

Emerging Markets Small Cap Portfolio

Third Quarter 2020

Market Review

Emerging market equities continued to advance in the third quarter and outperformed developed international markets. Most of the gains were led by Asian countries, such as China, Korea, Taiwan and India, that account for larger weights of the broader emerging markets index. In China, economic data indicated ongoing recovery and second quarter corporate earnings were supportive. Countries such as Indonesia and Thailand, on the other hand, ended the quarter with negative returns. In Indonesia, COVID-19 cases increased and, as a result, tighter restrictions were introduced in Jakarta. In Thailand, the weakness in the tourism sector continued to weigh on the country's equities.

Portfolio Review

The Emerging Markets Small Cap portfolio underperformed the MSCI Emerging Markets Small Cap Index for the third quarter. Stock selection was a positive contributor overall while sector allocation detracted from performance. An underweight in health care was the primary reason for the negative contribution as health care was the best performing sector in the benchmark. In terms of stock selection, a handful of portfolio companies had price appreciation above 30% during the quarter, contributing positively to our performance.

Stocks that contributed the most to the portfolio during the quarter were IndiaMART and Union Auction Public. IndiaMART operates a horizontal online business-to-business classifieds website for Small and Medium-sized Enterprises (SMEs) in India. It is the largest of its kind and is the go-to place for SMEs who want to utilize the internet channel to find buyers and sellers of various products. Although the business is not immune to the negative effects of COVID-19, its quarterly results showed resiliency. We think the positive business results and the prospects of more SMEs utilizing the internet channel as a result of COVID were key drivers of outperformance during the quarter. Union Auction Public is the largest operator of used and salvaged car auctions in Thailand. The stock outperformed in the third quarter on the back of strong earnings growth. The company's investments in online bidding technology have enabled it to sustain high auction volumes despite social distancing measures. This business is not immune to cyclical downturns, but we remain encouraged by its resilience and its ability to raise the dividend despite the pandemic. Other top contributors included Sea, WebCash and Voltronic Power Technology.

Stocks that detracted the most during the quarter were Vasta Platform and Tegma Gestao Logistica. Vasta Platform is an education company that provides K-12 educational content to private schools in Brazil. The company has both digital and physical content materials and helps improve the quality of education and the students' performance while also enabling remote learning. The stock's underperformance is likely related to COVID-19's negative impact on student enrollments in Brazil. Tegma Gestao Logistica is a Brazil-based logistics company that handles close to 30% of all newly built vehicles transportation throughout the country. It is the leader in this oligopolistic industry and has a strong competitive position that has been sustained for several decades. The stock underperformed as the business is directly affected by the pandemic with many auto dealerships being closed as a result of the lockdown measures. We believe that Tegma is well positioned to endure the downturn with a healthy balance sheet and the ability to cut cost dramatically as 80% of costs are variable costs. Other bottom contributors included Younglimwon Soft Lab, Humanica Public and Carlsberg Brewery Malaysia.

Purchases and Sales

New Purchases	Complete Sales
Oracle Financial Services Software	Carsales.com
Vasta Platform	Compania Cervcerias Unidas (CCU)
Younglimwon Soft Lab	

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	34
Hyung Kim Portfolio Manager + Senior Research Analyst	16
Craig Thrasher, CFA Portfolio Manager + Senior Research Analyst	16
Ekaterina V. Advena Research Analyst	11
David Forward Research Analyst	6

