

Small Cap Quality Value Portfolio

Third Quarter 2025

Portfolio Review

The Small Cap Quality Value portfolio underperformed the Russell 2000 Value Index in the third quarter. Poor stock selection in financials and poor stock selection and an overweight in industrials detracted from performance. An underweight in real estate and utilities contributed positively to performance.

The biggest contributors to performance during the quarter were Construction Partners and Armstrong World Industries.

- Construction Partners saw robust revenue growth and margin expansion driven by M&A and a robust road infrastructure spending environment.
- Armstrong World Industries reported better-than-expected operating results and increased its annual outlook despite challenging market conditions.
- Other top contributors included Hillman Solutions, Houlihan Lokey, and JBT Marel.

The biggest detractors from performance during the quarter were Prestige Consumer Healthcare and The Cheesecake Factory.

- Prestige Consumer Healthcare's recent financials were impacted by a plant shutdown earlier this year that caused revenues to fall short of expectations.
- The Cheesecake Factory is benefitting from resilient comparable store sales growth relative to the broader casual dining industry amid easing food and labor pressures. However, shares have pulled back after outperforming over the past year, partly due to softening traffic trends and heightened competitive promotional activity.
- Other bottom detractors included Badger Meter, CSW Industrials, and Choice Hotels International.

Purchases and Sales

During the quarter, there were no new purchases or complete sales from the portfolio.

Outlook

While recent market strength—particularly in small caps—has favored high-beta, lower-quality names, we remain cautious about the sustainability of this rally. Tariffs continue to be a focus for investors although we are still only seeing modest pricing pressure in the data noting that right now that data is backward-looking and has been impacted by tremendous front-loading of imports that occurred at the beginning of the year to avoid some of the tariff pain. Another potential headwind, in our view, is the impact of restrictive immigration policies, which could pose challenges to long-term U.S. growth.

Meanwhile, AI remains a dominant theme. The scale of investment by hyperscalers to expand data center capacity is unprecedented. While it's difficult to separate reality from hype, there's no denying that AI-related capital spending has become a major force in today's economy. Given the intensity and concentration of this spending, we believe it could have longer-term implications for costs and returns across industries and consumers. Against this backdrop, we continue to believe diversification remains essential as markets adjust to shifting economic and policy trends.

Portfolio Highlights

Style: Small Cap
Sub-Style: Value
Index: Russell 2000® Value
Portfolio Inception: 1998
Portfolio Assets: \$4,939.8 M*
Portfolio Turnover: 25%–35%

Investment Management Team

Name	Research Start Date
Julie Kutasov Portfolio Manager + Senior Research Analyst	2001
Craig Stone Portfolio Manager + Senior Research Analyst	1990
Todd Bailey, CFA Senior Research Analyst	1999
Julie Biel, CFA Senior Research Analyst	2004
Jon Christensen, CFA Senior Research Analyst	1995
Chris Wright, CFA Senior Research Analyst	2012
Adam Xiao, CFA Senior Research Analyst	2013
Tyler Cantarano Research Analyst	2017
Sean Dixon Research Analyst	2008
Luke Longinotti, CFA Governance & Sustainability Analyst	2020
Arthur Su, CFA Research Analyst	2015
Clarissa Ali Associate Research Analyst	2023

Top Five Holdings

As of September 30, 2025

Company	Percent of equity (%)
Construction Partners	7.0
Houlihan Lokey	6.6
Armstrong World Industries	6.6
Cheesecake Factory	4.9
Primerica	4.9
Total	30.0

*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 - High return on capital over a full economic cycle - Long and resilient earnings history - High return on net operating assets - Minimal debt Other Resources - Research on existing portfolio holdings - Meetings with companies - Industry reviews - Investment conferences - Third-party research	Qualitative Analysis - Evaluate sustainability of business model and assess management's ability to direct capital where it can create further control of its market Financial Analysis - Evaluate basis for profitability, long-term growth potential, and ability to allocate capital appropriately Valuation Analysis - Determine the current and potential value of the business	Position Weights - Maximum initial position size is 5% (at cost) - Maximum position size is 10% (at market) Sector Tolerances - Seek broad diversification, but no sector constraints Non-U.S. Holdings - Up to 20% Holding Period - Typically 3-to-5 years, but is often longer - Portfolio turnover is typically 25% to 35% Cash Levels - 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

