



Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Small-Mid Cap Quality Value Portfolio Managed Accounts

Second Quarter 2024 Review



1984 - 2024

Celebrating 40 Years
of Quality

[kayne.com](https://www.kayne.com)

2000 Avenue of the Stars, Suite 1110 Los Angeles, CA 90067 T 800.231.7414

Firm Overview

As of June 30, 2024



Kayne Anderson Rudnick
Investment Management

Profile

- Originally established to manage founder capital
- Over three decades of experience
- A differentiated “business analyst” investment approach focusing on high-quality businesses†
- A disciplined and repeatable investment process that produces high-conviction portfolios
- A wholly owned, independent subsidiary of Virtus Investment Partners

At a Glance

Year Founded	1984
Headquarters	Los Angeles, CA
AUM	\$62.9 billion*
Number of Equity Investment Professionals	22
Average Investment Experience	16 Years

*Figures in USD.

†Please refer to the “Tenets of Quality: Our Quality Business Assessment” slide later in this presentation for KAR’s definition of high-quality businesses.

Investment Philosophy

We believe that purchasing high-quality businesses with competitive protections at attractive valuations will achieve excess returns over a complete market cycle

Investment Objectives

- To achieve a return meaningfully above that of the Russell 2500™ Value Index
- To achieve this return objective with a portfolio that exhibits lower overall risk characteristics*



Competitive Protection

- Brand/Reputation
- Network Effect
- Scale/Cost Advantage
- Benchmarking Standard
- High Customer Switching Costs
- Barriers to Entry/Unique Asset
- Low Obsolescence Risk



Owner-Oriented Management

- Cultivates Competitive Advantage
- Rational Capital Allocation
- Considers Stakeholder Interests



HIGH QUALITY BUSINESS

- Protect and Grow Market Share
- High Economic Return on Capital
- Business Returns → Shareholder Returns

Small-Mid Cap Quality Value Team



Kayne Anderson Rudnick
Investment Management

Portfolio Manager/Analysts	Responsibility	Research Start Date	KAR Start Date
Julie Kutasov	Portfolio Manager and Senior Research Analyst Sector Coverage: Materials, Industrials and Utilities	2001	2001
Craig Stone	Portfolio Manager and Senior Research Analyst Sector Coverage: Real Estate and Consumer Staples	1990	2000
Todd Beiley, CFA	Senior Research Analyst Sector Coverage: Financials (Insurance Industry) and Information Technology	1999	2002
Julie Biel, CFA	Senior Research Analyst Sector Coverage: Information Technology and Health Care	2004	2013
Jon Christensen, CFA	Senior Research Analyst Sector Coverage: Health Care and Industrials	1995	2001
Chris Wright, CFA	Senior Research Analyst Sector Coverage: Financials, Information Technology, Energy and Industrials	2012	2012
Adam Xiao, CFA	Senior Research Analyst Sector Coverage: Financials, Consumer Discretionary, Information Technology and Industrials	2013	2018
Tyler Cantarano	Research Analyst Sector Coverage: Information Technology, Consumer Discretionary and Communication Services	2017	2024
Sean Dixon	Research Analyst Sector Coverage: Consumer Discretionary and Industrials	2008	2018
Luke Longinotti, CFA	ESG Research Analyst	2020	2023
Arthur Su, CFA	Research Analyst Sector Coverage: Information Technology and Industrials	2015	2022
Clarissa Ali	Associate Research Analyst	2023	2018
Client Services	Responsibility	Industry Start Date	KAR Start Date
Jason Pomatto	Managing Director - Senior Client Portfolio Manager	1994	2021
Ben Falcone, CFA	Managing Director - Client Portfolio Manager	1996	2023
James May, CFA	Managing Director - Client Portfolio Manager	1989	2019
Ben Corser	Portfolio Specialist	2006	2018

