

Equity Income Portfolio

Third Quarter 2021

Portfolio Review

The Equity Income portfolio delivered performance in line with the MSCI USA High Dividend Yield Index in the third quarter. Good stock selection in health care and information technology contributed positively to performance. Poor stock selection in consumer discretionary and an overweight in materials detracted from performance.

The biggest contributors to performance during the quarter were Pfizer and PNC Financial Services.

- Strong results from Pfizer's COVID-19 vaccine and optimism that the company's new mRNA platform could be a durable competitive advantage in the vaccines and oncology space continues to contribute to strong performance.
- PNC Financial Services' reversal of provisions taking during the early stages of COVID-19 and optimism regarding the company's acquisition of a competitor's U.S. business contributed to strong performance during the quarter.
- Other top contributors included BAE Systems, U.S. Bancorp and Paychex.

The biggest detractors from the portfolio during the quarter were Eastman Chemical and Leggett & Platt.

- Eastman Chemical underperformed during the quarter after a strong period of outperformance since the market bottomed last year.
- Supply chain disruptions have made it difficult for Leggett & Platt to take advantage of strong demand.
- Other bottom contributors included Omnicom Group, MSC Industrial Direct and Watsco.

Purchases and Sales

During the quarter, we purchased Amcor and BAE Systems. We sold our positions in 3M Company and Fastenal.

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.

Portfolio Highlights

Style: Large Cap
Index: MSCI® U.S. High Dividend Yield Index
Portfolio Turnover: 25%–45%
Number of Holdings: 25–50

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	35
Richard Sherry, CFA Portfolio Manager + Senior Research Analyst	23
Chris Armbruster, CFA Senior Research Analyst	16
Noran Eid Research Analyst	8

Top 10 Holdings

As of September 30, 2021

Company	Percent of equity (%)
PNC Financial Services	5.9
International Business Machines	4.6
Verizon	4.5
Zurich Insurance Group	4.3
Watsco	4.2
MSC Industrial Direct	4.1
Pfizer	4.1
Bank of Hawaii	4.1
Patterson Companies	4.0
Cisco Systems	4.0
Total	43.8

