



Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Mid Cap Core Portfolio
Managed Accounts
First Quarter 2024 Review

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

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Firm Overview

As of March 31, 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	\$65.3 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 Midcap[®] 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

Mid Cap Core Team



Kayne Anderson Rudnick
Investment Management

Portfolio Manager/Analysts	Responsibility	Research Start Date	KAR Start Date
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care and Industrials	1995	2001
Craig Stone	Portfolio Manager and Senior Research Analyst Sector Coverage: Real Estate and Consumer Staples	1990	2000
Todd Bailey, 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
Julie Kutasov	Senior Research Analyst Sector Coverage: Materials, Industrials and Utilities	2001	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

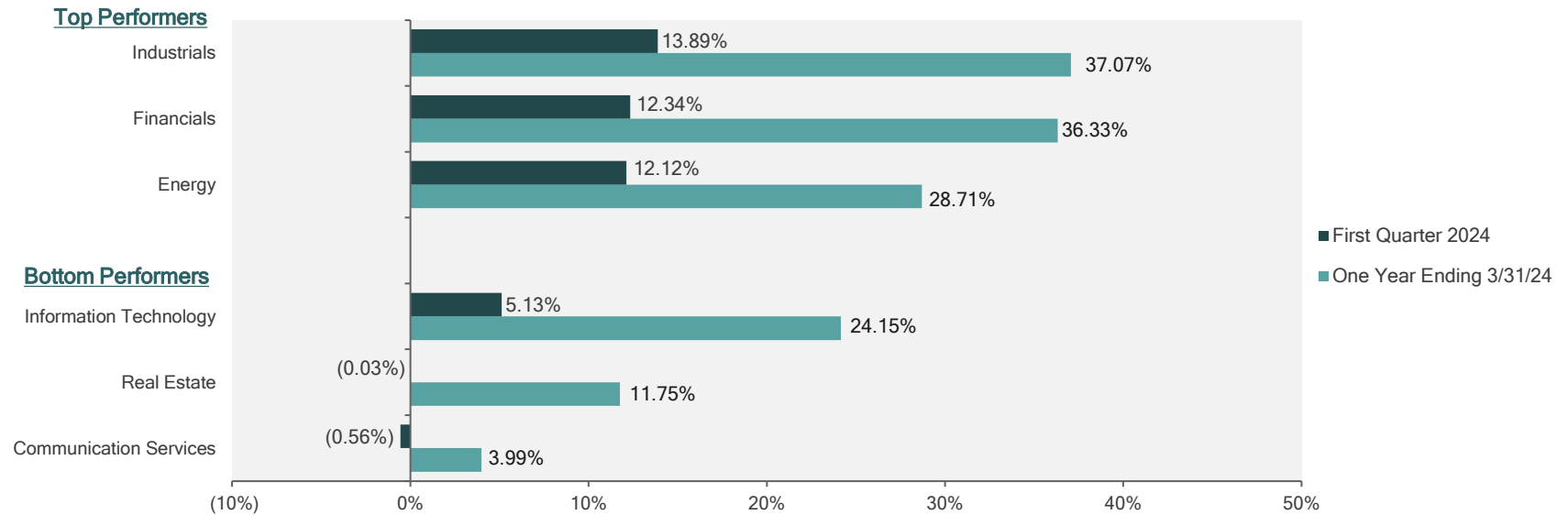
Performance by Sector and Style



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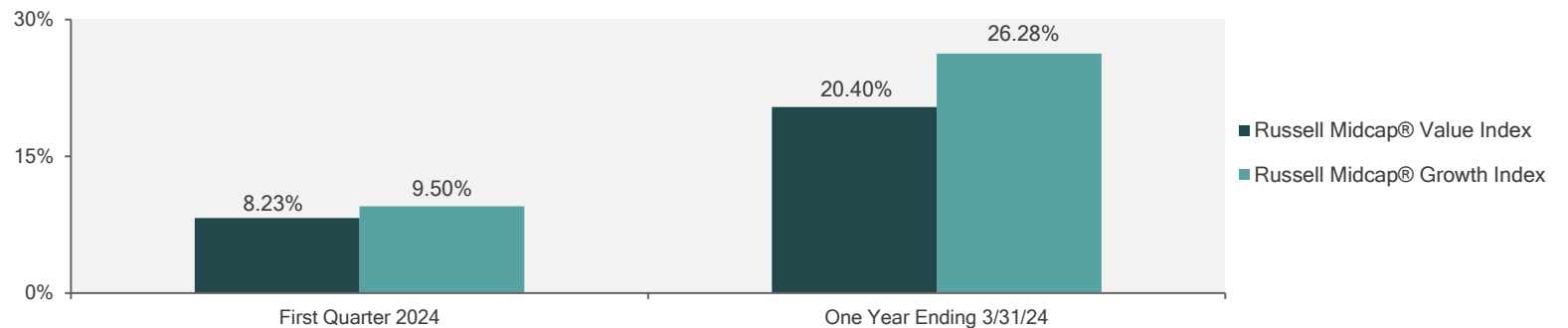
Sector Performance

