

Small-Mid Cap Core Portfolio

Third Quarter 2022

Portfolio Review

The Small-Mid Cap Core portfolio underperformed the Russell 2500 Index in the third quarter. Poor stock selection in health care and consumer discretionary detracted from performance. Good stock selection in financials and an underweight in real estate contributed positively to performance.

The biggest contributors to performance during the quarter were LPL Financial and Aspen Technology. LPL Financial's shares outperformed due to reported organic advisor and profit growth despite ongoing market volatility. The company's profitability was also aided by Federal Reserve interest rate increases. In the most recent quarter, Aspen Technology reported double-digit revenue growth, margin improvement, and positive new business opportunities. Other top contributors included Interactive Brokers Group, Watsco, and Lennox International.

The biggest detractors from performance were Scotts Miracle-Gro and Cooper Companies. Shares of Scotts Miracle-Gro lagged during the quarter following the company's reports of worse-than expected operating results and further reduction in its outlook due to a lower-than-anticipated level of order replenishment by retailers. At the same time, cannabis oversupply issues continued to weigh on the performance of Hawthorne, the company's hydroponics division. In addition, in late August, the company announced an unexpected departure of the company's Chief Financial Officer and further reduced its free cash flow guidance. While Cooper Companies reported share growth from new fittings, it is being impacted by a stronger dollar and higher interest rates. As a result, the company has had to lower guidance for earnings in the coming fiscal year. This had a negative impact on the share price. Other bottom detractors included Bright Horizons Family Solutions, Teradyne, and Zebra Technologies.

Purchases and Sales

During the quarter, there were no new purchases. We sold Elanco Animal Health. Since our last increase in Elanco Animal Health over three years ago, the business has not met our expectations in terms of operational execution and competitive strategies. The company experienced several missteps in an acquisition at a time when its financial position needed fortification after its IPO. More recently, the company's innovation pipeline experienced several delays, and the company demonstrated an inability to deploy price increases efficiently. Given all these considerations, we sold our position.

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-Mid Cap
Sub-Style: Core
Index: Russell 2500™
Portfolio Inception: 1992
Portfolio Assets: \$12,388.3 M*
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	36
Jon Christensen, CFA Portfolio Manager + Senior Research Analyst	27
Julie Kutasov Portfolio Manager + Senior Research Analyst	21
Craig Stone Portfolio Manager + Senior Research Analyst	33
Todd Bailey, CFA Senior Research Analyst	23
Julie Biel, CFA Senior Research Analyst	14
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 (%)
LPL Financial Holdings	6.6
W. R. Berkley	5.9
Nordson	4.8
POOLCORP	4.7
Charles River Laboratories International	4.5
Total	26.5

* 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
<p>Quantitative Screens</p> <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 <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>Non-U.S. Holdings</p> <ul style="list-style-type: none"> Up to 20% <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 35% <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>Extended Valuation</p> <p>Portfolio Upgrade</p> <p>Acquisition Activity</p> <p>Negative Company or Industry Changes</p>