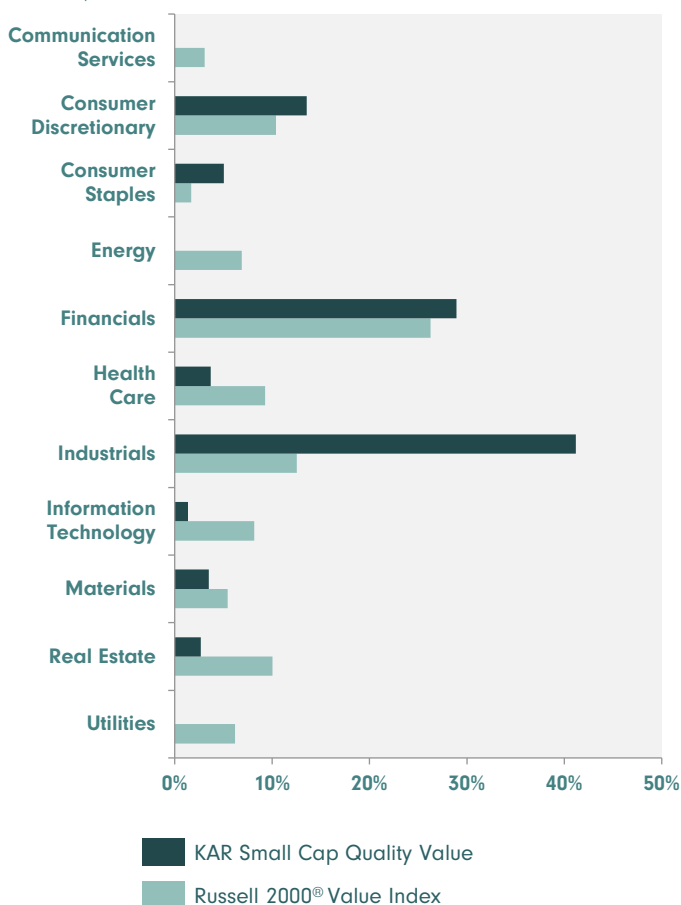
Seeking Higher Quality

Seeking Stronger, More Consistent Growth

Seeking Better Value

Sector Diversification

As of September 30, 2025



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.

FOR INSTITUTIONAL USE ONLY

Portfolio Characteristics

As of September 30, 2025

	KAR Small Cap Quality Value	Russell 2000 Value Index
Quality		
Return on Equity—Past 5 Years	21.2%	8.1%
Debt/EBITDA*	1.3 x	3.3 x
Earnings Variability—Past 10 Years	41.3%	84.8%
Growth		
Earnings Per Share Growth—Past 5 Years	9.5%	6.8%
Earnings Per Share Growth—Past 10 Years	9.7%	7.1%
Dividend Per Share Growth—Past 5 Years	9.6%	6.2%
Dividend Per Share Growth—Past 10 Years	9.1%	4.6%
Capital Generation—{ROE x (1-Payout)}	14.7%	6.2%
Value		
P/E Ratio—Trailing 12 Months	25.6 x	30.6 x
Dividend Yield†	1.3%	2.1%
Free Cash Flow Yield‡	4.4%	1.8%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Avg.	\$5.2 B	\$2.7 B
Largest Market Cap—3-Year Avg.	\$15.0 B	\$10.3 B
Annualized Standard Deviation—Since Inception§	17.2%	19.6%

*KAR utilizes the interquartile method when calculating Debt/EBITDA. The interquartile method excludes outliers from an aggregate statistic such as weighted average. The interquartile method does not assume that data from the top or bottom of the distribution are outliers—only the extreme ends are excluded—and that it can be applied consistently as a quantitative method for most fundamental characteristics. Debt/EBITDA utilizes net debt for the calculation.