Market Review

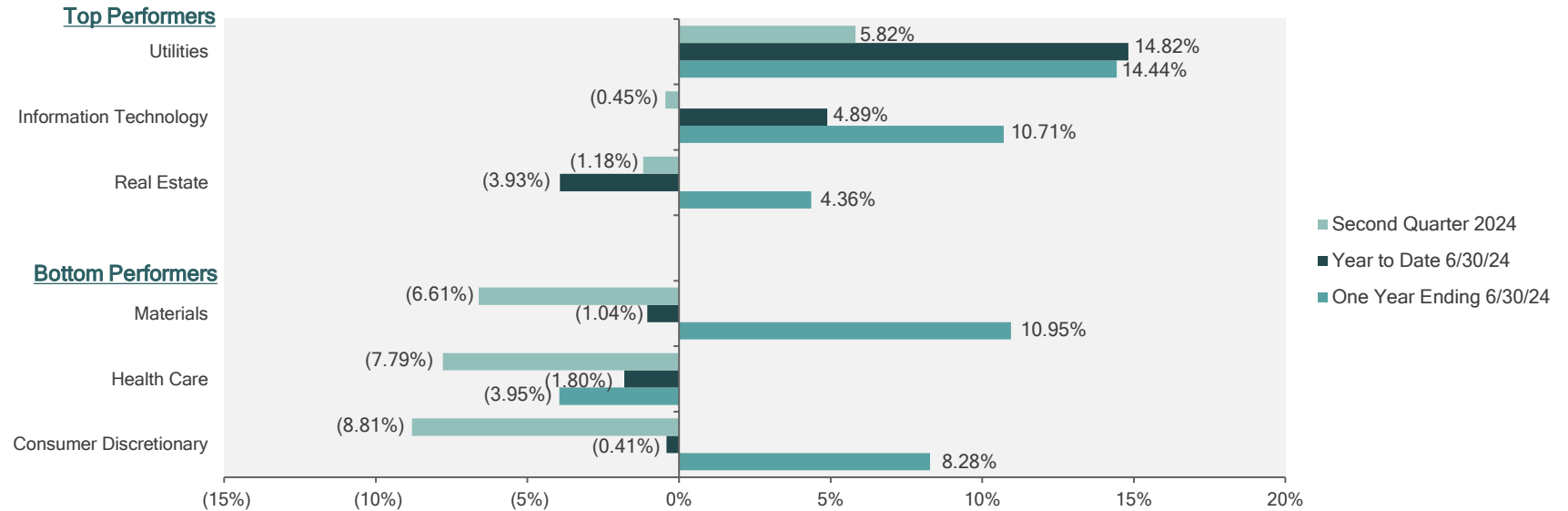
Performance by Sector and Style



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Investment Management

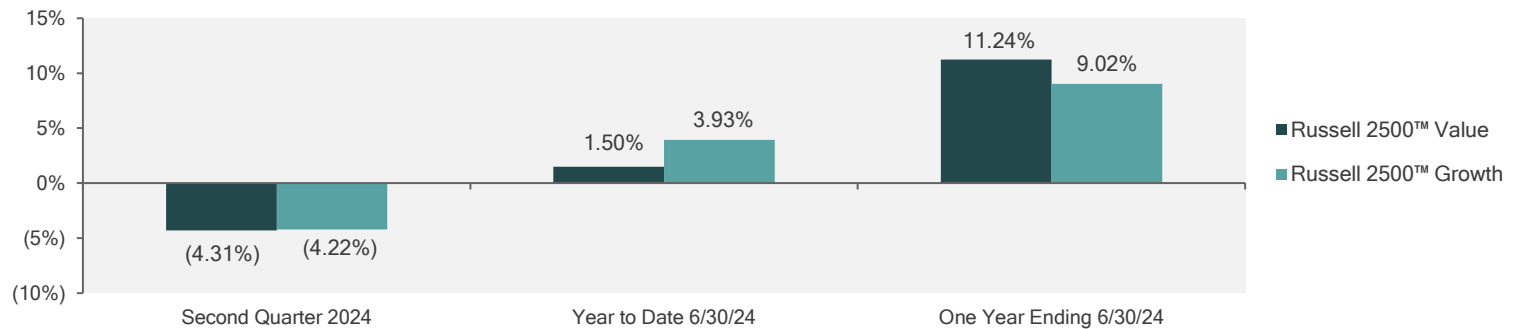
Sector Performance

Russell 2500™ Value Index



Performance by Style

Russell 2500™ Value Index vs. Russell 2500™ Growth Index



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 is assumed to be reliable. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment. Past performance is no guarantee of future results.

Market Review

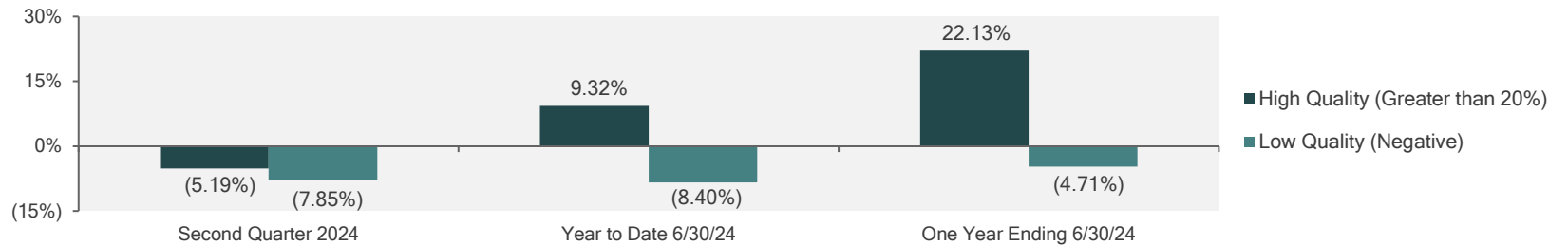
Performance by Financial Metric



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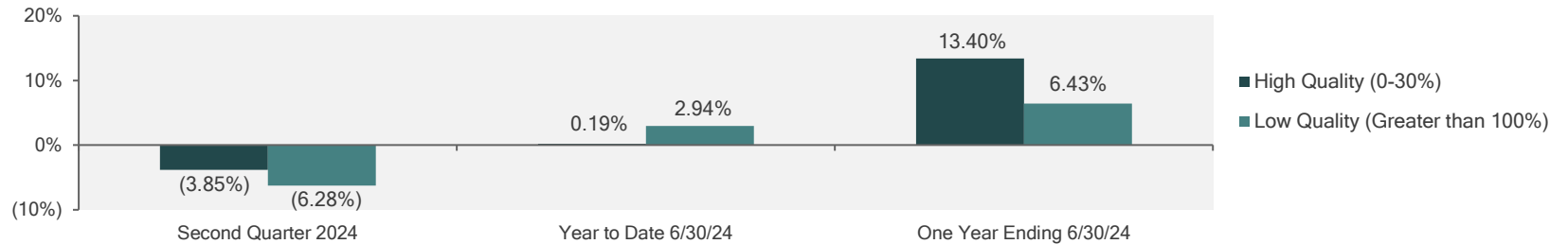
Performance by Return on Equity

Russell 2500™ Value Index



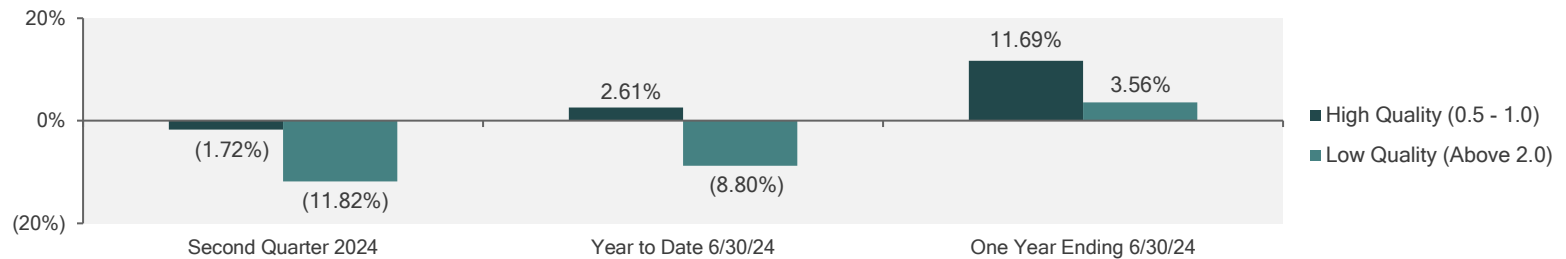
Performance by Debt/Capital Ratio

Russell 2500™ Value Index



Performance by Beta

Russell 2500™ Value Index



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Quarterly Performance Overview

Small-Mid Cap Quality Value Portfolio

Periods Ending June 30, 2024



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Monthly, Quarterly and Year to Date Performance

