44	12.49	12.05
Five Years	7.45	6.54	7.50
Inception*	12.49	11.55	7.35
Annual Returns (%)			
2024	12.86	11.91	13.90
2023	20.07	19.06	18.93
2022	(21.94)	(22.62)	(26.21)
2021	6.58	5.68	5.04
2020	48.40	47.18	40.47
2019	46.11	44.91	32.65
2018 [§]	(9.44)	(9.77)	(15.93)

The eVestment Small-Mid Cap Growth Universe includes 66 managers categorized in the small-mid cap growth asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small-Mid Cap Growth 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 Small-Mid Cap Growth (gross)	KAR Small-Mid Cap Growth (net)	Russell 2500™ Growth Index
Alpha	5.66	4.77	0.00
Sharpe Ratio	0.50	0.45	0.21
Information Ratio	0.56	0.46	N/A
Beta	0.79	0.79	1.00
Downside Capture	71.98	73.41	100.00
Tracking Error	9.12	9.12	N/A

*August 1, 2018

[†]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 0.85% 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 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 final. 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.

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Small-Mid Cap Growth Composite

Second Quarter 2025

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)	(9.95)	(15.93)	N/A	N/A	< 5	N/A	< 1	17,840
2019	46.11	44.28	32.65	N/A	N/A	< 5	N/A	< 1	25,685
2020	48.40	46.54	40.47	N/A	N/A	65	N/A	24	39,582
2021	6.58	5.21	5.04	18.89	22.28	126	0.81	427	47,269
2022	(21.94)	(22.97)	(26.21)	22.52	25.54	109	0.59	352	33,531
2023	20.07	18.54	18.93	19.56	21.25	100	0.42	471	41,186
2024	12.86	11.41	13.90	20.58	23.12	85	1.19	567	45,494

*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, 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 Small-Mid Cap Growth Composite has had a performance examination for the period from August 1, 2018 through December 31, 2024. 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 Growth Portfolios. Small-Mid Cap 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 1.30% for all periods presented. The standard Institutional management fee schedule currently in effect is as follows: 0.85% for the first \$25 million; 0.75% on the next \$25 million; 0.70% 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 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 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 2021 because 36 monthly composite returns are not available.

GLOSSARY

Alpha: A risk-adjusted measure of an investment's excess return relative to a benchmark. Sharpe Ratio: A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. Information Ratio: The information ratio (IR) is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. Beta: A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Downside Capture Ratio: A statistical measure of an investment manager's overall performance in down-markets. It is used to evaluate how well an investment manager performed relative to an index during periods when that index has dropped. Tracking Error: The divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. It is reported as a standard deviation percentage difference, which reports the difference between the return an investor receives and that of the benchmark they were attempting to imitate.