KAR Investment Management
A VIRTUS INVESTMENT PARTNER

Developing Markets Portfolio
Third Quarter 2026

Portfolio Highlights

Style: All Cap
Index: MSCI® Emerging Markets

Portfolio Inception: 2021
Portfolio Assets: $4.9 M*
Portfolio Turnover: 25%–35%
Number of Holdings: 30-60

Our Philosophy

We seek to own differentiated businesses with enduring competitive protections, favorable long-term prospects, and exceptional economic characteristics. We invest in companies which we believe have low business risk as identified by certain financial characteristics—consistent and profitable growth, high returns on capital, strong free cash flow, and a low organic need for external financing. And we look to buy these companies at attractive valuations.

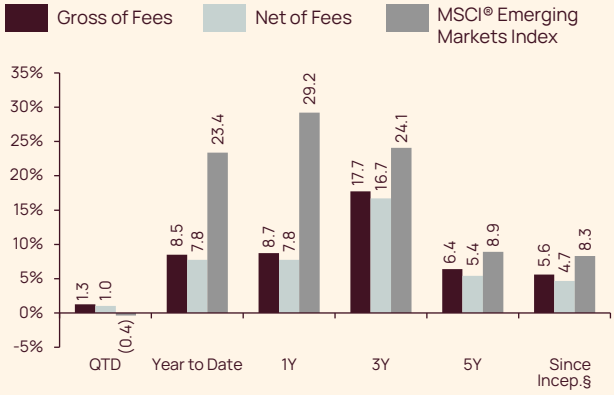
Tenets of Quality



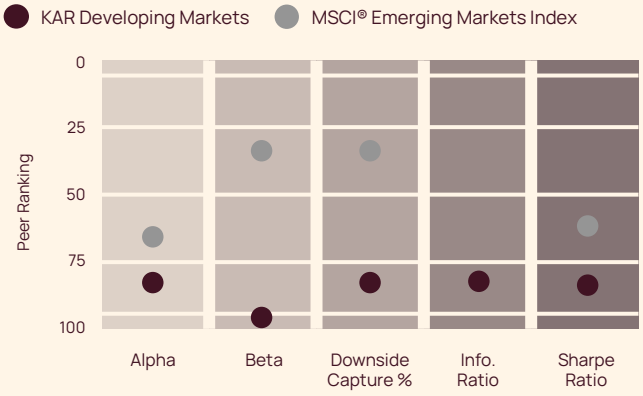
Portfolio Characteristics
As of September 30, 2026

	KAR Developing Markets	MSCI® Emerging Markets Index
Quality		
Return on Equity—Past 5 Years	23.3%	18.3%
Debt/EBITDA†	0.9 x	0.6 x
Growth		
Earnings Per Share Growth—Past 5 Years	15.5%	15.2%
Earnings Per Share Growth—Past 10 Years	13.8%	14.9%
Dividend Per Share Growth—Past 5 Years	16.8%	14.9%
Dividend Per Share Growth—Past 10 Years	18.3%	13.4%
Value		
P/E Ratio—Trailing 12 Months	15.9 x	15.4 x
Dividend Yield‡	3.7%	2.0%
Market Characteristics		
$ Weighted Average Market Cap	$272.2 B	$545.9 B

Annualized Returns‖
As of September 30, 2026



Peer Comparison¶
Inception§ to September 30, 2026



*Figures in USD.
†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.
§August 1, 2021.
Source: FactSet Research Systems and BNY Mellon. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information.

‖Source: SS&C GWP™ and FactSet Research Systems. Returns for the Kayne Anderson Rudnick ("KAR") composite are final. All periods less than one year are total returns and are not annualized. Composite performance does not represent the performance of any individual client account, which can differ based on factors such as cash flows and different fee arrangements. Net of fee returns reflect an assumed maximum fee of 0.90% as further described on the Disclosure page. Returns may be affected by currency fluctuations. **Past performance is no guarantee of future results.**
¶The eVestment Emerging Markets Equity Universe includes 484 managers categorized in the emerging markets equity asset class by eVestment. KAR does not pay any fees to be included in the eVestment Emerging Markets Equity 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.

