KAR Investment Management
A VIRTUS INVESTMENT PARTNER

Small Cap Quality Value Portfolio

Second Quarter 2026

Portfolio Highlights

Style: Small Cap
Sub-Style: Value
Index: Russell 2000® Value
Portfolio Inception: 1998
Portfolio Assets: $4,322.9 M*
Portfolio Turnover: 25%–35%

Our Philosophy

We seek to own differentiated businesses with enduring competitive protections, favorable long-term prospects, and exceptional economic characteristics. We invest in companies which we believe have low business risk as identified by certain financial characteristics—consistent and profitable growth, high returns on capital, strong free cash flow, and a low organic need for external financing. And we look to buy these companies at attractive valuations.

Tenets of Quality

Competitive Protection + **Owner-Oriented Management** → **High Quality Business**

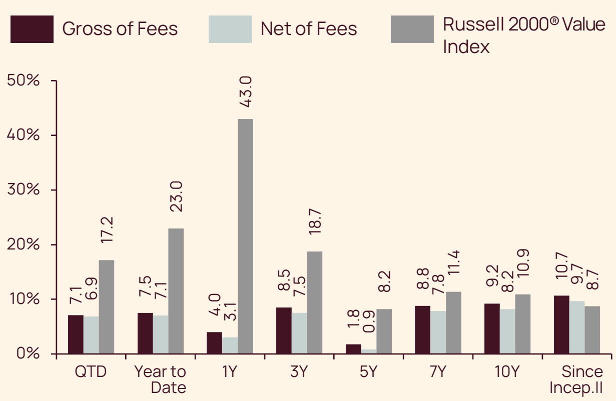
Portfolio Characteristics

As of June 30, 2026

	KAR Small Cap Quality Value	Russell 2000® Value Index
Quality		
Return on Equity—Past 5 Years	20.3%	7.1%
Debt/EBITDA†	1.7 x	3.4 x
Earnings Variability—Past 10 Years	39.6%	81.5%
Growth		
Earnings Per Share Growth—Past 5 Years	8.9%	3.5%
Earnings Per Share Growth—Past 10 Years	9.2%	7.5%
Dividend Per Share Growth—Past 5 Years	7.7%	6.7%
Dividend Per Share Growth—Past 10 Years	9.7%	4.9%
Capital Generation—{ROE x (1-Payout)}	14.1%	5.4%
Value		
P/E Ratio—Trailing 12 Months	23.7 x	33.4 x
Dividend Yield‡	1.3%	2.0%
Free Cash Flow Yield§	4.1%	1.9%
Market Characteristics		
$ Weighted Average Market Cap—3-Year Avg.	$5.6 B	$3.0 B
Largest Market Cap—3-Year Avg.	$15.8 B	$13.1 B
Annualized Standard Deviation—Since Incep.‖	17.1%	19.5%

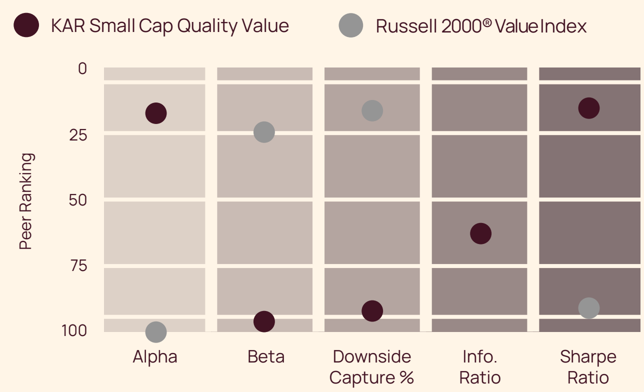
Annualized Returns**

As of June 30, 2026



Peer Comparison††

Inception‖ to June 30, 2026



*Figures in USD.
†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.
‡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.
§Free cash flow data is as of March 31, 2026. Prices are as of June 30, 2026. Excludes financials.
‖June 1, 1998. Standard deviation for the KAR strategy is based on net-of-fee returns.
Source: FactSet Research Systems and BNY Mellon. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information.