Russell Midcap® Index



Performance by Style

Russell Midcap® Value Index vs. Russell Midcap® 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

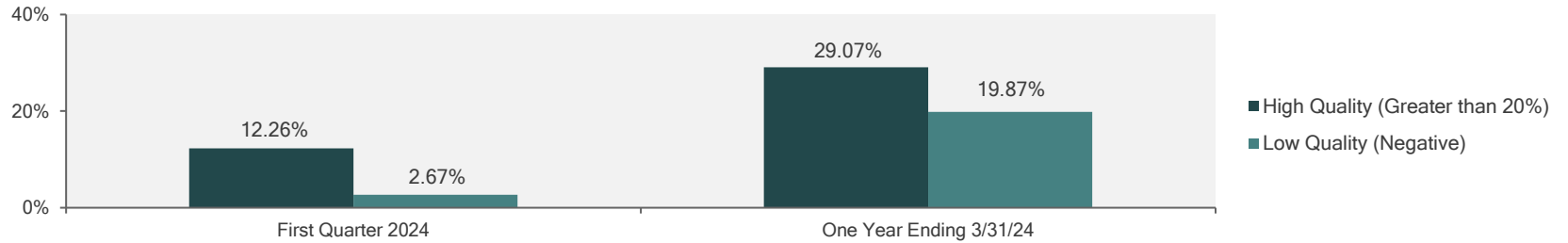
Performance by Financial Metric



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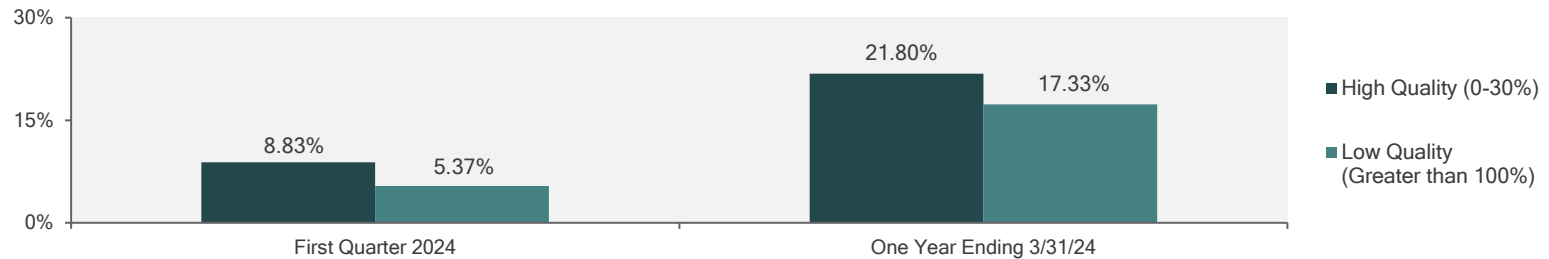
Performance by Return on Equity

