

Small-Mid Cap Sustainable Growth Portfolio

Third Quarter 2021

Portfolio Review

Third quarter experienced more balanced performance across styles, with higher market caps outperforming smaller businesses and less risky stocks, as measured by beta (the measurement of the volatility of stocks compared to the whole market) closer to 1 outperforming more risky stocks, as measured by beta greater than 2. The Russell 2500 Growth Index declined 3.53% while the Russell 2500 Value Index declined 2.07%.

The Small-Mid Cap Sustainable Growth strategy outperformed the Russell 2500 Growth Index during the quarter. Much of the outperformance was driven by stock selection with sector allocation also providing a modest benefit. Good stock selection and an underweight in health care and good stock selection in industrials contributed positively to performance. Negative stock selection and an overweight in communication services and negative stock selection in consumer staples detracted from performance.

The portfolio's overweight to high-quality names (as measured by S&P Quality Rankings with a ranking of B+ and above) contributed positively to performance during the quarter. Also, the highest P/E stocks (those stocks with a higher ratio of a company's share price to the company's earnings per share) outperformed during the quarter relative to stocks with lower P/Es, indicating more of a focus on growth names still early in their maturation. As we are overweight in higher P/E names, this also helped performance.

The biggest contributors to performance during the quarter were West Pharmaceutical Services and Site One Landscape Supply. West Pharmaceutical Services saw its shares rise in the quarter despite ongoing COVID-19 issues as far fewer clinical trials were cancelled. Also, the need for the company's delivery products during the crisis contributed to its outperformance. SiteOne Landscape Supply underperformed last quarter as investors worried about the forward growth of the business despite the company reporting a good quarter. This quarter, some of those worries dissipated as the company continues to see good organic daily sales and improving margins. Other top contributors included Old Dominion Freight Line, Silk Road Medical and Ryan Specialty Group Holdings.

The biggest detractors from the portfolio were MediaAlpha and Ollie's Bargain Outlet. MediaAlpha has faced headwinds from auto insurers pulling back on new customer acquisition spending as miles driven have increased and led to higher losses. The company also faced higher ad pricing from internet platforms. Investors were likely concerned that both the demand and cost for leads could decline. The company also announced its CFO was leaving. We view these issues as being transitory and believe the company is still well positioned to sustain long-term growth. Throughout the COVID-19 pandemic, Ollie's Bargain Outlet remained open for business and benefitted significantly in 2020 as the company generated robust revenue and comparable sales growth. Recently, Ollie's reported declines in both revenue and comparable sales as outperforming 2020's numbers has proven difficult. Additionally, Ollie's replaced their Senior Vice President of Supply Chain in August as the company seeks to improve supply chain productivity. We view the short-term revenue and comparable sales 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 HealthEquity, Lamb Weston and Olo.

Purchases and Sales

During the quarter, we purchased Clearwater Analytics and Ryan Specialty Group Holdings. We sold Lemonade and Oscar Health. Clearwater Analytics provides investment accounting software. The software is used by asset managers, corporate treasuries and insurance companies for daily reconciliation of their holdings. The company specializes in reconciling more esoteric securities, where the need for accurate data is harder to obtain without scale. Ryan Specialty Group Holdings engages in the provision of wholesale insurance brokerage, distribution and underwriting services through its subsidiaries. Its specialties include Wholesale Brokerage, Binding Authority and Underwriting Management. The company enjoys scale advantages against smaller competitors, which provide its insurance professionals more relationships with retail brokerages and therefore more policy submission opportunity. We sold Lemonade and Oscar Health (in tandem with our participation in the Ryan Specialty Group IPO) as we believe that the competitive landscape throughout disruptive insurance companies is still unsettled. Given the high costs of acquiring market share and the new approaches to qualifying risk, we believed it was better for insurance companies to be acting as brokers than underwriters and exited our small positions in both companies.

