

International Small Cap Portfolio

Third Quarter 2021

Market Review

After a year and a half of strong returns following the onset of COVID-19 in the first quarter of last year, global equity markets took a breather in the third quarter of 2021. The MSCI All Country World ex. U.S. Small Cap Index was flat this quarter.

As we mentioned last quarter, many markets and industries around the world are currently experiencing a strong rebound in activity. However, there are several investor fears that are weighing on equity markets currently, with inflation perhaps at the top of this list. Current levels of inflation, if they persist, would be problematic for equity and bond markets around the world. Judging by long-term interest rates, markets have concluded that current inflation levels are transitory. Nonetheless, we think the possibility of more persistent inflation is a legitimate market concern. Other market fears include the eventual withdrawal of monetary and fiscal stimulus, a potential debt crisis in China, rising energy prices and the path of the COVID-19 recovery.

Portfolio Review

The International Small Cap portfolio performed in line with the MSCI All Country World ex. U.S. Small Cap Index during the third quarter.

The top contributors to performance during the quarter were Headhunter and Redbubble.

- Headhunter operates the leading online job portal in Russia. We believe that the company has not been well understood by the market until recently. Increased visibility, at least partially driven by higher liquidity, seems to have led to a better understanding of the strengths of Headhunter's competitive position and business model. This has led to multiple expansion for Headhunter in recent quarters, in addition to strong earnings growth.
- Listed in Australia, Redbubble is a global marketplace connecting independent designers and artists with consumers. The shares declined substantially earlier this year when the company announced a mid-term plan that included investments to improve the marketplace that will result in lower margins over the near-term. Following their full-year results reported during the third quarter, the shares rebounded strongly.
- Other top contributors included FDM Group, Alten and Voltronic Power Technology.

The biggest detractors to performance during the quarter were New Work and Haw Par.

- New Work owns Xing, the largest career-oriented social networking platform in the German speaking market. The company operates using a subscription model that leads to relatively consistent revenues and earnings. The recent earnings results were consistent with our expectations and the market reaction to these results overall were positive. Without other recent news, we are somewhat puzzled by the recent share price weakness and believe the current valuation is attractive.
- Listed in Singapore, Haw Par's largest asset is their investment in a Singapore-listed bank. The bank's shares were relatively flat during the quarter, so we were also surprised by the underperformance of Haw Par. We do not believe the decline is related to anything fundamental.
- Other detractors included Sabre Insurance Group, Kerry TJ Logistics and Auto Trader.

Purchases and Sales

New Purchases	Complete Sales	
Baltic Classifieds	Adevinta	Howden Joinery
	Allegro	Simcorp
	CTS Eventim	

Portfolio Highlights

Style: Small Cap
Index: MSCI® ACWI ex. U.S. Small Cap Index
Portfolio Inception: 2012
Portfolio Assets: \$616.2 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	35
Hyung Kim Portfolio Manager + Senior Research Analyst	17
Craig Thrasher, CFA Portfolio Manager + Senior Research Analyst	17
Ekaterina Advena Research Analyst	12
David Forward Research Analyst	7
Sean Pompa, CFA Research Analyst	6

Top 10 Holdings

As of September 30, 2021

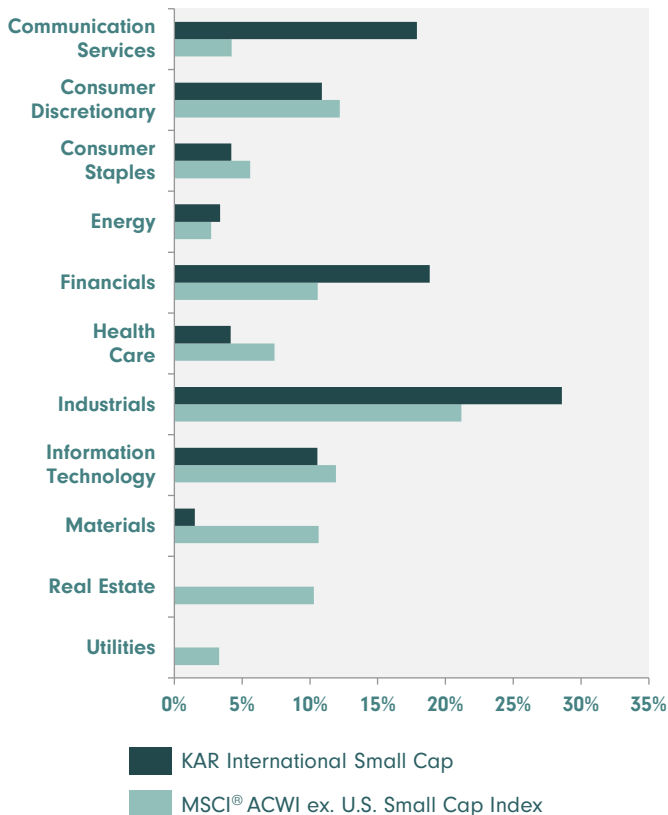
Company	Country	Percent of equity (%)
Headhunter Group	Russian Federation	5.7
Rightmove	United Kingdom	4.0
Auto Trader	United Kingdom	3.8
CAE	Canada	3.2
Kaspi.kz	Kazakhstan	3.1
Baltic Classifieds Group	United Kingdom	3.1
Alten	France	3.0
Haw Par	Singapore	3.0
Marel	Iceland	3.0
Mortgage Advice Bureau	United Kingdom	2.9
Total		34.9