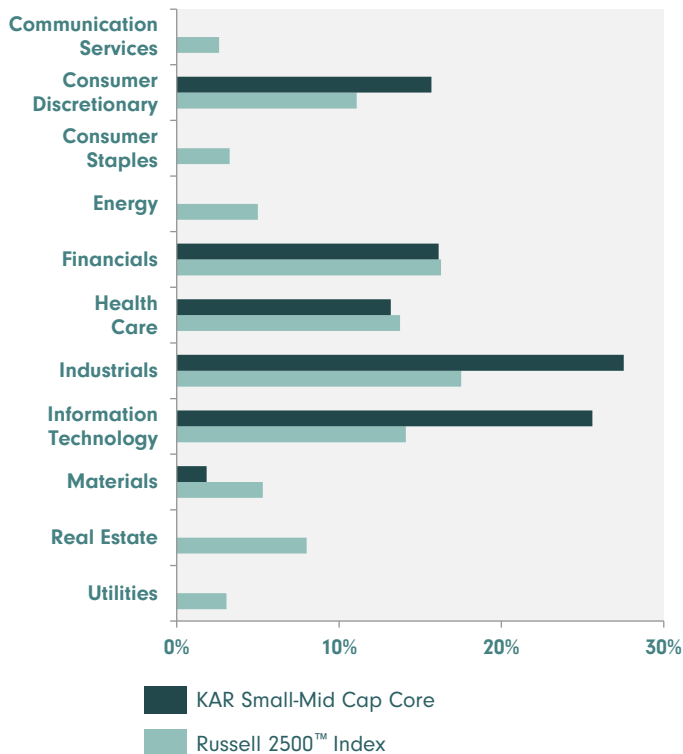
Higher Quality

Stronger, More Consistent Growth

Better Value

Sector Diversification

As of September 30, 2022



Portfolio Characteristics

As of September 30, 2022

	KAR Small-Mid Cap Core	Russell 2500™ Index
Quality		
Return on Equity—Past 5 Years	24.6%	12.6%
Total Debt/EBITDA*	1.9 x	33.2 x
Earnings Variability—Past 10 Years	39.0%	71.5%
Growth		
Earnings Per Share Growth—Past 5 Years	20.6%	14.3%
Earnings Per Share Growth—Past 10 Years	15.0%	10.9%
Capital Generation—{ROE x (1-Payout)}	19.3%	9.7%
Value		
P/E Ratio—Trailing 12 Months	21.1 x	20.9 x
Dividend Yield	0.9%	1.6%
Free Cash Flow Yield†	3.7%	2.1%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$14.5 B	\$6.4 B
Largest Market Cap—3-Year Avg.	\$36.3 B	\$27.2 B
Annualized Standard Deviation—Since Inception*	15.2%	18.0%

*There was a material difference in the Total Debt/EBITDA quality indicator for the Russell 2500™ Index as of September 30, 2022 over the prior quarter end of June 30, 2022. This is primarily due to a single issuer in the index reporting income at essentially zero, causing the ratio to increase significantly.

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

*April 1, 1992. 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.

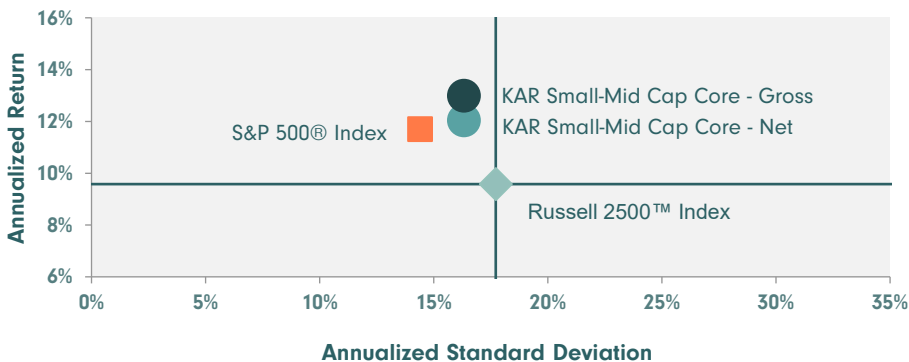
Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual Investors' holdings may differ slightly. The sector information represented above is based on GICS sector classifications. Data is obtained by FactSet Research Systems and is assumed to be reliable.

Small-Mid Cap Core Portfolio

Third Quarter 2022

Risk-Return Analysis

Ten Years Ending September 30, 2022



Historical Returns

	KAR Small-Mid Cap Core (gross)	KAR Small-Mid Cap Core (net) [†]	Russell 2500™ Index
Annualized Returns (%)[†]			
As of September 30, 2022			
3 rd Quarter	(4.64)	(4.85)	(2.82)
Year to Date	(30.58)	(31.04)	(24.01)
One Year	(25.73)	(26.38)	(21.11)
Three Years	7.72	6.81	5.36
Five Years	10.83	9.90	5.45
Seven Years	12.64	11.70	8.39
Ten Years	12.99	12.04	9.58
Inception*	11.06	10.13	9.89
Annual Returns (%)			
2021	20.81	19.80	18.18
2020	36.34	35.21	19.99
2019	40.77	39.61	27.77
2018	(4.17)	(4.98)	(10.00)
2017	19.84	18.84	16.81
2016	17.30	16.32	17.59
2015	6.16	5.27	(2.90)
2014	9.74	8.81	7.07
2013	31.61	30.52	36.80
2012	8.82	7.90	17.88
2011	8.45	7.54	(2.51)
2010	20.46	19.45	26.71
2009	30.58	29.50	34.39
2008	(30.20)	(30.81)	(36.79)
2007	0.35	(0.50)	1.38
2006	13.83	12.88	16.17
2005	3.13	2.26	8.11
2004	14.19	13.23	18.29
2003	24.81	23.78	45.51
2002	(16.98)	(17.69)	(17.80)
2001	5.06	4.17	1.22
2000	23.80	22.77	4.27
1999	6.09	5.20	24.14
1998	21.39	20.38	0.38
1997	20.82	19.82	24.36
1996	27.00	25.95	19.03
1995	17.47	16.49	31.70
1994	2.75	1.88	(1.05)
1993	20.00	19.00	16.55
1992 [§]	9.65	8.96	11.36

*April 1, 1992

[†]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.

