

All Cap Sustainable Growth Portfolio

Third Quarter 2021

Portfolio Review

The All Cap Sustainable Growth portfolio outperformed the Russell 3000 Growth Index in the third quarter. Good stock selection in information technology and an overweight in financials contributed positively to performance. Poor stock selection in consumer discretionary and communication services detracted from performance.

The biggest contributors to performance during the quarter were Bill.com and Paycom Software. In June of this year Bill.com acquired a provider of software for expense and budget management targeted primarily at small and midsize businesses. With strong growth and gross margins, the software provider looked like an attractive business that would unlock cross-sell opportunities as well as revenue synergies from a more comprehensive back-office offering. In the most recent quarter, Bill.com unveiled its first guidance that included its acquisition and it was above Street consensus, which led to a meaningful increase in the stock's price. Paycom Software prices its product on a per-employee basis so the reduction in payrolls over the last 18 months had a significant impact on the company. Paycom responded by increased marketing to customers with between 2,000 to 10,000 employees. The company also continued to innovate with new products that allow employees to process their own payroll. This quarter, new clients and effective cross-selling more than offset lower employment numbers, helping the company re-accelerate growth to the fastest pace since 2016. Other top contributors included Avalara, Netflix and SPS Commerce

The biggest detractors from the portfolio during the quarter were Alibaba and Ollie's Bargain Outlet. Alibaba is in the crosshairs of Chinese government regulators. It agreed to pay a large fine in conjunction with its practice of forced exclusivity with retailers on its commerce sites, and the company's fintech unit, Ant Financial, was forced to become a regulated financial holding company, while Alipay was forced to allow interoperability with other payment options. The company also announced it would be investing \$15 billion by 2025 in China's "common prosperity" in addition to reducing fees for small businesses. We believe the company has several strong businesses with future potential growth ahead, but it will take some time for the market to become comfortable with the significant number of new regulations that have been placed on the company. Ollie's reported declines in both revenue and comparable sales. We view these declines as reasonable given the prior year's performance and believe the long-term competitive posture of the business remains intact. Other bottom contributors included MediaAlpha, Tencent and Fair Isaac.

Outlook

We believe the two most important variables affecting equity markets are interest rates and corporate profitability. The Federal Reserve will start tapering their purchases of bonds next month, but this has been well telegraphed to investors. Relatively benign interest rates and strong corporate profitability are a prescription for rising equity prices over time. However, we believe investors should expect a more selective market going forward and more muted equity returns. It is more likely that we will continue to grow but at a more moderate and sustainable pace. We believe this should be an environment where stocks of high-quality businesses can perform well.

Purchases and Sales

New Purchases	Complete Sales
Celsius Holdings	Activision Blizzard
Definitive Healthcare	Kansas City Southern
Global-E Online	Las Vegas Sands
MongoDB	New Oriental Education & Technology
Ryan Specialty Group	Teladoc Health
STAAR Surgical	Trip.com
	Wynn Resorts

Portfolio Highlights

Style: All Cap
Sub-Style: Growth
Index: Russell 3000® Growth
Portfolio Assets: \$281.6 M
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer + Portfolio Manager	35
Chris Armbruster, CFA Portfolio Manager + Senior Research Analyst	16
Todd Bailey, CFA Senior Research Analyst	22
Julie Biel, CFA Senior Research Analyst	13
Jon Christensen, CFA Senior Research Analyst	26
Julie Kutsov Senior Research Analyst	20
Richard Sherry, CFA Senior Research Analyst	23
Craig Stone Senior Research Analyst	32
Chris Wright, CFA Senior Research Analyst	9
Sean Dixon Research Analyst	12
Noran Eid Research Analyst	8
Adam Xiao, CFA Research Analyst	6

Top Five Holdings

As of September 30, 2021

Company	Percent of equity (%)
Bill.com	8.1
Amazon.com	4.7
NVIDIA	4.3
Avalara	3.7
Paycom Software	3.4
Total	24.2

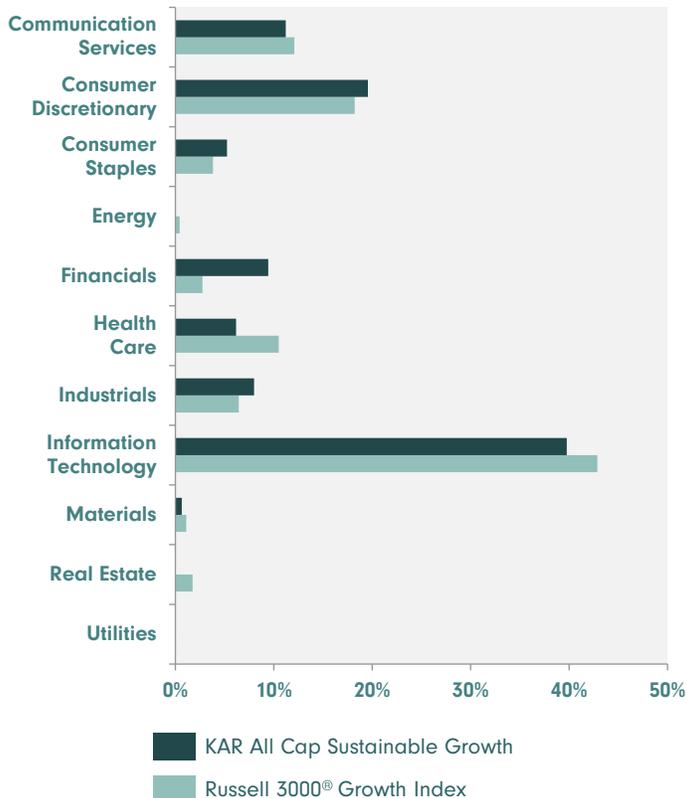
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation 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 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 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 Portfolio Upgrade Diversification Requirements Acquisition Activity Negative Company or Industry Changes
Higher Quality Stronger, More Consistent Growth Better Value			