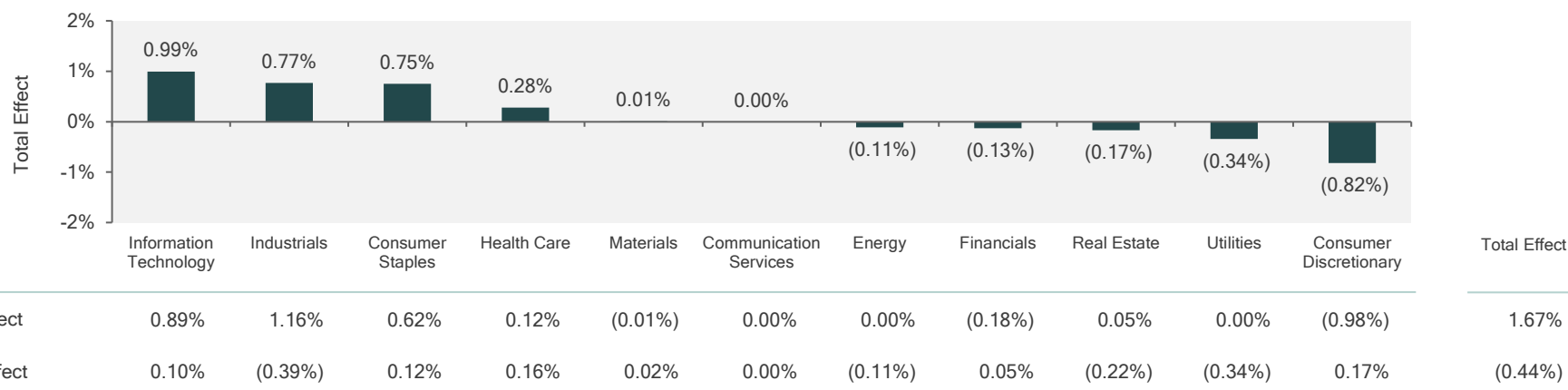
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
April	(7.27)	(7.52)	(6.29)	(123)
May	5.06	4.81	4.21	59
June	(0.31)	(0.56)	(2.01)	146
Second Quarter	(2.88)	(3.62)	(4.31)	69
Year to Date	3.71	2.18	1.50	67

Annualized Performance

Periods Ending 6/30/24	Gross (%)	Net (%)	Index (%)
1 Year	13.62	10.29	11.24
5 Years	10.03	6.80	8.01
10 Years	9.99	6.76	6.77

Attribution by Sector

Quarter Ending June 30, 2024



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Highest Contributors

Small-Mid Cap Quality Value Portfolio

Quarter Ending June 30, 2024



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Teradyne	+1.01%	Teradyne experienced better-than-expected results driven by strong growth in memory SoC testing and A&D systems testing, while major end markets such as mobile SoC, automotive, industrial, and automation remained weak. Management raised their outlook driven by increased demand for HBM memory test and AI compute applications. Combined with increased optimism on improving OSAT tester utilization trends, shares outperformed during the quarter.
Lennox International	+0.48%	Lennox International executed well in the current quarter with revenue and earnings growth driven by strong commercial performance. While 2024 guidance was maintained, management's outlook remains optimistic on pricing gains from the 2025 refrigeration transition and its ability to regain lost share via "self-help" initiatives. More recently, the company announced a joint venture to sell ductless air conditioning products in the U.S. and Canada, a growing market where Lennox is underpenetrated.
CACI International	+0.47%	CACI International's shares performed strongly following the company's reports of better-than-expected operating results and an improved annual outlook. Demand remains strong with increased spending in defense and intelligence-related areas supported by a focus on cyber security and investments in advanced technologies.
BJ's Wholesale Club	+0.45%	Membership renewal rates for BJ's Wholesale club stand at 90% so far this year. Total locations grew and, in our view, should accelerate in the second half of the year as the company expects to open 11 new stores. The new stores opened are performing well and are either meeting or exceeding expectations. BJ's main competition are grocery stores and, to a lesser degree, Costco. We believe the value BJ's offers customers is magnified at this time of grocery price inflation and benefits the company.
National Beverage	+0.42%	For the full fiscal year, National Beverage saw increases in average selling price per case offset by declines in case volume. The stock rallied on this quarter's earnings release with a slightly better average selling price that led to margin expansion beyond expectations. The company has reported six consecutive quarters of positive revenue. Given the general worry about the persistence of grocery inflation and the resulting push back from consumers, we believe the company is positioned more on the value end of the spectrum, which should help while inflation lingers.

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Lowest Contributors

Small-Mid Cap Quality Value Portfolio

Quarter Ending June 30, 2024



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Leslie's	(0.94%)	Leslie's faced continued weak consumer spending on big ticket items like pools and hot tubs, while also facing high margin chemical pricing adjustments downward. Calendar 2024 started wet and cool for the first half of the year, negatively impacting demand. Sentiment towards the company's near-term demand was also negatively affected by an industry peer guiding its business results down because of cautious consumer spending and weak demand. These factors caused shares to underperform.
Graco	(0.68%)	Graco's underperformance in the quarter was due to declining revenue across all business segments and nearly all regions as general macro-economic conditions provided a softer operating environment for the company.
Thor Industries	(0.67%)	Thor Industries continues to feel the effects of the significant downdraft in industry-wide RV sales. The company is experiencing weaker demand, particularly in North America due to economic pressure on the consumer and higher interest rates. However, the business continues to operate largely as an assembler and not a vertical manufacturer, which we believe helps the business continue to generate free cash flow, even as RV sales decline.
W. R. Berkley	(0.65%)	Despite robust business results in the first quarter driven by price increases and good underwriting profitability, W. R. Berkley's shares declined modestly in the second quarter after rising sharply throughout the prior year period.
WD-40	(0.47%)	WD-40's shares underperformed in the quarter as revenue growth was impacted by enterprise resource planning implementation while margins declined on elevated operating expenses, despite good progress in other areas such as gross margin recovery, pursuing a direct strategy in Brazil via acquisition, and announcement of the divestiture of its U.S./U.K. homecare and cleaning products.

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Annual Performance Overview

Small-Mid Cap Quality Value Portfolio

Periods Ending June 30, 2024



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Quarterly and Annual Performance

