

International Small Cap Portfolio

Third Quarter 2020

Market Review

Global equity markets continued to rebound in the third quarter, with the MSCI All Country World ex. U.S. Small Cap Index advancing 10.50%. Returns for the benchmark for the year to date are now down 3.64%. Strong returns in the quarter were broad based in terms of sectors and geographies. The one sector that continues to underperform dramatically is energy, as commodity prices have continued to languish and sentiment related to the energy sector overall has been quite negative. It is possible that an increasing focus on environmental, social and governance (ESG) investing has, at least in part, contributed.

During the third quarter, emerging markets stocks outperformed developed stocks, with strong performance in countries like China, India and South Korea. The United Kingdom was a laggard in the third quarter and year to date as ongoing uncertainty related to the ultimate resolution of Brexit continues.

Portfolio Overview

The International Small Cap portfolio slightly underperformed the MSCI All Country World ex. U.S. Small Cap Index during the third quarter. Given the more defensive nature of our holdings, we would expect our portfolio to underperform the benchmark during significant advances like we saw in the third quarter. In addition, our overweight position in the United Kingdom provided some headwind as that market has underperformed relative to the benchmark.

Our top contributor to performance in the third quarter was Adevinta, a company listed in Norway that is one of the largest global players in the online classifieds industry. Online classifieds companies have replaced newspapers as the primary avenue for real estate, automotive and employment advertising. Adevinta owns a number of leading online classifieds platforms around the world. In the third quarter, Adevinta announced an agreement to buy eBay Classifieds Group. The transaction is expected to have significant synergies and lead to a substantial increase in earnings per share. As a result, the transaction announcement led to a sharp increase in Adevinta shares. Rightmove, another online classifieds company, also had a strong contribution to performance in the third quarter. Rightmove operates the largest online real estate portal in the United Kingdom. Real estate transactions dropped precipitously in the first quarter in response to the coronavirus pandemic. During this time, Rightmove took steps to assist their real estate agent customers with significantly reduced rates. As the real estate market has continued to reopen, transactions have increased and it is anticipated that Rightmove will be able to return to normal pricing in the near future. Other contributors to performance include Mercari, an e-commerce company headquartered in Japan, Bouvet, an IT consulting firm listed in Norway and Voltronic Power Technology, a global leader in uninterruptable power supply (UPS) located in Taiwan.

Our largest detractor from performance in the third quarter was Pason Systems, a Canadian developer of technology to optimize drilling operations in the oil and gas industry. The stock suffered along with other energy-related stocks as unfavorable supply and demand weighed on oil prices. Pason's competitive position and balance sheet remain strong and we believe the current valuation is attractive. CAE, another Canadian company, also detracted from performance in the third quarter. CAE is the global leader in flight simulation equipment and training. A dramatic reduction in air travel due to the pandemic has had a negative impact on near-term results, but we believe the long-term prospects for CAE are bright. Other detractors from performance in the third quarter were Compania Cervecerias Unidas (CCU), the largest beer producer in Chile, Marel, the global leader in protein processing equipment and Brockhaus Capital Management, an investment holding company in Germany.

Purchases and Sales

New Purchases	Complete Sales
Brockhaus Capital Management	Carsales.com
Max Stock	e-Credible
Nakanishi	Hy Lok
	Jost Werke
	Rakus
	Scout24

Portfolio Highlights

Style: Small Cap
Index: MSCI® ACWI ex. U.S. Small Cap Index
Portfolio Inception: 2012
Portfolio Assets: \$2,090.1 M
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® ACWI ex. U.S. 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

Top 10 Holdings

As of September 30, 2020

Company	Country	Percent of equity (%)
Headhunter Group	Russian Federation	6.1
VNV Global	Sweden	4.9
Rightmove	United Kingdom	4.2
Alten	France	4.0
Auto Trader	United Kingdom	3.7
Enento Group	Finland	3.6
Voltronic Power Technology	Taiwan	3.1
Mortgage Advice Bureau	United Kingdom	3.1
Marel	Iceland	2.9
CTS Eventim	Germany	2.9
Total		38.7