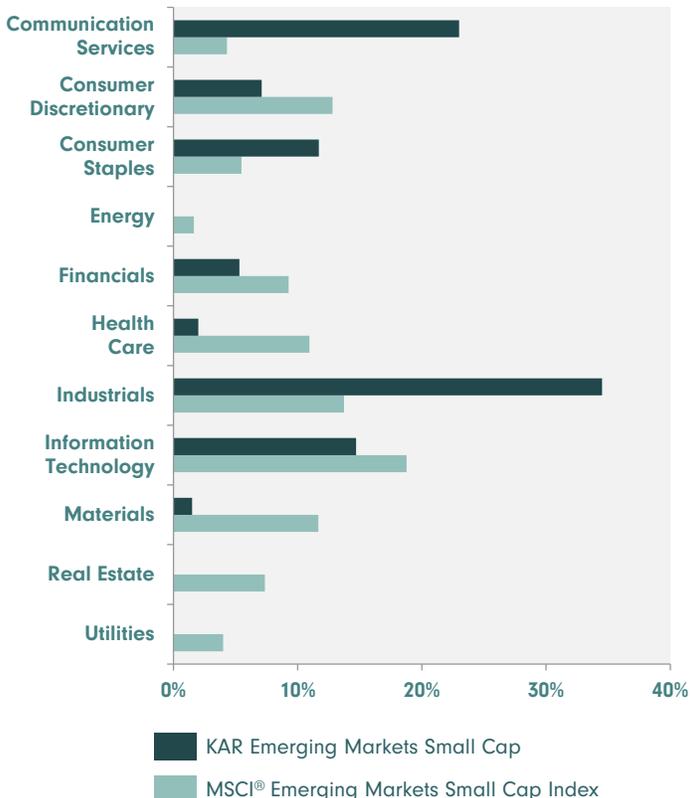
*This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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 superior 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 September 30, 2020



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 September 30, 2020

	KAR Emerging Markets Small Cap	MSCI® Emerging Markets Small Cap Index
Quality		
Return on Equity—Past 5 Years	21.6%	11.6%
Total Debt/EBITDA	0.8 x	5.9 x
Interest Expense Coverage	3.8 x	2.7 x
Growth		
Earnings Per Share Growth—Past 5 Years	21.7%	10.5%
Earnings Per Share Growth—Past 10 Years	11.6%	7.5%
Dividend Per Share Growth—Past 5 Years	17.7%	9.9%
Dividend Per Share Growth—Past 10 Years	10.4%	6.9%
Value		
P/E Ratio—Trailing 12 Months	17.8 x	22.4 x
Dividend Yield	2.2%	2.5%
Market Characteristics		
\$ Weighted Average Market Cap	\$7.1 B	\$1.6 B
Largest Market Cap	\$75.1 B	\$3.1 B

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.**

Emerging Markets Small Cap Portfolio

Third Quarter 2020

Top 10 Holdings

As of September 30, 2020

Company	Country	Percent of equity (%)
VNV Global	Sweden	5.2
WebCash	South Korea	5.1
Union Auction Public	Thailand	5.0
Headhunter Group	Russian Federation	5.0
IndiaMART InterMESH	India	4.1
Sea	Singapore	3.6
S-1	South Korea	3.6
Autohome	China	3.3
Anhui Gujing Distillery	China	3.3
Auto Trader	United Kingdom	3.2
Total		41.5

Country Exposure

As of September 30, 2020



Historical Returns

	KAR Emerging Markets Small Cap (gross)	KAR Emerging Markets Small Cap (net) [‡]	MSCI [®] Emerging Markets Small Cap Index
Annualized Returns (%)[†]			
As of September 30, 2020			
3 rd Quarter	11.66	11.34	11.85
Year to Date	20.07	19.01	(2.40)
One Year	28.68	27.17	6.89
Three Years	14.17	12.82	(1.09)
Five Years	17.36	15.98	4.60
Inception*	9.79	8.49	1.98
Annual Returns (%)			
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

*January 1, 2014

[†]All periods less than one year are total returns and are not annualized. Returns are preliminary.

[‡]Net of all fees and expenses. Assumes a 1% annual fee.

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. 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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Third Quarter 2020

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

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, 2019.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Emerging Markets Small Cap Composite has been examined for the period from January 1, 2014 through December 31, 2019. The verification and performance examination reports are available upon request.

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 composite was created in January 2014. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations 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.