

Small Cap Sustainable Growth Portfolio

Third Quarter 2022

Portfolio Review

The Small Cap Sustainable Growth portfolio underperformed the Russell 2000 Growth Index in the third quarter. Poor stock selection and an overweight in communication services and poor stock selection and an underweight in health care detracted from performance. Good stock selection in information technology and an underweight in real estate contributed positively to performance.

The biggest contributors to performance during the quarter were Bill.com and Aspen Technology. Bill.com reported strong quarterly organic sales and profit growth. Management explained why demand for the company's solution replacing costly manual work remains robust during a period of macroeconomic uncertainty. This combination of factors caused the shares to outperform. In the most recent quarter, Aspen Technology reported substantive revenue growth, margin improvement, and positive new business opportunities. Other top contributors included Avalara, Interactive Brokers Group, and Ryan Specialty.

The biggest detractors from performance during the second quarter were Holley and Rightmove. Holley's shares underperformed as the company suffered from a lack of availability of semiconductor chips that left the company working through its busiest period of the year with an inadequate supply of a significant number of the company's best-selling products. Rightmove reported a quarter of growth in average revenue per advertisers. However, continued investor concerns around a slowdown in the United Kingdom property market and how that may affect the business going forward caused the shares to underperform. Other bottom contributors included Auto Trader, Autohome and REVOLVE Group.

Purchases and Sales

During the quarter, we purchased Holley and Revolve Group. We sold The Chefs' Warehouse. Holley is a leading designer, manufacturer, and marketer of high-performance automotive aftermarket products targeted at the auto enthusiast. REVOLVE Group engages in the online retail of next generation fashion for millennial and generation Z consumers. It operates through the following segments: REVOLVE and Forward. The REVOLVE segment offers constant newness and discovery through a broad assortment of premium apparel, footwear, accessories, and beauty products. The Forward segment offers a curated assortment of iconic and emerging luxury brands with a strong and differentiated point of view. We sold The Chefs' Warehouse once the business and stock price recovered from the worst of the pandemic lockdown effects and associated decline in restaurant dining. Over time it has become clear that, excluding the effects of the pandemic, the business is not as profitable as we expected.

Outlook

We believe the plethora of bad news has led the stock market to a price level that already discounts a shallow-to-mild recession. However, simply put, equities will not bottom out until long-term bond yields (10 to 30 year) stop increasing. It was not a coincidence that stocks rallied from the middle of June until the middle of August when long-term yields were declining. We need a sustained decline in reported inflation statistics for this to happen. This seems likely at some point over the next six-to-twelve months. Monetary policy is working—raw material prices are falling (including oil); housing and autos are being hit hard (including used car prices and even new recently); semiconductors have turned from a shortage to a surplus in many areas; and many companies are starting to shed workers. Supply chain difficulties, which the Fed cannot directly control, are improving as well, but the Russian war and China's zero-COVID policy continue to create some supply difficulties. Given pessimistic investor sentiment, bearish positioning, and many attractively valued companies on a long-term basis, any better-than-feared news on the course of future interest rate increases could cause the markets to substantially improve from here. Historically, periods of stock market pessimism with zero speculation in them have been good long-term entry points for patient investors.

Portfolio Highlights

Style: Small Cap
Sub-Style: Growth
Index: Russell 2000® Growth
Portfolio Inception: 1998
Portfolio Assets: \$5,395.6 M*
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	36
Todd Bailey, CFA Portfolio Manager + Senior Research Analyst	23
Jon Christensen, CFA Portfolio Manager + Senior Research Analyst	27
Julie Biel, CFA Senior Research Analyst	14
Julie Kutasov Senior Research Analyst	21
Craig Stone Senior Research Analyst	33
Chris Wright, CFA Senior Research Analyst	10
Sean Dixon Research Analyst	14
Arthur Su, CFA Research Analyst	7
Adam Xiao, CFA Research Analyst	9