Russell Midcap® Index



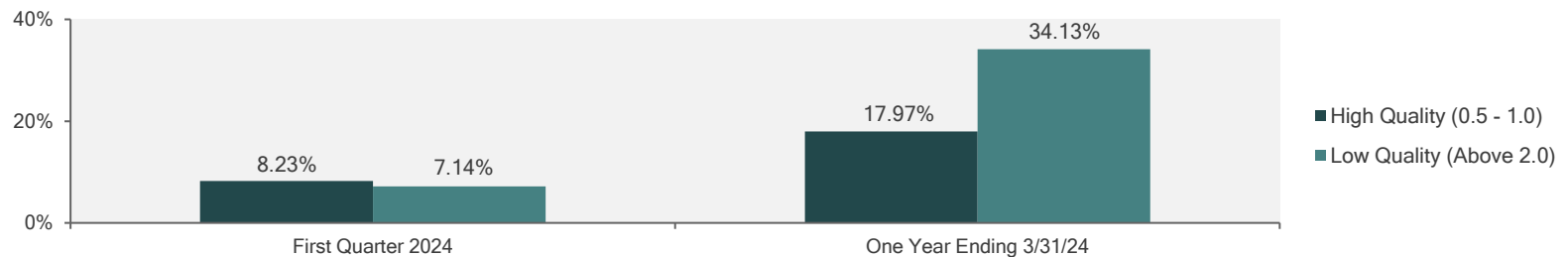
Performance by Debt/Capital Ratio

Russell Midcap® Index



Performance by Beta

Russell Midcap® Index



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Quarterly Performance Overview

Mid Cap Core Portfolio
Periods Ending March 31, 2024



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Monthly and Quarterly Performance

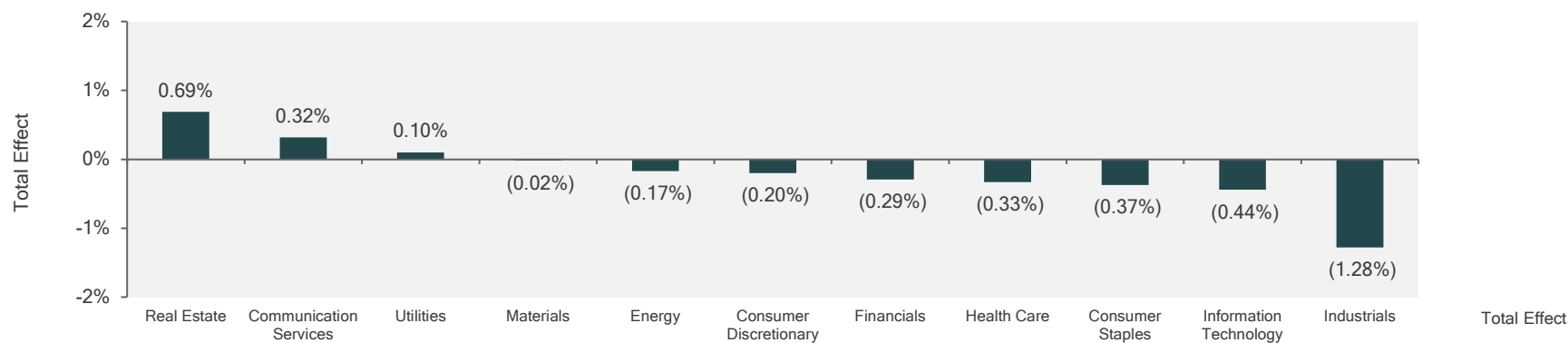
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
January	(0.92)	(1.17)	(1.42)	26
February	4.85	4.60	5.59	(99)
March	2.22	1.97	4.34	(236)
First Quarter	6.20	5.42	8.60	(318)

Annualized Performance

Periods Ending 3/31/24	Gross (%)	Net (%)	Index (%)
1 Year	22.90	19.32	22.35
5 Years	14.39	11.03	11.10
10 Years	14.07	10.73	9.95

Attribution by Sector

Quarter Ending March 31, 2024



KAR Selection Effect	0.00%	0.00%	0.00%	0.00%	0.00%	(0.22%)	(0.37%)	(0.23%)	(0.35%)	(0.47%)	(2.30%)	(3.94%)
KAR Allocation Effect	0.69%	0.32%	0.10%	(0.02%)	(0.17%)	0.02%	0.07%	(0.10%)	(0.02%)	0.03%	1.02%	1.95%