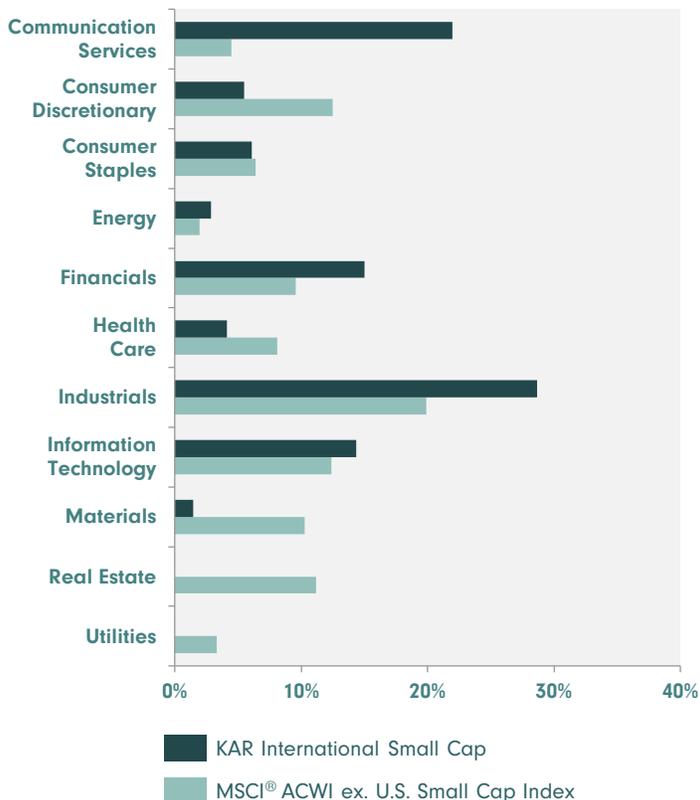
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation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

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 International Small Cap	MSCI [®] ACWI ex. U.S. Small Cap Index
Quality		
Return on Equity—Past 5 Years	26.8%	11.5%
Total Debt/EBITDA	1.5 x	6.2 x
Interest Expense Coverage	12.1 x	3.6 x
Growth		
Earnings Per Share Growth—Past 5 Years	18.7%	10.1%
Earnings Per Share Growth—Past 10 Years	11.6%	9.3%
Dividend Per Share Growth—Past 5 Years	13.0%	7.6%
Dividend Per Share Growth—Past 10 Years	11.3%	8.2%
Value		
P/E Ratio—Trailing 12 Months	20.8 x	26.9 x
Dividend Yield	2.0%	2.3%
Market Characteristics		
\$ Weighted Average Market Cap	\$2.9 B	\$2.4 B
Largest Market Cap	\$13.5 B	\$7.9 B