Top Five Holdings

As of September 30, 2022

Company	Percent of equity (%)
Ryan Specialty	8.8
Fox Factory	6.6
Bill.com	6.1
ServisFirst Bancshares	5.1
Auto Trader	5.1
Total	31.8

* Figures in USD

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. 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 KAR 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

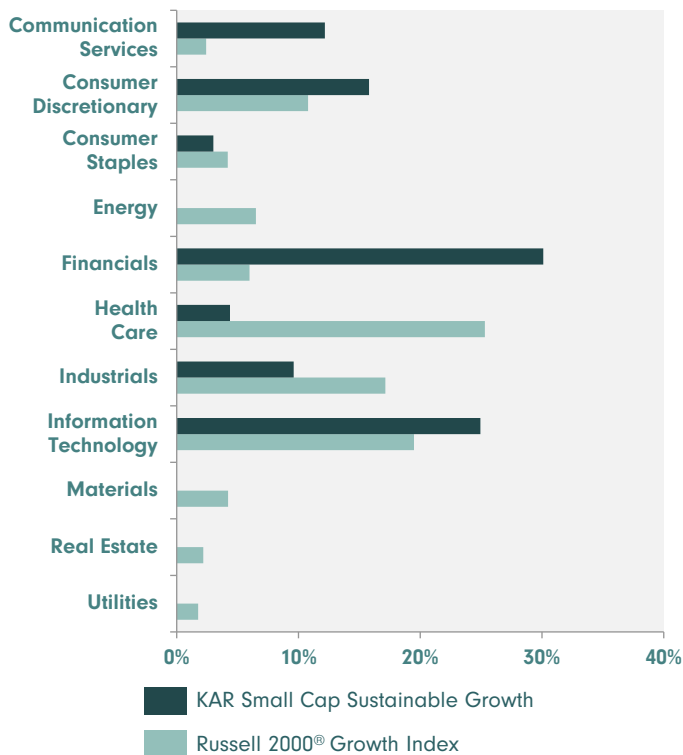
Higher Quality

Stronger, More Consistent Growth

Better Value

Sector Diversification

As of September 30, 2022



Portfolio Characteristics

As of September 30, 2022

	KAR Small Cap Sustainable Growth	Russell 2000® Growth Index
Quality		
Return on Equity—Past 5 Years	20.0%	10.6%
Total Debt/EBITDA	2.5 x	2.9 x
Earnings Variability—Past 10 Years	24.1%	77.3%
Growth		
Earnings Per Share Growth—Past 10 Years	17.1%	11.7%
Capital Generation—{ROE x (1-Payout)}	16.7%	9.3%
Value		
P/E Ratio—Trailing 12 Months	50.1 x	57.9 x
Free Cash Flow Yield [†]	1.2%	0.9%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$7.4 B	\$3.3 B
Largest Market Cap—3-Year Avg.	\$22.5 B	\$12.6 B
Annualized Standard Deviation—Since Inception [‡]	18.5%	23.1%

[†]Free cash flow data is as of June 30, 2022. Prices are as of September 30, 2022. Excludes financials.

[‡]January 1, 1998. Standard deviation for the KAR strategy is based on net-of-fee returns. 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

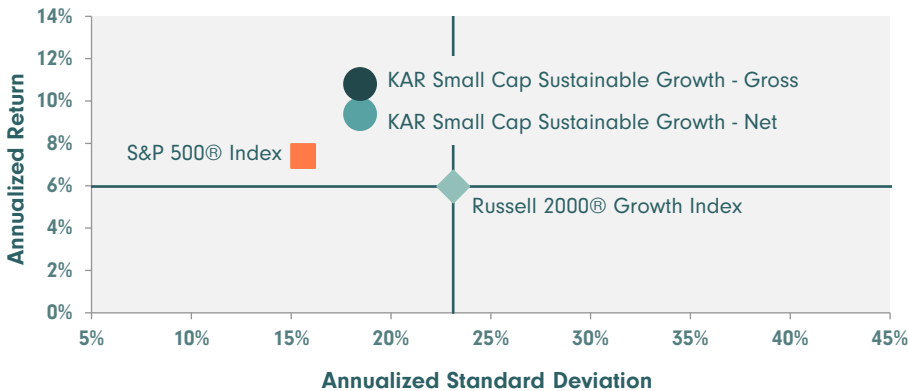
Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual Investors' holdings may differ slightly. The sector information represented above is based on GICS sector classifications. Data is obtained by FactSet Research Systems and is assumed to be reliable.