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Highest Contributors

Mid Cap Core Portfolio

Quarter Ending March 31, 2024



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Security	Contribution	Comments
AMETEK	+0.70%	AMETEK's shares outperformed in the quarter after posting solid financials with organic growth boosted by the company's ability to maintain pricing in this inflationary environment. In addition, we believe demand continues to be strong even with the pricing adjustments.
Domino's Pizza	+0.63%	Domino's Pizza continues to benefit from executing well in its everyday business and returning delivery service levels back to pre-COVID levels. Additionally, the business experienced positive sales and transaction levels for its U.S. delivery and carryout business.
Brown & Brown	+0.63%	As a commercial insurance broker, Brown & Brown benefited from broadly rising premium rates as carriers try to catch up with higher underwriting losses.
West Pharmaceutical Services	+0.55%	West Pharmaceutical Services ended the year with strong earnings but issued caution regarding some inventory destocking at its larger customers. We do not believe this to be a competitive challenge, but rather a temporary headwind. As the quarter progressed, management's tone was more positive on destocking, and we believe the impact of GLP-1 drugs is a positive for long-term earnings.
W. R. Berkley	+0.55%	We believe a hard insurance cycle and past underwriting discipline is propelling healthy growth and profitability at W.R. Berkley.

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Lowest Contributors

Mid Cap Core Portfolio

Quarter Ending March 31, 2024



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Azenta	(0.33%)	Azenta reported results that were ahead of expectations, most notably for-profit margin expansion. However, guidance for next quarter was muted due to the timing from an acquisition with inconsistent revenue.
Exponent	(0.18%)	Exponent's shares underperformed in the quarter due to further weakness in consumer electronics and postponements of projects in other areas such as chemicals litigation due to client budget sensitivities leading to disappointing financial guidance for the following year. In addition, expense normalization is expected to pressure profitability.
Aspen Technology	(0.17%)	Aspen Technology's shares underperformed after the company reported lower-than-expected operating results. We believe investors are concerned that the company may not achieve its full-year financial outlook.
Teledyne Technologies	(0.11%)	Teledyne Technologies' shares fell in in the quarter despite seeing solid revenue growth across segments as margins continued to be impacted by supply chain issues.
FactSet Research Systems	(0.09%)	FactSet Research reported a quarter of slower growth driven by cautious client spending and a reduction in client headcounts. This moderation in the company's rate of growth caused shares to underperform.

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Annual Performance Overview

Mid Cap Core Portfolio
Periods Ending March 31, 2024



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Quarterly and Annual Performance

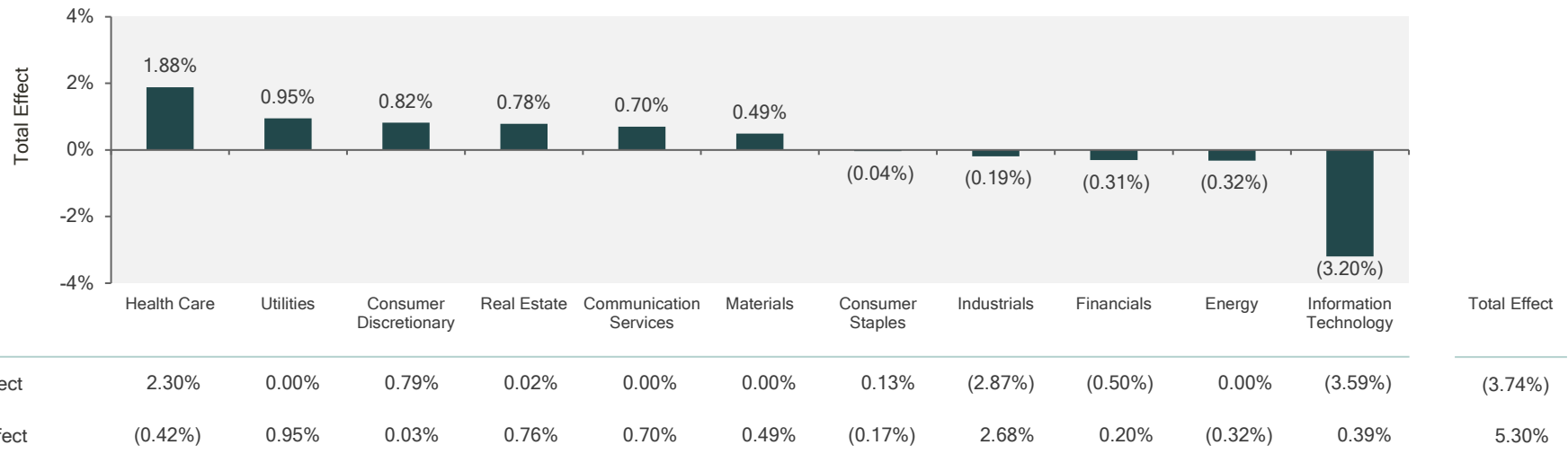
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Second Quarter 2023	6.47	5.69	4.76	93
Third Quarter 2023	(2.90)	(3.64)	(4.68)	105
Fourth Quarter 2023	11.94	11.13	12.82	(169)
First Quarter 2024	6.20	5.42	8.60	(318)
1 Year Ending 3/31/24	22.90	19.32	22.35	(303)