Source: SS&C GWP™ and FactSet Research Systems. Returns for the Kayne Anderson Rudnick ("KAR") composite are preliminary, based on unaudited calculations as of the period shown, subject to change, and may differ from final performance due to reconciliation, timing, or valuation adjustments. All periods less than one year are total returns and are not annualized. Composite performance does not represent the performance of any individual client account, which can differ based on factors such as cash flows and different fee arrangements. KAR may update preliminary performance information as it deems appropriate. Final performance information for existing client accounts is reflected in account statements, where applicable. Net of fee returns reflect an assumed maximum fee of 0.90% as further described on the Disclosure page. Returns may be affected by currency fluctuations. **Past performance is no guarantee of future results.
††The eVestment Small Cap Value Universe includes 57 managers categorized in the small cap value asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small Cap Value 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.

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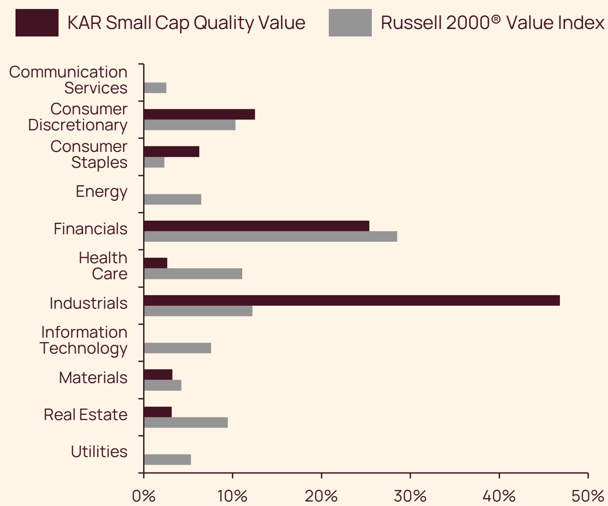
Sector Diversification

As of June 30, 2026



Top Ten Holdings

As of June 30, 2026

Company	Percent of equity (%)
RBC Bearings	6.8
Construction Partners	6.2
Cheesecake Factory	5.5
Primerica	4.7
Watsco	4.6
JBT Marel	4.4
WD-40	4.4
Armstrong World Industries	4.3
Bank of Hawaii	4.1
Houlihan Lokey	4.1
Total	**49.0**

Source: SS&C GWP™ and FactSet Research Systems. Holdings and weightings are based on a representative portfolio. The sector information represented above is based on GICS sector classifications. Holdings are subject to change. Individual investors' holdings may differ slightly. Numbers may not always add up due to rounding.

Composite Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2000® Value Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets ($ Millions)	Firm Assets ($ Millions)
2015	(0.16)	(1.45)	(7.47)	13.94	13.65	151	0.20	535	8,095
2016	26.74	25.13	31.74	14.30	15.72	141	1.13	711	9,989
2017	20.48	18.94	7.84	12.32	14.17	191	0.56	996	14,609
2018	(14.80)	(15.92)	(12.86)	14.42	15.98	152	0.35	895	17,840
2019	25.79	24.20	22.39	14.59	15.90	126	0.65	1,107	25,685
2020	29.85	28.20	4.63	22.12	26.49	121	0.97	1,835	39,582
2021	20.68	19.15	28.27	19.96	25.35	118	0.36	2,932	47,269
2022	(23.41)	(24.42)	(14.48)	23.28	27.66	125	0.24	1,942	33,531
2023	20.02	18.49	14.65	20.07	22.06	115	0.44	2,032	41,186
2024	10.54	9.12	8.05	22.37	23.77	106	0.51	2,035	45,494

The Russell 2000® 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, 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 Cap Quality Value Composite has had a performance examination for the period from January 1, 1999 through December 31, 2024. The verification and performance examination reports are available upon request.

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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 Small Cap Quality Value Portfolios. Small Cap Quality Value Portfolios are invested in equity securities with capitalizations consistent with the Russell 2000® 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 2000® Value Index. The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks of the 2,000 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 independent verifiers. The inception date of the composite is June 1998. The composite was created in June 1998. 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: 0.90% for the first $25 million; 0.80% on the next $25 million; 0.70% 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.