†Dividend yield is a financial ratio that shows how much companies have paid out in dividends in the most recent year relative to their stock price at the end of such year. Dividend yield is being shown here as a characteristic of the stocks held in the portfolio and not to infer how the stocks have or will perform, as dividends are not the only component of the portfolio's performance. Dividends are subject to change from year-to-year, and the portfolio's dividend yield could be lower or higher in future years.

‡Free cash flow data is as of June 30, 2025. Prices are as of September 30, 2025. Excludes financials.

§June 1, 1998. Standard deviation for the KAR strategy is based on net of fee returns.

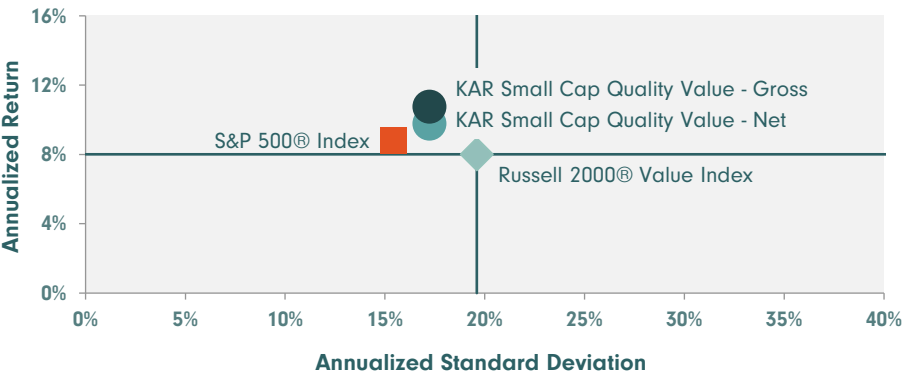
This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. 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.

Small Cap Quality Value Portfolio

Third Quarter 2025

Risk-Return Analysis

Inception* to September 30, 2025



Historical Returns

	KAR Small Cap Quality Value (gross)	KAR Small Cap Quality Value (net) [†]	Russell 2000® Value Index
Annualized Returns (%)[†]			
As of September 30, 2025			
3 rd Quarter	(0.93)	(1.16)	12.60
Year to Date	(1.54)	(2.20)	9.04
One Year	(0.28)	(1.17)	7.88
Three Years	11.76	10.77	13.56
Five Years	8.40	7.44	14.59
Seven Years	7.10	6.15	6.40
Ten Years	10.51	9.53	9.23
Inception*	10.76	9.78	8.01
Annual Returns (%)			
2024	10.54	9.55	8.05
2023	20.02	18.95	14.65
2022	(23.41)	(24.11)	(14.48)
2021	20.68	19.62	28.27
2020	29.85	28.71	4.63
2019	25.79	24.68	22.39
2018	(14.80)	(15.57)	(12.86)
2017	20.48	19.41	7.84
2016	26.74	25.62	31.74
2015	(0.16)	(1.05)	(7.47)
2014	3.05	2.13	4.22
2013	41.06	39.84	34.52
2012	9.97	8.99	18.05
2011	6.57	5.61	(5.50)
2010	25.10	24.00	24.50
2009	26.97	25.85	20.58
2008	(28.51)	(29.17)	(28.92)
2007	2.19	1.27	(9.78)
2006	24.45	23.36	23.48
2005	8.88	7.91	4.71
2004	28.10	26.98	22.25
2003	21.88	20.80	46.03
2002	1.11	0.21	(11.43)
2001	19.42	18.36	14.02
2000	24.92	23.82	22.83
1999	(7.69)	(8.52)	(1.49)
1998 [§]	9.61	9.04	(10.93)