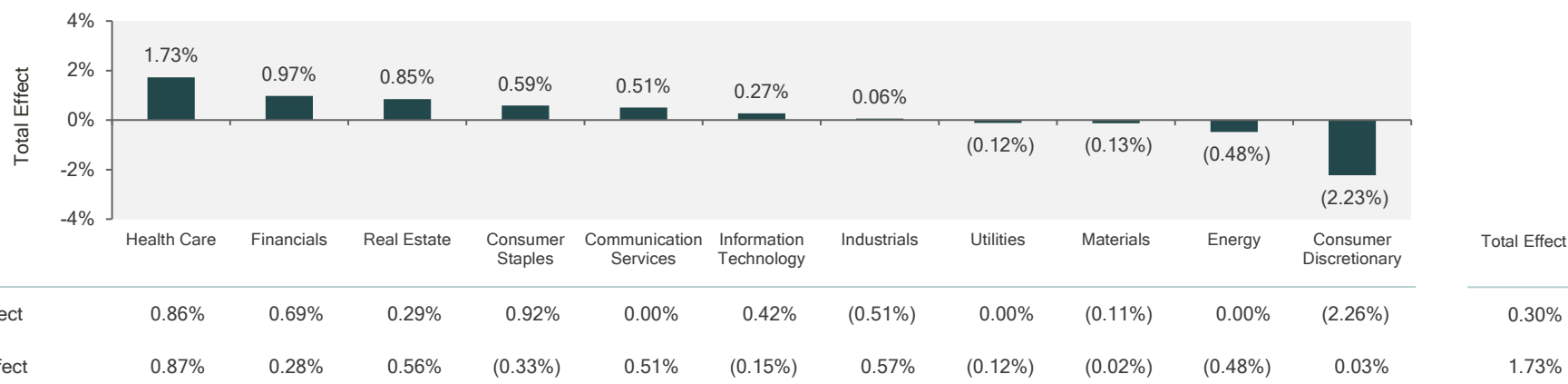
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Third Quarter 2023	(2.90)	(3.63)	(3.66)	3
Fourth Quarter 2023	12.83	12.01	13.76	(174)
First Quarter 2024	6.79	6.01	6.07	(6)
Second Quarter 2024	(2.88)	(3.62)	(4.31)	69
1 Year Ending 6/30/24	13.62	10.29	11.24	(95)

Annualized Performance

Periods Ending 6/30/24	Gross (%)	Net (%)	Index (%)
1 Year	13.62	10.29	11.24
5 Years	10.03	6.80	8.01
10 Years	9.99	6.76	6.77

Attribution by Sector

One Year Ending June 30, 2024



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Highest Contributors

Small-Mid Cap Quality Value Portfolio

One Year Ending June 30, 2024



Kayne Anderson Rudnick
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Security	Contribution	Comments
Lennox International	+2.48%	Shares outperformed over the last twelve months as the company continues to experience strong growth and better profitability in its commercial HVAC business despite headwinds in its residential HVAC business. We believe self-help initiatives such as pricing excellence, cost reduction, and distribution optimization are benefiting financial results, providing confidence in the company's long-term outlook and ability to realize attractive returns.
W. R. Berkley	+1.73%	A hard property and casualty insurance market has enabled W. R. Berkley to raise prices and expand coverage. Meanwhile, underwriting profitability remains strong and investment income has grown along with rising interest rates.
Armstrong World Industries	+1.24%	Armstrong's shares performed well following the company's reports of better-than-expected operating results and an improved annual outlook.
Bank of Hawaii	+1.04%	Despite the industry turmoil that began in March of 2023, Bank of Hawaii's deposit franchise and credit quality have demonstrated resilience. We believe profitability is likely to improve going forward, especially if the Federal Reserve decides to start cutting short-term interest rates.
LPL Financial Holdings	+1.01%	Over the trailing twelve-month period, LPL Financial reported growth in revenues and profits from both market share gains and a higher interest rate earned on client cash held with the company. These factors caused shares to outperform.

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Lowest Contributors

Small-Mid Cap Quality Value Portfolio

One Year Ending June 30, 2024



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Leslie's	(1.45%)	Over the twelve-month period, Leslie's faced continued weak consumer spending on big ticket items like pools and hot tubs, while also facing high margin chemical pricing adjustments downward. Calendar 2024 started wet and cool for the first half of the year, negatively impacting demand. Sentiment towards the company's near-term demand was also negatively affected by an industry peer guiding its business results down because of cautious consumer spending and weak demand. These factors caused shares to underperform.
TransUnion	(0.74%)	Shares underperformed over the last twelve months despite an improvement in organic growth rates as US lending conditions continue to remain challenging and growth in emerging verticals remains muted due to economic pressures. Shares have recovered after the guidance reset in 3Q23 on anticipated interest rate reductions and restructuring actions through 2024, but recent upside has been limited on waning optimism on the near-term path for interest rates.
John Bean Technologies	(0.57%)	We believe John Bean Technologies' underperformance likely stems from wholesale pricing pressure faced by the poultry industry in general, which has generated a headwind to the company's poultry business. Additionally, the company is pursuing an acquisition, which introduces execution uncertainty to its business.
Cheesecake Factory	(0.41%)	The Cheesecake Factory's underperformance likely stems from continued share losses to fast casual concepts and the negative impacts of an inflationary environment on the profitability of its business. To combat cost inflation, the company has increased prices which has improved profitability in the near-term, but the business continues to experience long-term declines in traffic at The Cheesecake Factory branded restaurants.
Toro	(0.33%)	We believe Toro's underperformance over the twelve-month period likely stems from the company's elevated field inventory across its residential and contractor-grade lawn care products which has led to weak channel demand.

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Purchases

Small-Mid Cap Quality Value Portfolio
Quarter Ending June 30, 2024



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Purchases	Descriptions/Reasons
CACI International—Increased Position	Demand for CACI's products and services remains strong with increased government spending in defense and intelligence-related areas supported by focus on cyber security, investments in advanced technologies, increased focus on national security threats, counterterrorism, and counterintelligence. With the shares' valuation attractive, we increased our position.
H.B. Fuller—Increased Position	Despite accelerated top-line growth and margin improvement of the past decade, significant opportunities remain driven by H.B. Fuller's strategic focus on highly specified products sold to higher growth markets. With the shares' valuation attractive, we increased our position.

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Sales

Small-Mid Cap Quality Value Portfolio Quarter Ending June 30, 2024



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Sales	Reasons
W. R. Berkley–Trimmed Position	We trimmed W. R. Berkley as the stock was trading at the high end of its historic valuation range.

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Portfolio Characteristics

Small-Mid Cap Quality Value Portfolio

As of June 30, 2024



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	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
Quality		
Return on Equity—Past 5 Years	23.6%	12.5%
Debt/EBITDA*	1.4 x	2.6 x
Earnings Variability—Past 10 Years	34.3%	77.0%
Growth		
Earnings Per Share Growth—Past 5 Years	7.1%	11.9%
Earnings Per Share Growth—Past 10 Years	12.6%	9.4%
Dividend Per Share Growth—Past 5 Years	9.2%	7.0%
Dividend Per Share Growth—Past 10 Years	11.9%	7.2%
Capital Generation—{ROE x (1-Payout)}	17.0%	9.2%
Value		
P/E Ratio—Trailing 12 Months	32.1 x	23.7 x
Dividend Yield	1.0%	1.9%
Free Cash Flow Yield†	4.6%	4.6%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$10.2 B	\$6.8 B
Largest Market Cap—3-Year Average	\$31.2 B	\$25.9 B
Annualized Standard Deviation—Since Inception‡ (Net of Fees)	17.9%	20.2%

In a market of average businesses, we seek to own protected proprietary businesses that generate exceptional returns on shareholders' capital without employing significant debt.