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: Small-Mid Cap
Sub-Style: Growth
Index: Russell 2500™ Growth
Portfolio Inception: 2018
Portfolio Assets: \$511.5 M
Portfolio Turnover: 25%–35%

Investment Management Team

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

Top Five Holdings

As of September 30, 2021

Company	Percent of equity (%)
Old Dominion Freight Line	5.9
West Pharmaceutical Services	5.8
Bentley Systems	4.9
Silk Road Medical	4.8
SiteOne Landscape Supply	4.8
Total	26.2

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 Non-U.S. Holdings <ul style="list-style-type: none"> Up to 20% 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 Acquisition Activity Negative Company or Industry Changes

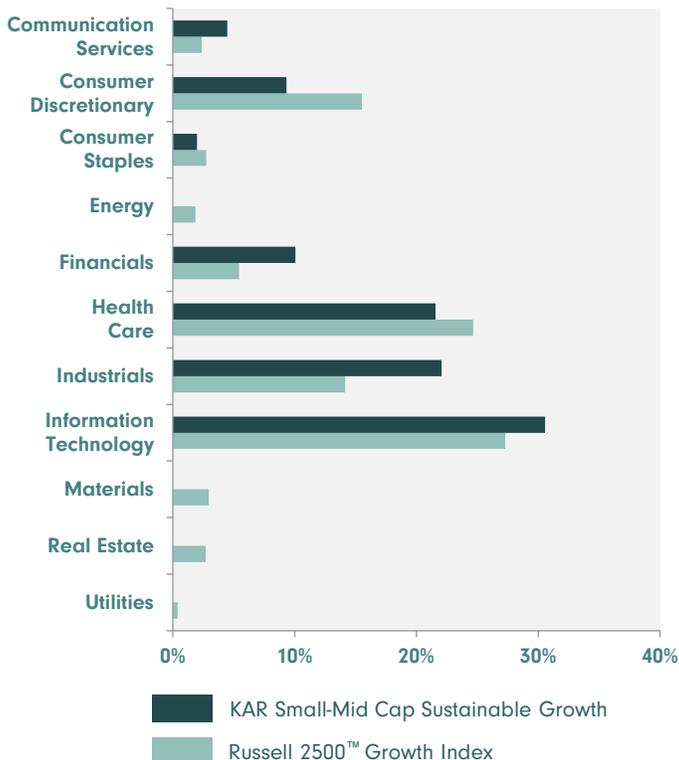
Higher Quality

Stronger, More Consistent Growth

Better Value

Sector Diversification

As of September 30, 2021



Portfolio Characteristics

As of September 30, 2021

	KAR Small-Mid Cap Sustainable Growth	Russell 2500™ Growth Index
Quality		
Return on Equity—Past 5 Years	22.6%	11.3%
Total Debt/EBITDA	4.1 x	3.9 x
Earnings Variability—Past 10 Years	27.2%	72.5%
Growth		
Earnings Per Share Growth—Past 10 Years	16.5%	10.6%
Capital Generation—{ROE x (1-Payout)}	20.6%	9.7%
Value		
P/E Ratio—Trailing 12 Months	63.4 x	107.4 x
Free Cash Flow Yield†	1.7%	2.2%
Market Characteristics		
\$ Weighted Average Market Cap.	\$16.3 B	\$7.8 B
Largest Market Cap	\$33.2 B	\$30.5 B

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.

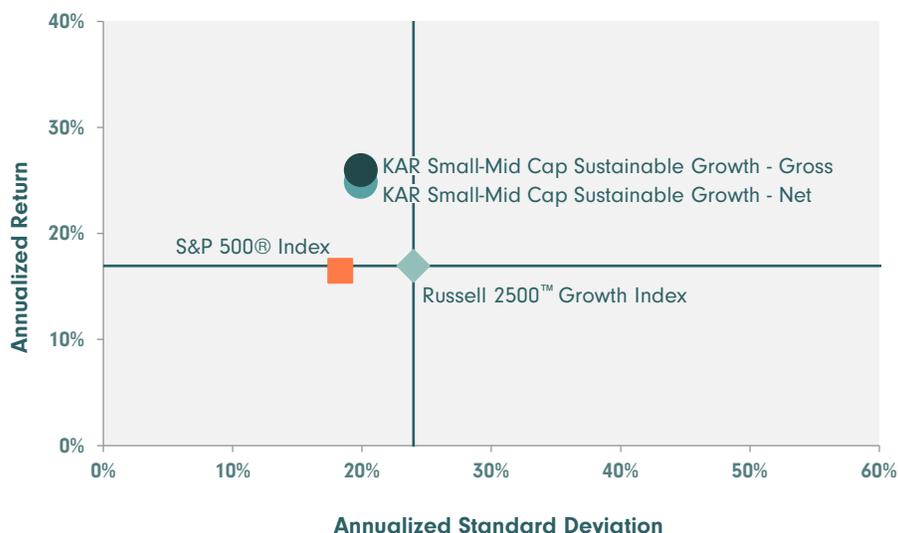
†Free cash flow data is as of June 30, 2021. Prices are as of September 30, 2021. Excludes financials. This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be 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.**