Annualized Performance

Periods Ending 3/31/24	Gross (%)	Net (%)	Index (%)
1 Year	22.90	19.32	22.35
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Attribution by Sector

One Year Ending March 31, 2024



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Highest Contributors

Mid Cap Core Portfolio

One Year Ending March 31, 2024



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Security	Contribution	Comments
Lennox International	+2.72%	Over the last twelve months, Lennox International's shares continued to outperform on multiple quarters of recovery in growth and profitability in its commercial HVAC business, which offset softer dynamics in the residential HVAC market. With what we believe to be timely progress from the new management's turnaround strategy, the company raised its long-term financial outlook reflecting further improvements in execution and industry fundamentals.
Monolithic Power Systems	+1.82%	Over the last twelve months, Monolithic Power Systems' shares outperformed due to strong growth in its enterprise data business, which saw robust demand due to heavy investment in artificial intelligence. While end markets such as industrial, communications, and consumer weakened, the strength in other end markets such as enterprise data and automotive provided attractive counter-balancing revenue streams in a softer semiconductor market.
Houlihan Lokey	+1.73%	From our perspective, Houlihan Lokey's focus on smaller deals allowed it to see more resilient deal volume than several peers over the past several quarters, despite declines from a record prior year level. The company also experienced an increase from the prior year in the financial restructuring work it provides clients, helping financial results. The company's fundamental outperformance relative to independent investment banking peers also caused its stock to outperform over the trailing twelve-month period.
AMETEK	+1.58%	AMETEK's shares outperformed in the last 12 months after posting solid financial results with organic growth boosted by the company's ability to maintain pricing in this inflationary environment. In addition, we believe demand continues to be strong even with the pricing adjustments.
Ross Stores	+1.58%	Ross Stores saw improvement in its stock after reporting in the second half of 2022 improved comparable store trends and better inventory levels than prior quarters, which had seen execution and inventory challenges. In following quarters, the company reported strong comparable sales with its off-price value proposition which appeal to customers in the current economic environment.

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Lowest Contributors

Mid Cap Core Portfolio

One Year Ending March 31, 2024



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Security	Contribution	Comments
Zebra Technologies	(1.57%)	Zebra Technologies' shares underperformed over the last twelve months as major e-commerce/retail and logistics customers digested significant capital expenditure investments made during the pandemic and extended the useful life of existing assets. Distributor inventory normalization on weaker sell-through further exacerbated the decline in topline performance and profitability.
Exponent	(0.88%)	Over the last twelve months, Exponent's shares underperformed primarily due to increasing weakness in consulting work related to consumer electronics and postponements of other projects due to client budget sensitivities. In addition, lower technical full-time equivalent utilization, and higher operating expenses on return-to-work pressured earnings growth over the last twelve months.
Aspen Technology	(0.83%)	Aspen Technology experienced integration challenges recently and the soft macro-economic environment has tempered the company's operating results. While management is optimistic about 2024 business performance, investors remain skeptical.
Equity LifeStyle Properties	(0.14%)	Equity LifeStyle Properties, Inc. is a real estate investment trust, which engages in the ownership and operation of lifestyle-oriented properties consisting primarily of manufactured home and recreational vehicle communities. The current elevated interest rate environment has muted the company's story. We sold Equity LifeStyle Properties in Q4 2023.
Dolby Laboratories	0.01%	Over the last twelve months, Dolby Laboratories' shares underperformed due to further weakness in consumer electronics demand that continued to negatively impact foundational technologies as well as slower growth for newer technologies.