In a market of cyclical businesses requiring growth capital from fickle markets, we seek to own companies producing self-funded strong, consistent growth sustainable into the future.

*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.

†Free cash flow data is as of March 31, 2024. Prices are as of June 30, 2024. Excludes financials.

‡January 1, 2008

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Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. The statistics presented above are based on a representative portfolio. Actual results may vary. 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.

Market Commentary

Continued Strong Earnings Growth in Technology



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- We see earnings growth in the S&P in technology, communication services (which is benefiting from election spending), and utilities (which is seeing earnings grow on the back of high AI spending).
- We can argue that most sectors in the S&P 500 saw earnings bottom in 2023. That has not been the case for small and mid-cap companies which are expected to see earnings growth in the upcoming second quarter earnings season.
- Seven of 11 mid-cap sectors reported improved earnings in the first quarter of 2024. Only two sectors in small cap (health care and utilities) experienced earnings per share improvement in the first quarter. An additional four sectors are expected to show growth this upcoming earnings season.
- That is not to say we would avoid small cap, but rather focus on quality businesses that have more resilient earnings. We believe these durable businesses have performed better than the benchmarks would suggest.

GICS Sector Contribution to S&P 500® Index Earnings

	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Communication Services	Utilities	Real Estate	Full Year
2020	\$10.60	\$12.68	(\$7.33)	\$29.12	\$23.69	\$7.23	\$32.73	\$4.24	\$19.68	\$6.24	\$3.50	\$142.38
2021	\$16.85	\$12.31	\$9.40	\$46.96	\$29.94	\$13.47	\$42.57	\$6.62	\$22.91	\$5.06	\$3.29	\$209.38
2022	\$14.95	\$13.27	\$26.08	\$29.96	\$31.64	\$18.01	\$42.93	\$7.74	\$25.47	\$6.51	\$5.01	\$221.59
2023P	\$18.86	\$15.10	\$17.22	\$44.14	\$25.88	\$20.31	\$41.33	\$5.47	\$23.95	\$6.99	\$3.69	\$222.94
2024E	\$21.25	\$18.50	\$16.25	\$46.50	\$27.75	\$21.50	\$46.75	\$5.00	\$25.75	\$8.25	\$3.25	\$240.75

Data as of June 30, 2024. Source: Strategas. Data is based on Strategas estimates per share and is assumed to be reliable. This information is being provided by Kayne Anderson Rudnick Investment Management, LLC ("KAR") for illustrative purposes only. **Past performance is no guarantee of future results.** Returns could be reduced, or losses incurred, due to currency fluctuations.

Market Commentary

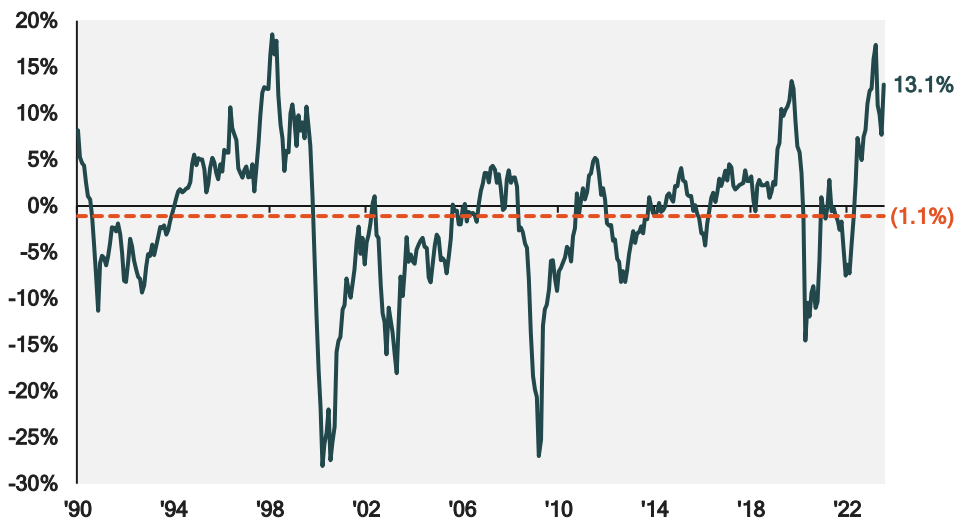
Continuation of Very Narrow U.S. Large Cap Market



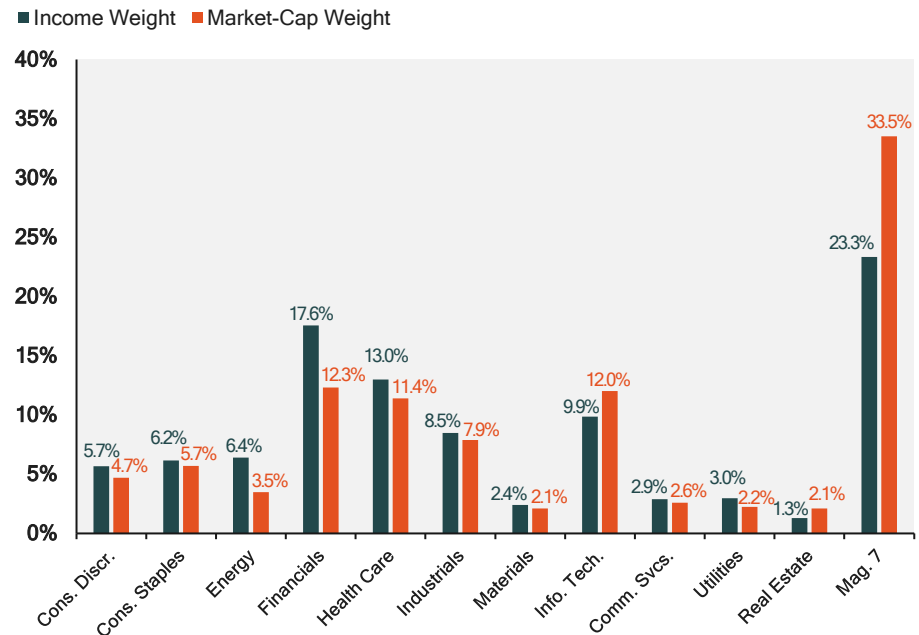
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- From a historical perspective, we have seen two periods where the gap between the market-cap weighted versus equal weighted indices has been this wide (the late 1990s and the late 2010s) and would note that while the gap can persist for some time, the reversals can be sudden.
- The Mag 7 accounts for 32% of the S&P by composite weight but only 23% by earnings. So while we understand investor positioning to go where there is growth, valuations could be a bit full here.
- While many investors seek index investing as a way to diversify, there is less safety in that diversification than in previous periods.