Small-Mid Cap Sustainable Growth Portfolio

Third Quarter 2021

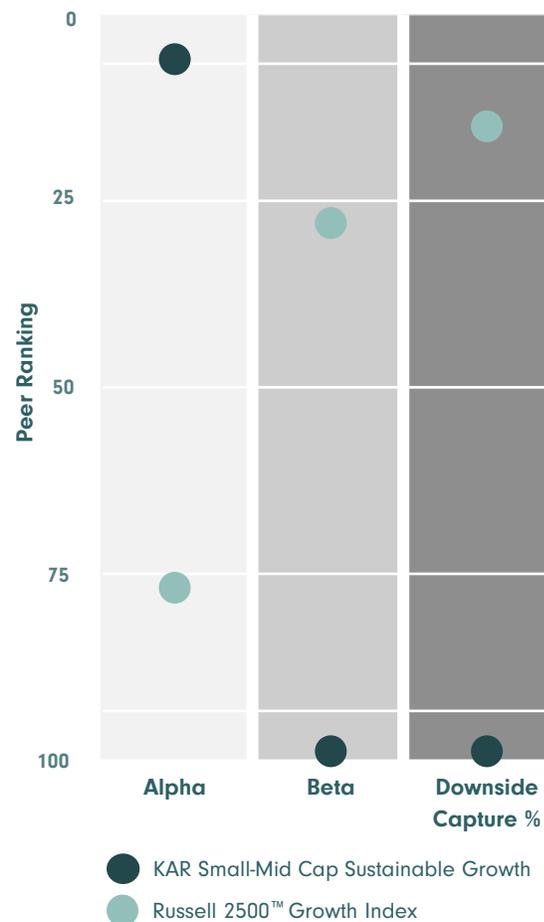
Strong Risk-Adjusted Returns

Inception* to September 30, 2021



Peer Comparison Chart

Inception* to September 30, 2021



Historical Returns

	KAR Small-Mid Cap Sustainable Growth (gross)	KAR Small-Mid Cap Sustainable Growth (net) [†]	Russell 2500™ Growth Index
Annualized Returns (%)[†]			
As of September 30, 2021			
3 rd Quarter	0.38	0.15	(3.53)
Year to Date	5.84	5.13	4.84
One Year	19.87	18.81	31.98
Three Years	25.47	24.37	16.01
Inception*	25.99	24.88	16.96
Annual Returns (%)			
2020	48.40	47.11	40.47
2019	46.11	44.84	32.65
2018	(9.44)	(9.79)	(15.93)

Performance Statistics

Inception* to September 30, 2021

	KAR Small-Mid Cap Sustainable Growth [§]	Russell 2500™ Growth Index
Annualized Standard Deviation	19.92	23.98
Alpha	11.65	0.00
Beta	0.75	1.00
Sharpe Ratio	1.26	0.67
R-Squared	80.49	100.00

*August 1, 2018

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

[‡]Net of all fees and expenses. Assumes a 0.90% annual fee.

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

^{||}Performance calculations are for the five months ended December 31, 2018.

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 Small-Mid Cap Growth Universe includes all managers categorized in the small-mid cap growth 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 (%)	Russell 2500™ Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2018*	(9.44)	(9.79)	(15.93)	N/A	N/A	< 5	N/A	0.2	17,840
2019	46.11	44.84	32.65	N/A	N/A	< 5	N/A	0.3	25,685

*2018 performance numbers in this table reflect the composite inception date of August 1, 2018 through December 31, 2018.

The Russell 2500™ 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 is defined as all fully discretionary institutional and pooled Small-Mid Cap Sustainable Growth Portfolios. Small-Mid Cap

Sustainable Growth Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ Growth Index, that have market control, solid 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 2500™ Growth Index. The Russell 2500™ Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 2,500 smallest 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 August 2018. 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 from 2018 through 2019.

The standard fee schedule in effect is as follows: 0.90% for the first \$25 million; 0.80% on the next \$25 million; 0.75% on the next \$50 million; 0.60% 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 IIA 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 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.