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.**

International Small Cap Portfolio

Third Quarter 2020

Developed vs. Emerging Markets

As of September 30, 2020

	Percent of equity (%)
Developed Markets	79.4
Emerging Markets	20.5
Total	100.0

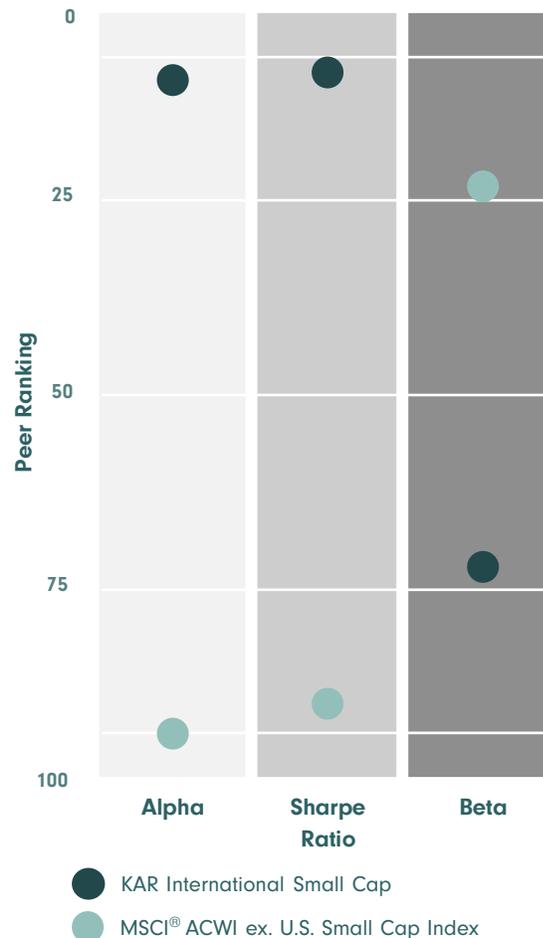
Geographical Exposure

As of September 30, 2020



Peer Comparison Chart

Inception* to September 30, 2020



Historical Returns

	KAR International Small Cap (gross)	KAR International Small Cap (net) [†]	MSCI ACWI ex. U.S. Small Cap Index
Annualized Returns (%)[†]			
As of September 30, 2020			
3 rd Quarter	10.26	9.99	10.50
Year to Date	1.71	0.95	(3.64)
One Year	16.45	15.30	6.97
Three Years	8.95	7.87	0.93
Five Years	16.18	15.04	6.80
Seven Years	10.63	9.54	4.49
Inception*	14.32	13.20	7.25
Annual Returns (%)			
2019	29.47	28.21	22.42
2018	(5.33)	(6.28)	(18.20)
2017	30.29	29.02	31.65
2016	22.81	21.61	3.91
2015	(0.28)	(1.25)	2.60
2014	(1.92)	(2.91)	(4.03)
2013	32.42	31.16	19.73
2012	24.87	23.66	18.52

*January 1, 2012

[†]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. The ACWI ex. U.S. Small Cap Universe includes all managers categorized in the ACWI ex. U.S. small cap 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.**

Performance Statistics

Inception* to September 30, 2020

	KAR International Small Cap	MSCI ACWI ex. U.S. Small Cap Index
Annualized Return	14.32	7.25
Alpha	7.30	0.00
Upside Capture %	120.45	100.00
Sharpe Ratio	0.93	0.43
Information Ratio	1.34	N/A
Beta	0.91	1.00
Downside Capture %	72.05	100.00

International Small Cap Portfolio

Third Quarter 2020

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® ACWI ex. U.S.A. Small Cap Index (net) Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2012	24.87	23.66	18.52	N/A	N/A	< 5	N/A	4	6,545
2013	32.42	31.16	19.73	N/A	N/A	< 5	N/A	43	7,841
2014	(1.92)	(2.91)	(4.03)	11.99	13.33	< 5	N/A	42	7,989
2015	(0.28)	(1.25)	2.60	12.02	11.49	< 5	N/A	46	8,095
2016	22.81	21.61	3.91	13.26	12.31	< 5	N/A	55	9,989
2017	30.29	29.02	31.65	13.01	11.69	< 5	N/A	324	14,609
2018	(5.33)	(6.28)	(18.20)	12.39	12.52	< 5	N/A	905	17,840
2019	29.47	28.21	22.42	10.78	11.77	< 5	N/A	2112	25,685

The MSCI® ACWI ex. U.S.A. 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 International Small Cap Composite has been examined for the period from January 1, 2012 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 International Small Cap

Portfolios. International Small Cap Portfolios are invested in equity securities with market capitalizations in line with the MSCI® ACWI ex. U.S.A. 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® ACWI ex U.S.A. Small Cap Index (net). The MSCI® ACWI ex. U.S.A. Small Cap Index is a market capitalization-weighted index of small-capitalization stocks of 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 2012. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Non-fee-paying portfolios represent 100% of the composite assets at year-end 2012, 12% at year-end from 2013 through 2014, 7% at year-end from 2015 through 2016, 1.5% at year-end 2017, and < 1% at year-end 2018.

The standard management fee schedule currently in effect is as follows: 1.00% for the first \$100 million; 0.90% on the balance. 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 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 2014 because 36 monthly composite returns are not available.