S&P 500® vs. S&P 500® Equal-Weighted Index
Rolling 12-Month Return Differential



S&P 500® Net Income Weight vs. Sector Weight



Data as of June 30, 2024. Data for the chart to the left is obtained from Strategas and Bloomberg and is assumed to be reliable. Data for the chart to the right is obtained from Strategas and Factset and is assumed to be reliable. The Magnificent 7 is its own sector and is excluded from the other sectors. The information provided in this chart is for illustrative purposes only. **Past performance is no guarantee of future results.**

Market Commentary

A More Normalized Interest Rate Environment Should Allow Quality Companies to Better Differentiate Themselves

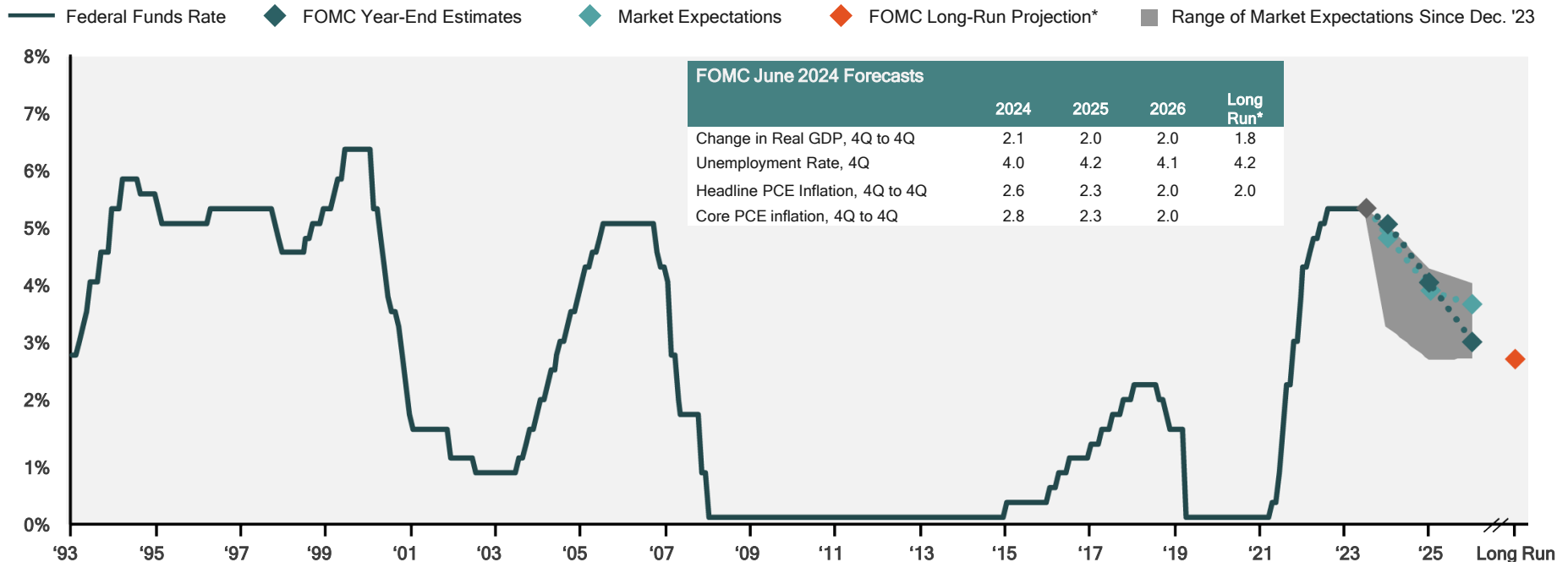


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- While we do expect the Fed to eventually cut interest rates, we do not expect interest rates to return to 0%. The last 13 years are the anomaly, not the current 5.25-5.50%, which is less than 100 basis points above the long-run average.
- Assuming a more normalized or neutral rate of 3-4% could have a profound impact on how companies operate and how assets are priced.
- We believe this should allow for quality companies with low leverage to be better-positioned to weather a more capital-constrained environment by generating all their capital needs internally and finding opportunities to reinvest without relying on free outside financing to do so.

Federal Funds Rate Expectations

FOMC and Market Expectations for the Federal Funds Rate



Data as of June 30, 2024. Data is obtained from the Bloomberg, FactSet, Federal Reserve and J.P. Morgan Asset Management and is assumed to be reliable. Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

Market Commentary

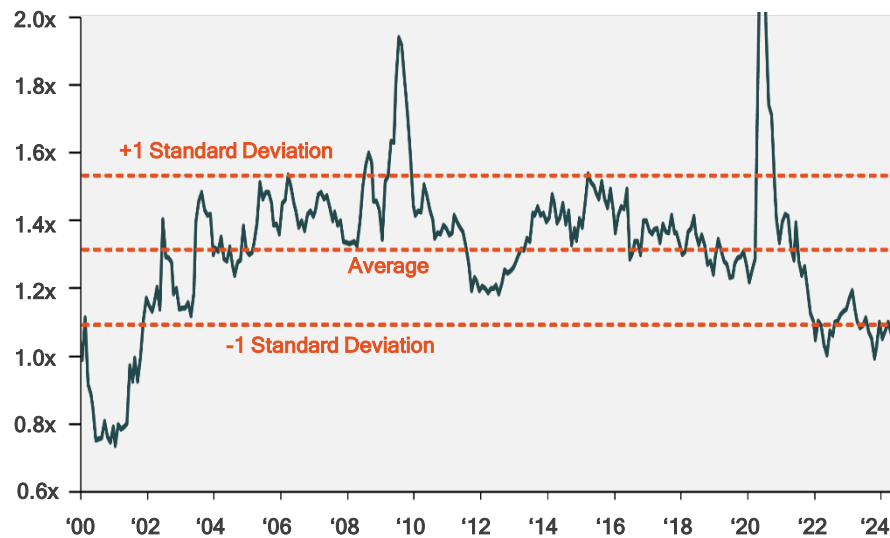
Large Differential in Valuations Between Large and Small Stocks