Small Cap Sustainable Growth Portfolio

Third Quarter 2022

Risk-Return Analysis

Inception* to September 30, 2022



Historical Returns

	KAR Small Cap Sustainable Growth (gross)	KAR Small Cap Sustainable Growth (net) [‡]	Russell 2000 [®] Growth Index
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Annualized Returns (%)[†]

As of September 30, 2022

3 rd Quarter	(5.77)	(5.99)	0.24
Year to Date	(30.64)	(31.12)	(29.28)
One Year	(29.84)	(30.49)	(29.27)
Three Years	4.81	3.87	2.94
Five Years	12.30	11.30	3.60
Seven Years	18.26	17.22	7.12
Ten Years	16.50	15.46	8.81
Inception*	10.80	9.81	5.96

Annual Returns (%)

2021	5.69	4.75	2.83
2020	44.70	43.44	34.63
2019	41.37	40.13	28.48
2018	10.69	9.70	(9.31)
2017	39.03	37.82	22.17
2016	26.11	25.00	11.32
2015	2.57	1.65	(1.38)
2014	6.47	5.52	5.60
2013	39.89	38.67	43.30
2012	13.29	12.28	14.59
2011	17.82	16.78	(2.91)
2010	14.82	13.80	29.09
2009	38.51	37.30	34.47
2008	(33.61)	(34.23)	(38.54)
2007	(0.59)	(1.48)	7.05
2006	15.80	14.78	13.35
2005	1.88	0.97	4.15
2004	12.82	11.82	14.31
2003	38.44	37.23	48.54
2002	(23.82)	(24.52)	(30.26)
2001	0.48	(0.42)	(9.23)
2000	6.28	5.33	(22.43)
1999	31.19	30.04	43.09
1998	3.33	2.40	1.23

*January 1, 1998

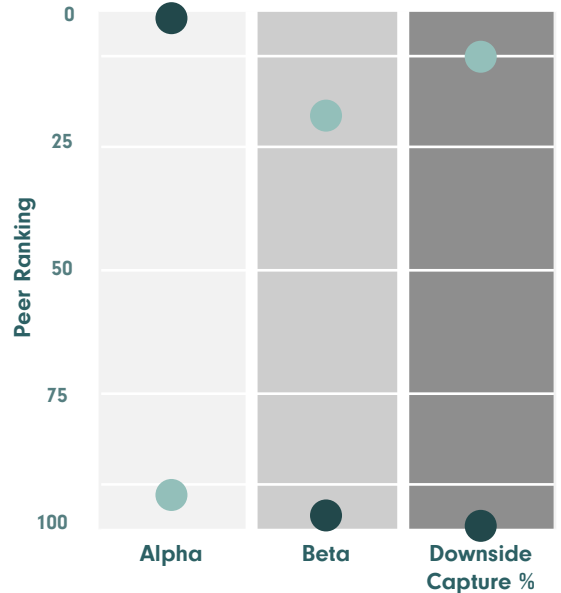
[†]All periods less than one year are total returns and are not annualized. Returns are preliminary. Returns could be reduced, or losses incurred, due to currency fluctuations.

[‡]Net of all fees and expenses. Assumes a 1% annual fee. Fees presented on the Disclosure page could vary from the assumed fee in the net-of-fee calculation, as actual fees paid by a particular client account differ depending on a variety of factors including, but not limited to, business unit and size of mandate. The fee used on the Disclosure page utilizes an assumed maximum fee across the firm's business units, which is further detailed on that page.