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Purchases

Mid Cap Core Portfolio
Quarter Ending March 31, 2024



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Purchases	Descriptions/Reasons
Equifax–Increased Position	After a period of high interest rates, we believe Equifax should eventually benefit from the tailwinds of lower rates after last year’s weak mortgage activity. We increased our weight to reflect our confidence in the fundamentals of this business.
Westinghouse Air Brake Technologies–Increased Position	We increased our position in Westinghouse Air Brake Technologies due to our bolstered confidence in the long-term fundamental story.

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Sales

Mid Cap Core Portfolio

Quarter Ending March 31, 2024



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Sales	Reasons
Dolby Laboratories—Sold Entire Position	We sold our position in Dolby Laboratories to fund the increases in Equifax and Wabtec. We believe these two positions offer a great risk-reward metric over the long-term.
Exponent—Trimmed Position	We trimmed our weight in Exponent due to internal ownership limits in the company.
Monolithic Power—Trimmed Position	Shares of Monolithic Power are up strongly since our initial purchase. With the shares trading at a significant valuation, we reduced our position despite a strong level of confidence in the long-term fundamental investment story.

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Portfolio Characteristics

Mid Cap Core Portfolio
As of March 31, 2024



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	KAR Mid Cap Core	Russell Midcap® Index
Quality		
Return on Equity—Past 5 Years	23.4%	16.2%
Debt/EBITDA*	1.6 x	2.2 x
Earnings Variability—Past 10 Years	33.0%	62.8%
Growth		
Earnings Per Share Growth—Past 5 Years	16.1%	12.4%
Earnings Per Share Growth—Past 10 Years	11.0%	11.3%
Dividend Per Share Growth—Past 5 Years	11.4%	7.9%
Dividend Per Share Growth—Past 10 Years	11.2%	8.1%
Capital Generation—{ROE x (1-Payout)}	17.7%	11.6%
Value		
P/E Ratio—Trailing 12 Months	34.5 x	26.9 x
Dividend Yield	0.8%	1.5%
Free Cash Flow Yield†	2.7%	3.6%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$17.3 B	\$22.6 B
Largest Market Cap—3-Year Average	\$44.1 B	\$61.7 B
Annualized Standard Deviation—Since Inception‡ (Net of Fees)	15.6%	19.3%

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 December 31, 2023. Prices are as of March 31, 2024. Excludes financials.

‡January 1, 2000

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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

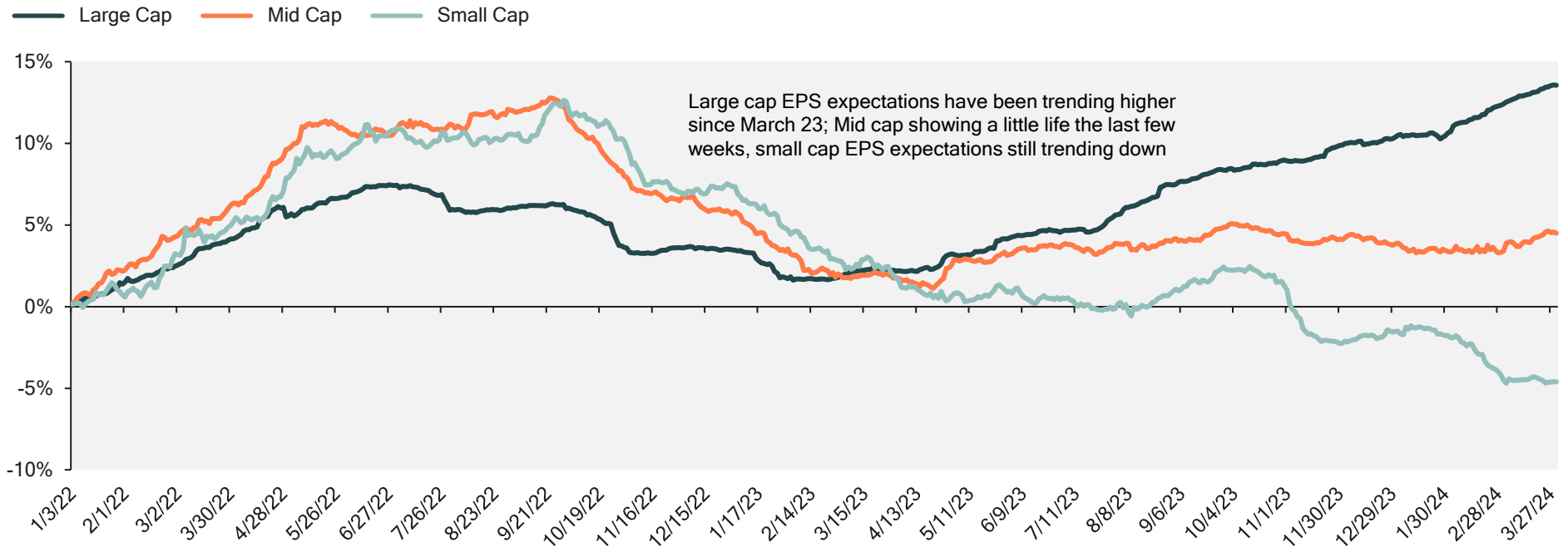
We Believe the Narrowness of the Market Makes Sense