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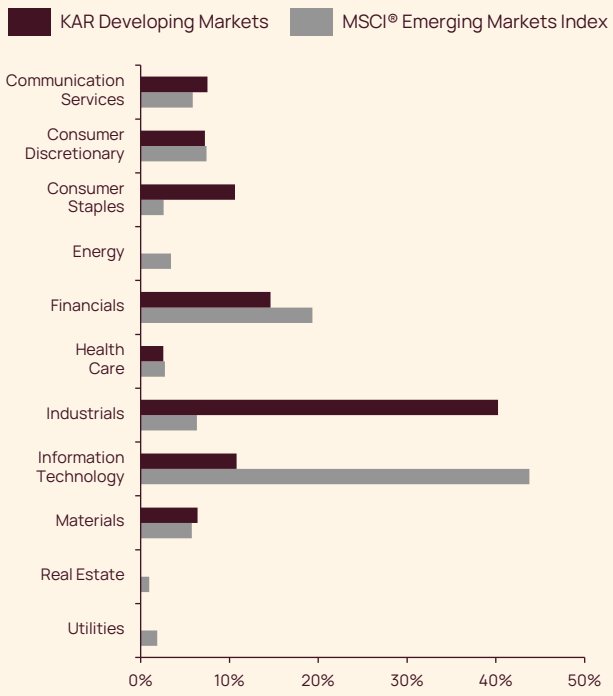
Sector Diversification

As of September 30, 2026



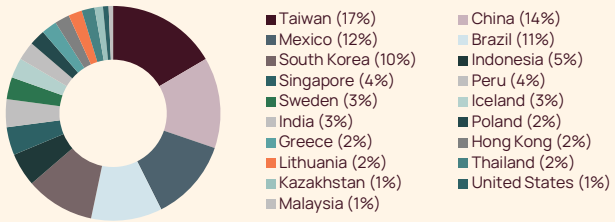
Top Five Holdings

As of September 30, 2026

Company	Country	Percent of equity (%)
Taiwan Semiconductor Manufacturing	Taiwan	10.1
Corporacion Moctezuma	Mexico	4.6
Ferreycorp	Peru	4.2
Sporton International	Taiwan	4.2
BBB Foods	Mexico	4.0
Total		**27.0**

Top 10 Countries

As of September 30, 2026



Source: SS&C GWP™ and FactSet Research Systems. Holdings and weightings are based on a representative portfolio. The sector information represented above is based on GICS sector classifications. Holdings are subject to change. Individual investors' holdings may differ slightly. Numbers may not always add up due to rounding.

Composite Disclosure

Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI® Emerging Markets Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets ($ Millions)	Firm Assets ($ Millions)
2021*	(4.37)	(4.77)	(2.75)	N/A	N/A	<5	N/A	3	47,269
2022	(20.05)	(20.86)	(20.09)	N/A	N/A	<5	N/A	3	33,531
2023	16.90	15.75	9.83	N/A	N/A	<5	N/A	3	41,186
2024	6.58	5.52	7.50	15.33	17.75	<5	N/A	3	45,494

*2021 performance numbers in this table reflect the product inception date of August 1, 2021 through December 31, 2021.
The MSCI® Emerging Markets 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, 2024. The verification reports are available upon request.

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. Verification does not provide assurance on the accuracy of any specific performance report.

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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 Developing Markets Portfolios. The Developing Markets Portfolios is an all-cap strategy that invests primarily in equity securities that are in emerging markets. The strategy invests in equity securities that are defined as high quality which is characterized by businesses that typically 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® Emerging Markets Index (net). The MSCI® Emerging Markets Index is a market capitalization-weighted index of stocks from countries defined as Emerging Markets in 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 inception date of the composite is August 2021. The composite was created in August 2021. 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 1.00% for all periods presented. The standard management fee schedule currently in effect is as follows: 0.90% for the first $50 million; 0.80% on the next $50 million; 0.70% 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 gross 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 2024 because 36 monthly composite returns are not available.