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 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.**

Peer Comparison Chart

Ten Years Ending September 30, 2022



● KAR Small Cap Sustainable Growth

● Russell 2000[®] Growth Index

The eVestment Small Cap Growth Universe includes 123 managers categorized in the small cap growth asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small Cap Growth Universe or for the ranking itself. KAR does pay fees for the use of certain products and services provided by eVestment. eVestment rankings are based on gross of fee returns. Gross of fee returns will be reduced by investment management fees and other expenses that may be incurred in the management of the account. Management fees are described in KAR's Form ADV Part 2A, which is available upon request and can also be found at <https://kayne.com/wp-content/uploads/ADV-Part-2A.pdf>. Returns could be reduced or losses incurred due to currency fluctuations. **Past performance is no guarantee of future results.**

Performance Statistics

Inception* to September 30, 2022

	KAR Small Cap Sustainable Growth (gross)	KAR Small Cap Sustainable Growth (net)	Russell 2000 [™] Growth Index
Annualized Standard Deviation	18.45	18.45	23.12
Alpha	5.77	4.83	0.00
Beta	0.69	0.69	1.00
Sharpe Ratio	0.49	0.43	0.18
R-Squared	73.80	73.80	100.00

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Third Quarter 2022

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2000® Growth Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2011	17.82	16.67	(2.91)	19.74	24.65	14	0.51	180	5,232
2012	13.29	12.17	14.59	15.54	21.01	17	0.42	155	6,545
2013	39.89	38.53	43.30	12.22	17.52	23	1.42	232	7,841
2014	6.47	5.42	5.60	12.35	14.02	20	0.40	205	7,989
2015	2.57	1.55	(1.38)	14.08	15.16	17	0.40	244	8,095
2016	26.11	24.88	11.32	14.85	16.91	19	0.54	614	9,989
2017	39.03	37.69	22.17	12.69	14.80	40	1.40	2,038	14,609
2018	10.69	9.59	(9.31)	13.29	16.69	79	0.85	4,738	17,840
2019	41.37	40.00	28.48	14.18	16.60	94	0.89	6,416	25,685
2020	44.70	43.30	34.63	20.63	25.46	124	0.64	8,888	39,582

The Russell 2000® 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, 2020.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis.

The Small Cap Sustainable Growth Composite has had a performance examination for the period from January 1, 1999 through December 31, 2020. The verification and performance examination reports are available upon request.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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 Small Cap Sustainable Growth Portfolios. Small Cap Sustainable Growth Portfolios are invested in equity securities with market capitalizations in line with the Russell 2000® 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 2000® Growth Index. The Russell 2000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 2,000 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 inception date of the composite is January 1998. The composite was created in January 1998. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The firm's list of composite descriptions, list of broad distribution pooled fund and the list of limited distribution pooled funds descriptions are available upon request.

As of January 1, 2011, the composite was redefined to include both institutional and mutual fund [or pooled] accounts. Previously, only institutional accounts were included.

The model management fee used for the net returns in this table is 1.00% for all periods presented. The standard Institutional management fee schedule currently in effect is as follows: 1.00% for the first \$25 million; 0.80% on the next \$25 million; 0.70% on the

balance. The maximum Wealth Advisory Services Fee in effect is 1.30% for all assets, which breaks out as follows: 1.00% for the first \$3 million; 0.80% on the next \$2 million; 0.70% on the next \$5 million; 0.60% on the balance; with an additional 0.30% for any assets invested in separately managed accounts strategies. The standard investment advisory fee schedule currently in effect for clients not engaging in Wealth Advisory Services is 1.00%. 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, no dispersion measure is presented. The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36-month period.

GLOSSARY

Alpha: A risk-adjusted measure of an investment's excess return relative to a benchmark. Beta: A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. R2: A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. Sharpe Ratio: A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. Standard Deviation: Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

INDEX DEFINITION

The Russell 2000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 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. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.