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- The major driver of equity market performance has been the Magnificent 7 technology stocks that have been direct beneficiaries of the recent advances in AI.
- We don't believe this rally is wholly unjustified as investors are simply going where the earnings are growing.
- Earnings expectations for large-caps are well ahead of mid and small-cap stocks which has translated directly to valuations.

Consensus Earnings Per Share (Next 12 Months) Indexed to December 31, 2021



Data as of March 27, 2024. Data is obtained from Factset and Raymond James and is assumed to be reliable. The information provided in this chart is for illustrative purposes only. The indices presented above are not actively managed and do not reflect the deduction of any investment management or other fees and expenses. Indices are not available for direct investment. **Past performance is no guarantee of future results.**

Market Commentary

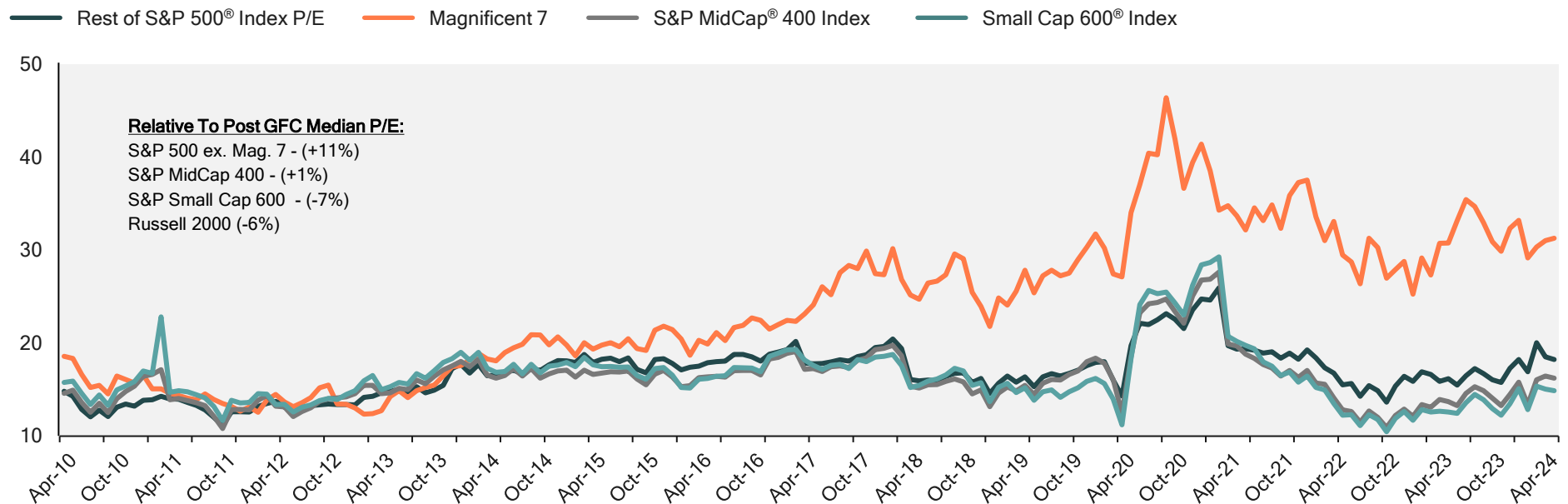
We Expect Small-Cap Valuations to Remain Pressured



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- Much has been made of the gap in valuations for small caps relative to large. That gap has narrowed a bit, but it's not because the stocks had a material rally, but rather a more modest increase in prices and a decline in earnings expectations for small capitalization companies.
- Until earnings growth materializes for these smaller companies, we believe stock performance could continue to lag.
- We believe that this is an asset class best served by active management, as 42% of the index has negative earnings.