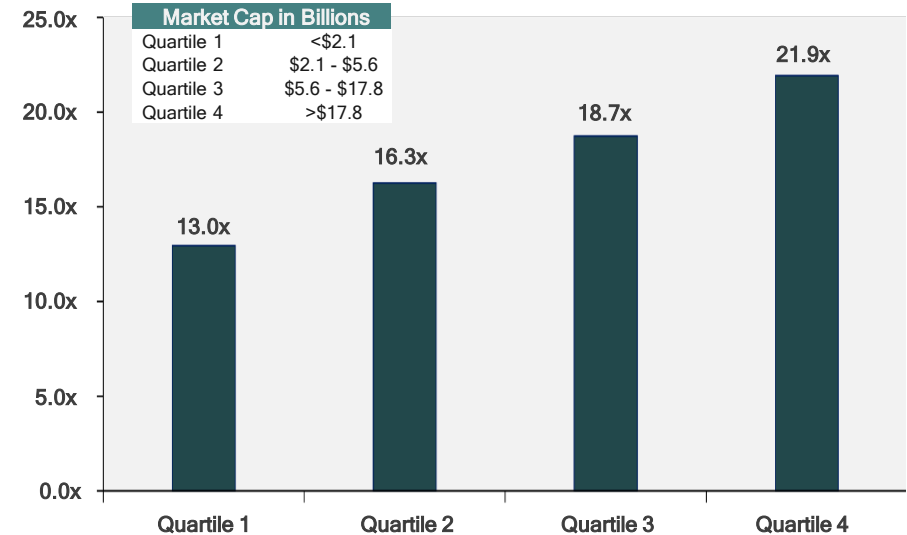
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- Given the disparity in performance between large and small-cap stocks, the differential in large cap and small-cap P/Es are now one standard deviation from their average.
- We also see a direct linear relationship between market cap and P/E multiples.

Russell 2000® Index P/E Ratio Relative to S&P 500® Index P/E Ratio
Next 12 Months



S&P 1500® Median P/E by Market Cap Quartile
Last 12 Months



Data for the chart to the left is as of May 31, 2024. Data for the chart to the right is as of June 18, 2024. Data is obtained from Strategas and Factset and is assumed to be reliable. The information provided in this chart is for illustrative purposes only. **Past performance is no guarantee of future results.**

- **Portfolio Data**
- **Disclosure**

Sector Weights

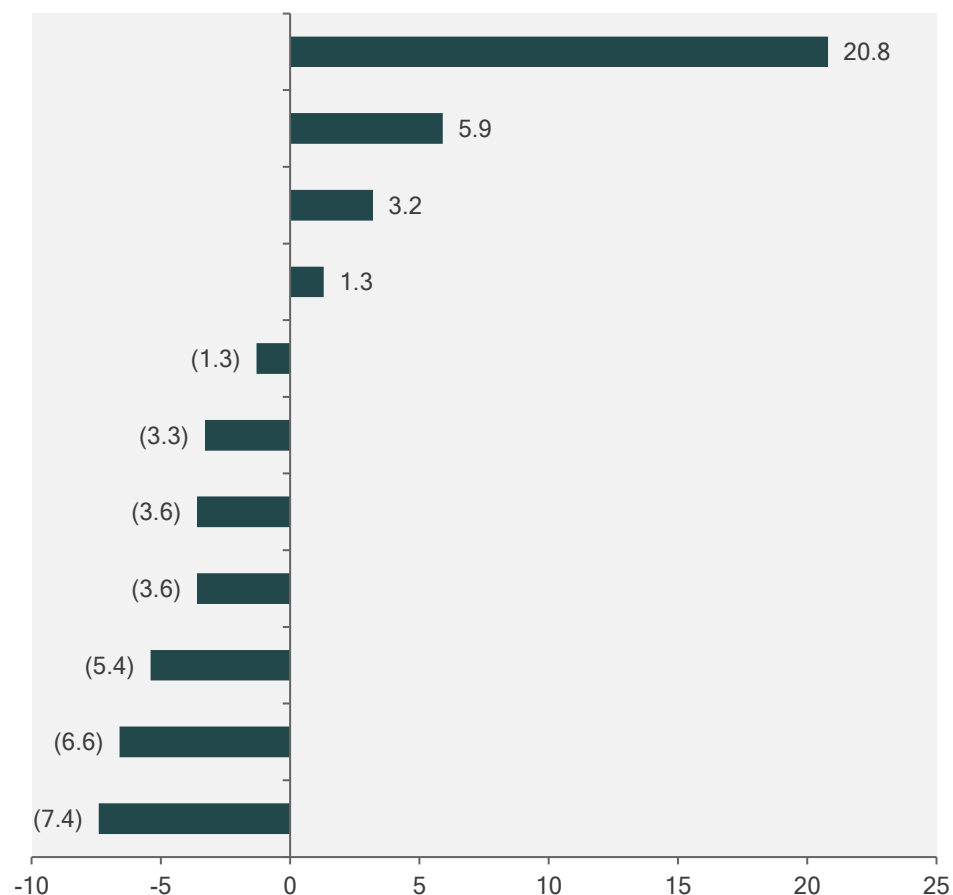
Small-Mid Cap Quality Value Portfolio
As of June 30, 2024



Kayne Anderson Rudnick
Investment Management

Sectors	KAR Small-Mid Cap Quality Value (%)	Russell 2500™ Value Index (%)
Industrials	39.2	18.4
Consumer Staples	9.5	3.6
Information Technology	11.4	8.1
Financials	21.1	19.8
Materials	5.7	7.0
Utilities	—	3.3
Communication Services	—	3.6
Consumer Discretionary	8.3	11.9
Health Care	2.7	8.1
Energy	—	6.6
Real Estate	2.2	9.5

Underweight/Overweight (%)



This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

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 from FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding.

Top Ten Holdings

Small-Mid Cap Quality Value Portfolio

As of June 30, 2024



Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
Lennox International	Industrials	5.4
TransUnion	Industrials	4.4
Broadridge Financial Solutions	Financials	4.4
LPL Financial Holdings	Financials	4.3
CACI International	Industrials	4.3
RBC Bearings	Industrials	4.2
Teradyne	Information Technology	4.2
Gentex	Consumer Discretionary	3.9
Zebra Technologies	Information Technology	3.8
Landstar System	Industrials	3.8
Total		42.8

Research confidence leads to large active weights

	KAR Small-Mid Cap Quality Value	Russell 2500™ Value Index
# of Holdings	30	1,891
Average Position Size (%)	3.3	0.1
Weight of Top Ten Holdings (%)	42.8	3.9
Active Share (%)	97.5	—

The strategy benefits from diversification while still taking significant active positions

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Returns

Small-Mid Cap Quality Value Portfolio



Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 6/30/24	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
Second Quarter	(2.88)	(3.62)	(4.31)	69
Year to Date	3.71	2.18	1.50	67
1 Year	13.62	10.29	11.24	(95)
3 Years	1.16	(1.84)	2.15	(398)
5 Years	10.03	6.80	8.01	(121)
7 Years	9.81	6.58	7.02	(44)
10 Years	9.99	6.76	6.77	(1)
Since Inception*	11.35	8.08	7.81	27

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
2023	18.24	14.78	15.98	(120)
2022	(20.01)	(22.43)	(13.08)	(934)
2021	22.18	18.62	27.78	(916)
2020	23.53	19.93	4.88	1,505
2019	32.48	28.65	23.56	508
2018	(11.08)	(13.74)	(12.36)	(138)
2017	19.17	15.69	10.36	533
2016	19.40	15.91	25.20	(929)
2015	(0.59)	(3.53)	(5.49)	195
2014	8.88	5.68	7.11	(143)
2013	36.30	32.37	33.32	(96)
2012	11.01	7.75	19.21	(1,146)
2011	7.40	4.24	(3.36)	760
2010	25.83	22.18	24.82	(264)
2009	32.51	28.67	27.68	99
2008	(18.99)	(21.44)	(31.99)	1,055

*January 1, 2008

This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

Returns for the Kayne Anderson Rudnick composite are final. All periods less than one year are total returns and are not annualized. Data is obtained from 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. Returns could be reduced, or losses incurred, due to currency fluctuations.