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 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, 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 International Small Cap	MSCI [®] ACWI ex. U.S. Small Cap Index
Quality		
Return on Equity—Past 5 Years	22.5%	10.9%
Total Debt/EBITDA	1.5 x	6.1 x
Interest Expense Coverage	5.3 x	3.9 x
Growth		
Earnings Per Share Growth—Past 5 Years	9.3%	6.1%
Earnings Per Share Growth—Past 10 Years	9.7%	6.9%
Dividend Per Share Growth—Past 5 Years	4.7%	4.6%
Dividend Per Share Growth—Past 10 Years	9.2%	7.1%
Value		
P/E Ratio—Trailing 12 Months	24.2 x	22.2 x
Dividend Yield	1.7%	2.0%
Market Characteristics		
\$ Weighted Average Market Cap	\$3.1 B	\$3.1 B
Largest Market Cap	\$14.5 B	\$10.9 B*

* Number is from MSCI factsheet as of September 30, 2021.

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 2021

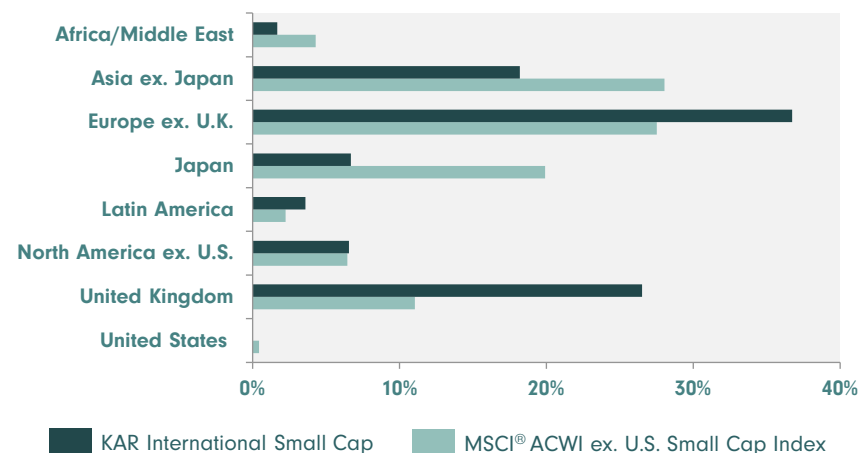
Developed vs. Emerging Markets

As of September 30, 2021

	Percent of equity (%)
Developed Markets	77.1
Emerging Markets	22.9
Total	100.0

Geographical Exposure

As of September 30, 2021



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, 2021			
3 rd Quarter	(0.06)	(0.31)	0.00
Year to Date	8.01	7.21	12.23
One Year	33.42	32.12	33.07
Three Years	16.52	15.38	10.33
Five Years	17.60	16.44	10.28
Seven Years	14.00	12.88	8.15
Inception*	16.18	15.04	9.64
Annual Returns (%)			
2020	25.94	24.70	14.24
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.

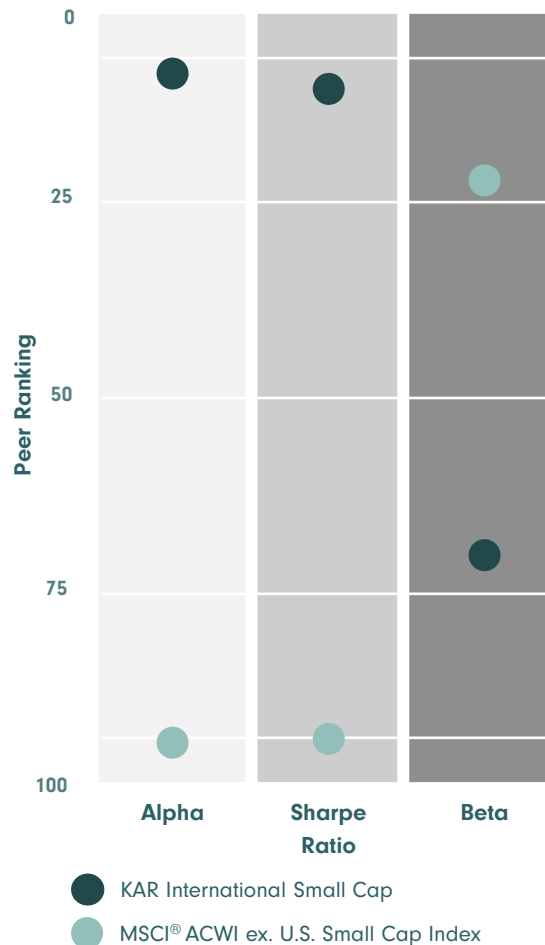
[‡]Net of all fees and expenses. Assumes a 1% annual fee.

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

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. Returns could be reduced, or losses incurred, due to currency fluctuations. 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.**

Peer Comparison Chart

Inception* to September 30, 2021



Performance Statistics

Inception* to September 30, 2021

	KAR International Small Cap [§]	MSCI ACWI ex. U.S. Small Cap Index
Alpha	6.82	0.00
Upside Capture %	108.10	100.00
Sharpe Ratio	1.03	0.59
Information Ratio	1.18	N/A
Beta	0.92	1.00
Downside Capture %	74.65	100.00

International Small Cap Portfolio

Third Quarter 2021

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.