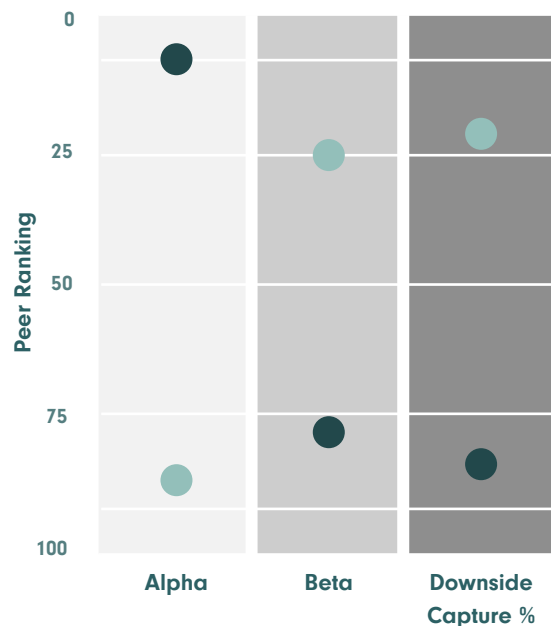
[‡]Net of all fees and expenses. Assumes a 0.90% annual fee. Fees presented on the Disclosure page could vary from the assumed fee in the net-of-fee calculation, as actual fees paid by a particular client account differ depending on a variety of factors including, but not limited to, business unit and 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.

[§]Performance calculations are for the nine months ended December 31, 1992.

This material is deemed supplemental and complements the performance and disclosure at

Peer Comparison Chart

Ten Years Ending September 30, 2022



● KAR Small-Mid Cap Core ● Russell 2500™ Index

The eVestment Small-Mid Cap Core Universe includes 46 managers categorized in the small-mid cap core asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small-Mid Cap Core 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

Ten Years Ending September 30, 2022

	KAR Small-Mid Cap Core (gross)	KAR Small-Mid Cap Core (net)	Russell 2500™ Index
Annualized Standard Deviation	16.32	16.32	17.72
Alpha	4.44	3.56	0.00
Beta	0.85	0.85	1.00
Sharpe Ratio	0.76	0.70	0.51
R-Squared	85.30	85.30	100.00

the end of this presentation. Returns for the Kayne Anderson Rudnick composite are preliminary unless otherwise specified. All periods less than one year are total returns and are not annualized. For periods prior to July 1, 2000, the Small-Mid Cap Core composite calculations have been linked to the firm's Small Cap Core composite performance, which represents all taxable and nontaxable, fully discretionary Small Cap Core Portfolios (including cash) under management for at least one full quarter. Beginning on July 1, 2000, only Small-Mid Cap Core Portfolios are included in the composite. 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.**

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Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2500™ Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2011	8.45	7.38	(2.51)	18.53	23.73	25	0.13	37	5,232
2012	8.82	7.74	17.88	15.19	19.24	26	0.12	40	6,545
2013	31.61	30.33	36.80	12.17	15.85	27	0.24	59	7,841
2014	9.74	8.65	7.07	10.27	11.84	20	0.26	21	7,989
2015	6.16	5.11	(2.90)	12.23	12.59	18	0.23	21	8,095
2016	17.30	16.15	17.59	12.63	13.86	39	0.13	34	9,989
2017	19.77	18.60	16.81	11.15	12.31	83	0.31	137	14,609
2018	(4.41)	(5.37)	(10.00)	13.31	14.30	92	0.19	111	17,840
2019	40.77	39.40	27.77	14.86	14.79	135	0.69	225	25,685
2020	36.33	35.00	19.99	21.16	24.55	190	1.44	1008	39,582

The Russell 2500™ 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-Mid Cap Core 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.

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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-Mid Cap Core Portfolios. Small-Mid Cap Core Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ 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 2500™ Index. The Russell 2500™ Index is a market capitalization-weighted index 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 inception date of the composite is April 1992. The composite was created in July 2000. 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.

From July 1, 2000 to December 31, 2010, only non-taxable Small-Mid Cap Core Portfolios are included in the composite. As of January 1, 2011, the composite was redefined to include both taxable and tax-exempt accounts.

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: 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. Prior to January 1, 2013, the standard Institutional management fee schedule in effect for this strategy was as follows: 0.85% for the first \$25 million; 0.70% on the next \$25 million; 0.60% on the next \$50

million; 0.50% 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 2500™ Index is a market capitalization-weighted index 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. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.