IMPORTANT RISK CONSIDERATIONS: Equity Securities: The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small, medium, or large-sized companies may enhance that risk. **Limited Number of Investments:** Because the portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a portfolio with a greater number of securities. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended.

Risk-Return Analysis

Small-Mid Cap Quality Value Portfolio

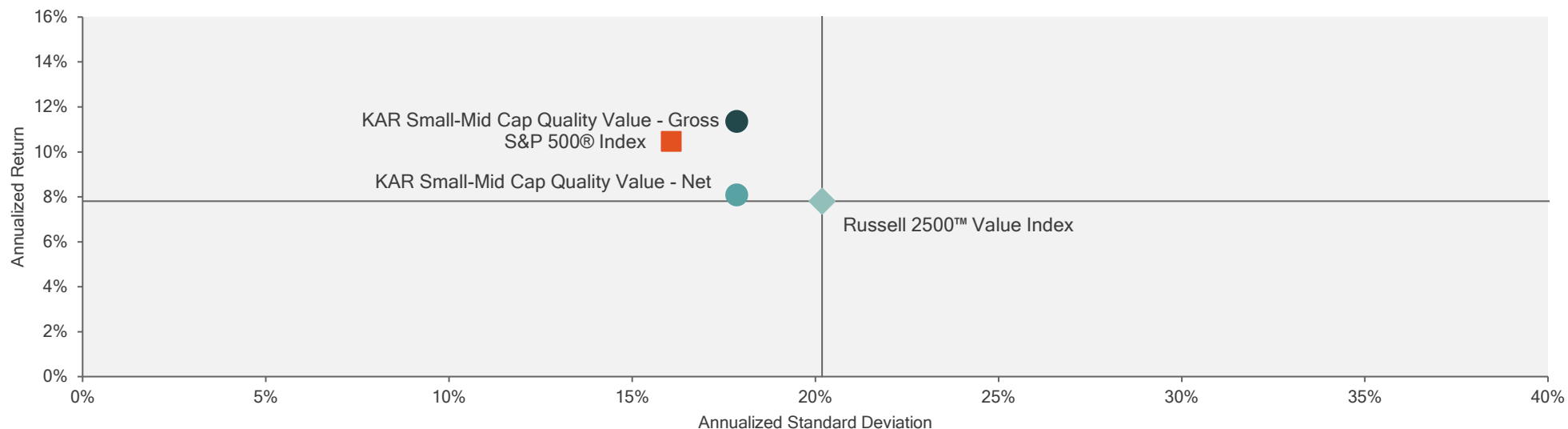
Inception* to June 30, 2024



Kayne Anderson Rudnick
Investment Management

Meaningful Excess Return with Lower Volatility

Annualized Since Inception*



Performance Statistics

Annualized Since Inception*

	Annualized Return (%)	Alpha (%)	Sharpe Ratio	Information Ratio	Tracking Error	Standard Deviation (%)	Beta	Downside Capture
KAR Small-Mid Cap Quality Value - Gross	11.35	4.25	0.58	0.53	6.64	17.86	0.84	77.00
KAR Small-Mid Cap Quality Value - Net	8.08	1.18	0.39	0.04	6.64	17.86	0.84	82.00
Russell 2500™ Value Index	7.81	0.00	0.33	N/A	N/A	20.18	1.00	100.00

*January 1, 2008

This material is deemed supplemental and complements the performance and disclosure at the end of this presentation.

Returns for the Kayne Anderson Rudnick composite are final. 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.** Returns could be reduced, or losses incurred, due to currency fluctuations.

Disclosure

Small-Mid Cap Quality Value (Wrap) Composite



Kayne Anderson Rudnick
Investment Management

Year	Composite Pure Gross Return* (%)	Composite Net Return (%)	Russell 2500™ Value Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2014	8.88	5.68	7.11	10.65	11.41	12	0.09	140	7,989
2015	(0.59)	(3.53)	(5.49)	12.26	12.19	< 5	N/A	< 1	8,095
2016	19.40	15.91	25.20	12.26	13.36	< 5	N/A	< 1	9,989
2017	19.17	15.69	10.36	10.95	11.98	< 5	N/A	< 1	14,609
2018	(11.08)	(13.74)	(12.36)	12.82	13.77	< 5	N/A	< 1	17,840
2019	32.48	28.65	23.56	13.58	14.43	< 5	N/A	< 1	25,685
2020	23.53	19.93	4.88	21.90	25.40	20	N/A	143	39,582
2021	22.18	18.62	27.78	20.14	24.49	74	0.15	232	47,269
2022	(20.01)	(22.43)	(13.08)	23.21	26.84	< 5	N/A	< 1	33,531
2023	18.24	14.78	15.98	19.44	20.99	< 5	N/A	< 1	41,186

*Pure gross returns are supplemental to net returns.

The Russell 2500™ 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, 2023. 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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The composite includes all fully discretionary Small-Mid Cap Quality Value Wrap Portfolios. Small-Mid Cap Quality Value Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2500™ 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 2500™ Value Index. The Russell 2500™ Value Index is a market capitalization-weighted index of value-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 inception date of the composite is January 2008. The composite was created in July 2015. 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.

For periods prior to July 1, 2015, and from October 1, 2020 through June 30, 2022, the composite calculations have been linked to the firm's Small-Mid Cap Quality Value actual historical non-wrap fee composite performance. All portfolios included in this composite for all other periods are wrap portfolios.

The standard wrap fee schedule in effect is 3.00% on total assets. 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. Performance results include the reinvestment of all income. Pure gross returns do not reflect the deduction of any expenses, including trading costs. Net annual returns are calculated by deducting 1/12th of an assumed maximum annual wrap fee of 3% on a monthly basis. Wrap fees include all charges for trading costs, portfolio management, custody and other administrative expenses.

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 pure gross returns) and the benchmark for the 36-month period.