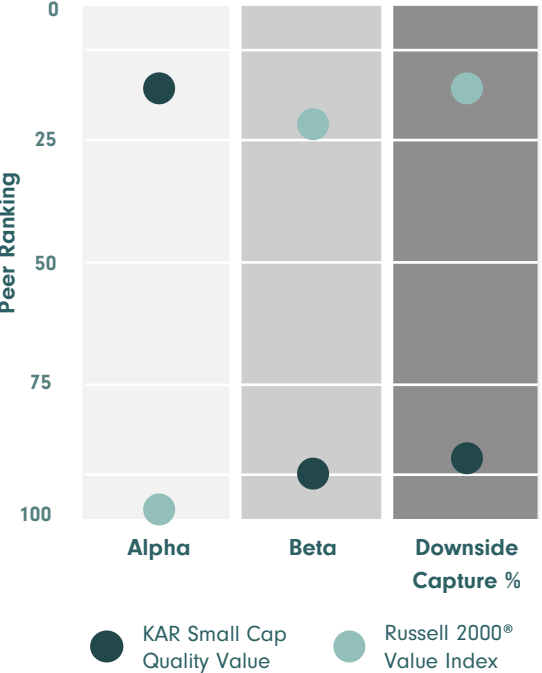
*June 1, 1998

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

[‡]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. To the extent actual performance results are shown in comparison to an index, the index is not actively managed, does not reflect the deduction of any investment management or other fees and expenses, and is not available for direct investment. While the securities comprising

Peer Comparison Chart

Inception* to September 30, 2025



The eVestment Small Cap Value Universe includes 62 managers categorized in the small cap value asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small Cap Value 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, 2025

	KAR Small Cap Quality Value (gross)	KAR Small Cap Quality Value (net)	Russell 2000® Value Index
Alpha	3.79	2.86	0.00
Sharpe Ratio	0.50	0.45	0.30
Information Ratio	0.31	0.20	N/A
Beta	0.78	0.78	1.00
Downside Capture	72.76	74.36	100.00
Tracking Error	8.98	8.98	N/A

any such index are not identical to those in the composite, KAR believes this comparison may be useful in evaluating performance.

[§]Performance calculations are for the seven months ended December 31, 1998.

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 final. For further details on the composite and the index, 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

Small Cap Quality Value Composite

Third Quarter 2025

Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	Russell 2000® Value Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2015	(0.16)	(1.45)	(7.47)	13.94	13.65	151	0.20	535	8,095
2016	26.74	25.13	31.74	14.30	15.72	141	1.13	711	9,989
2017	20.48	18.94	7.84	12.32	14.17	191	0.56	996	14,609
2018	(14.80)	(15.92)	(12.86)	14.42	15.98	152	0.35	895	17,840
2019	25.79	24.20	22.39	14.59	15.90	126	0.65	1,107	25,685
2020	29.85	28.20	4.63	22.12	26.49	121	0.97	1,835	39,582
2021	20.68	19.15	28.27	19.96	25.35	118	0.36	2,932	47,269
2022	(23.41)	(24.42)	(14.48)	23.28	27.66	125	0.24	1,942	33,531
2023	20.02	18.49	14.65	20.07	22.06	115	0.44	2,032	41,186
2024	10.54	9.12	8.05	22.37	23.77	106	0.51	2,035	45,494

The Russell 2000® Value 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, 2024.

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 Quality Value Composite has had a performance examination for the period from January 1, 1999 through December 31, 2024. 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 Quality Value Portfolios. Small Cap Quality Value Portfolios are invested in equity securities with capitalizations consistent with the Russell 2000® Value 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® Value Index. The Russell 2000® Value Index is a market capitalization-weighted index of value-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 independent verifiers. The inception date of the composite is June 1998. The composite was created in June 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.

The model management fee used for the net returns in this table is 1.30% 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; 0.70% 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

Standard Deviation: Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk. **Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Information Ratio:** The information ratio (IR) is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Downside Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. It is used to evaluate how well an investment manager performed relative to an index during periods when that index has dropped. **Tracking Error:** The divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. It is reported as a standard deviation percentage difference, which reports the difference between the return an investor receives and that of the benchmark they were attempting to imitate.