Sector Diversification

As of September 30, 2021



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, 2021

	KAR All Cap Sustainable Growth	Russell 3000 [®] Growth Index
Quality		
Return on Equity—Past 5 Years	25.2%	25.7%
Total Debt/EBITDA	2.3 x	2.4 x
Earnings Variability—Past 10 Years	38.3%	48.6%
Growth		
Earnings Per Share Growth—Past 5 Years	26.2%	25.6%
Earnings Per Share Growth—Past 10 Years	18.3%	13.7%
Capital Generation—{ROE x (1-Payout)}	22.3%	19.6%
Value		
P/E Ratio—Trailing 12 Months	84.2 x	44.5 x
P/E-to-10-Year Growth	4.6 x	3.2 x
Free Cash Flow Yield*	1.7%	2.9%
Market Characteristics		
\$ Weighted Average Market Cap	\$203.9 B	\$772.8 B
Largest Market Cap	\$1,656.7 B	\$2,361.3 B

*Free cash flow data is as of June 30, 2021. Prices are as of September 30, 2021.

Excludes financials.

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.

All Cap Sustainable Growth Portfolio

Third Quarter 2021

Risk-Return Analysis

Five Years Ending September 30, 2021



Historical Returns

	KAR All Cap Sustainable Growth (gross)	KAR All Cap Sustainable Growth (net) [†]	Russell 3000® Growth Index
Annualized Returns (%)[†]			
As of September 30, 2021			
3 rd Quarter	1.64	1.46	0.69
Year to Date	6.60	6.05	13.49
One Year	22.65	21.81	27.57
Three Years	23.78	22.93	21.27
Five Years	25.08	24.22	22.30
Seven Years	21.09	20.26	18.13
Inception*	19.38	18.55	18.12
Annual Returns (%)			
2020	51.47	50.44	38.26
2019	40.72	39.77	35.85
2018	1.18	0.47	(2.12)
2017	35.78	34.85	29.59
2016	5.88	5.15	7.39
2015	7.41	6.67	5.09
2014	9.48	8.70	12.44
2013	32.17	31.27	34.23
2012	7.87	7.17	8.59

Performance Statistics

Five Years Ending September 30, 2021

	KAR All Cap Sustainable Growth [§]	Russell 3000® Growth Index
Annualized Standard Deviation	17.75	16.51
Alpha	2.55	0.00
Beta	1.00	1.00
Sharpe Ratio	1.36	1.29
R-Squared	86.33	100.00

*February 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 0.70% annual fee.

[§]Performance statistics are based on gross of fee returns.

^{||}Performance calculations are for eleven months ended December 31, 2012.

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.**

All Cap Sustainable Growth Portfolio

Third Quarter 2021

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 3000® Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2012*	7.87	7.17	8.59	N/A	N/A	12	N/A	67	6,545
2013	32.17	31.27	34.23	N/A	N/A	10	0.37	65	7,841
2014	9.48	8.70	12.44	N/A	N/A	10	0.37	89	7,989
2015	7.41	6.67	5.09	12.34	10.95	9	N/A	92	8,095
2016	5.88	5.15	7.39	13.13	11.50	10	0.10	97	9,989
2017	35.78	34.85	29.59	12.08	10.77	25	0.44	141	14,609
2018	1.18	0.47	(2.12)	13.85	12.47	28	0.12	140	17,840
2019	40.72	39.77	35.85	15.42	13.38	31	0.36	134	25,685

*2012 performance numbers in this table reflect the composite inception date of February 1, 2012 through December 31, 2012.

The Russell 3000® 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, 2019. The verification reports are available upon request.

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. Verification does not ensure the accuracy of any specific composite presentation.

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 All Cap Sustainable Growth Portfolios. All Cap Sustainable Growth

Portfolios are invested in equity securities with market capitalizations consistent with the Russell 3000® Growth 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 3000® Growth Index. The Russell 3000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 3,000 largest 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 composite was created in February 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 < 1% of the composite assets at year-end 2019.

The standard management fee schedule currently in effect is as follows: 0.70% for the first \$10 million; 0.55% on the next \$25 million; 0.45% on the next \$50 million; 0.35% 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 gross of management fees and 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 or for time periods less than one 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 2015 because 36 monthly composite returns are not available.