*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.***

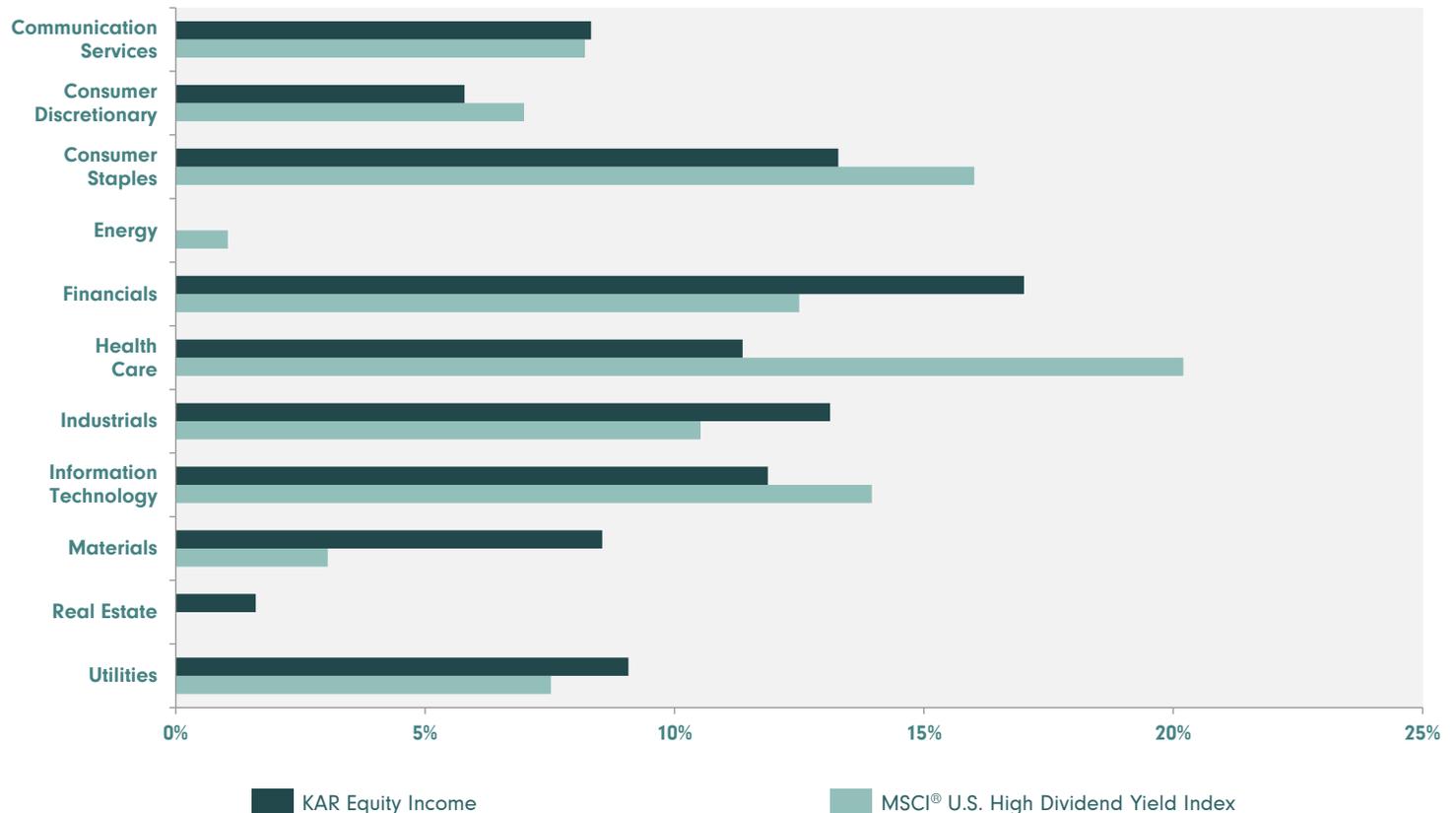
Investment Process: Discovering Quality

Development of High-Quality Universe	Proprietary Fundamental Research	Portfolio Construction	Sell Discipline
<p>KAR Universe</p> <p>Typical Quantitative Screens</p> <ul style="list-style-type: none"> Investment-grade balance sheet Market cap > \$1.0 billion 5-year average ROE > 7.5% No dividend cut the last five years (under normal market conditions) <p>Other Resources</p> <ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research 	<p>Qualitative Analysis</p> <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 <p>Financial Analysis</p> <ul style="list-style-type: none"> Evaluate basis for profitability, long-term growth potential, and ability to allocate capital appropriately <p>Valuation Analysis</p> <ul style="list-style-type: none"> Determine the current and potential value of the business 	<p>Position Weights</p> <ul style="list-style-type: none"> Maximum initial position size is 5% (at cost) Maximum position size is 10% (at market) <p>Sector Tolerances</p> <ul style="list-style-type: none"> Seek broad diversification, but no sector constraints <p>Holding Period</p> <ul style="list-style-type: none"> Typically 3-to-5 years, but is often longer Portfolio turnover is typically 25% to 45% <p>Cash Levels</p> <ul style="list-style-type: none"> Typically will not exceed 10% once a portfolio is fully invested; review by CIO triggered if over 10% 	<p>Potential dividend cut</p> <p>Balance sheet deterioration</p> <p>Inability to cover dividend via internal cash generation over medium-to-long term</p>

High Yield | Market Return | Low Risk

Sector Diversification

As of September 30, 2021



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Portfolio Characteristics

As of September 30, 2021

	KAR Equity Income	MSCI® U.S. High Dividend Yield Index
Quality		
Return on Equity—Past 5 Years	25.3%	22.5%
Debt Coverage	8.7 x	8.5 x
Growth		
Earnings Per Share Growth—Past 5 Years	4.7%	9.9%
Dividend Per Share Growth—Past 5 Years	7.8%	9.2%
Value		
Dividend Yield	3.5%	2.9%
Market Characteristics		
Dividend Payout Ratio—5 Year Average	66.1%	60.8%
\$ Weighted Average Market Cap	\$90.5 B	\$155.5 B
Largest Market Cap	\$425.3 B	\$425.3 B

Historical Returns

	KAR Equity Income (gross)	KAR Equity Income (net) [‡]	MSCI® U.S. High Dividend Yield Index
Annualized Returns (%)[†]			
As of September 30, 2021			
3 rd Quarter	(1.43)	(1.60)	(1.33)
Year to Date	9.89	9.32	10.11
One Year	21.73	20.90	20.32
Inception*	21.64	20.80	18.96
Annual Returns (%)			
2020 [§]	20.10	19.56	16.14

*May 1, 2020

[†]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 calculations are for the eight months ended December 31, 2020.

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. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. The Global Dividend Yield Universe includes all managers categorized in the global dividend focus 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.**

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Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® USA High Dividend Yield Index (net) Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Total Firm Assets (\$ Millions)
2020	20.10	19.56	16.14	N/A	N/A	< 5	N/A	235	39,582

*2020 performance numbers in this table reflect the composite inception date of May 1, 2020 through December 31, 2020. The MSCI® USA High Dividend Yield 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. 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 Equity Income Portfolios. Equity Income Portfolios are invested in equity securities of high-quality companies that pay sustainable dividends. For comparison purposes, the composite is measured against the MSCI® USA High Dividend Yield Index (net). The MSCI® USA High Dividend Yield Index is designed to reflect the performance in the MSCI® USA Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. Benchmark returns are not covered by the report of the independent verifiers. The composite was created in May 2020. 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 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 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 because 36 monthly composite returns are not available.