P/E of Magnificent 7 Tech Stocks vs. Rest of S&P 500® Index, Mid, and Small Cap Indices GAAP, Current Year



Data as of March 31, 2024. Data is obtained from the Factset and Raymond James and is assumed to be reliable. The Magnificent 7 stocks include Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla. The Russell 2000 Index excludes companies with negative earnings. The information provided in this chart is for illustrative purposes only. The indices presented above are not actively managed and do not reflect the deduction of any investment management or other fees and expenses. Indices are not available for direct investment. **Past performance is no guarantee of future results.**

Market Commentary

We Expect More Fundamentals to Drive Equity Performance Going Forward

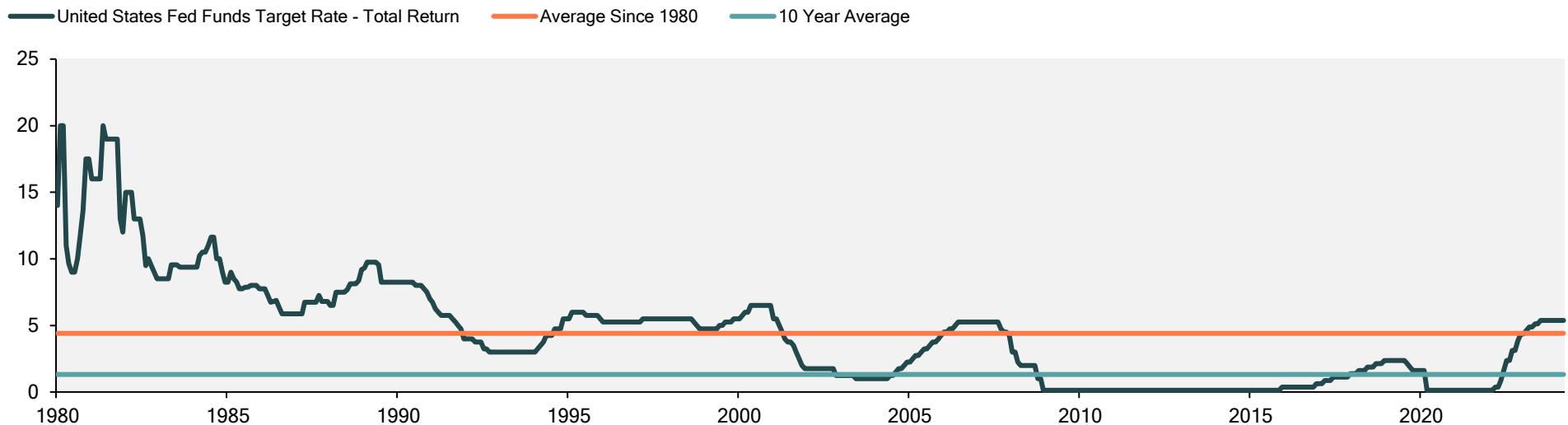


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- Coming out of the pandemic, it has been hard to gauge how much of the strength in the U.S. economy is due to fundamentals versus other exogenous factors.
- The U.S. economy has a very large Federal deficit and while interest rates may have peaked, they are unlikely to return to the very low rates enjoyed during the pandemic.
- Despite rates having increased materially in a short period of time, they are only modestly restrictive compared to the long-run average.
- We expect more fundamental factors will drive corporate profits and thus equity performance going forward.
- The level of deficit to GDP in the U.S. economy is more consistent with 7% unemployment than the 4% we are currently seeing.

Rates Are Not That High Relative To History

Interest Rates Remain Above the 10-Year Average but Near the Long-Term Historical Average



Data as of March 31, 2024. Data is obtained from the Federal Reserve Bank of St. Louis and Factset and is assumed to be reliable. The information provided in this chart is for illustrative purposes only. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer, or solicitation to buy or sell any securities or to adopt any investment strategy. KAR does not undertake to update the information presented. KAR makes no warranty as to the accuracy or reliability of the information contained herein. **Past performance is no guarantee of future results.**

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

Sector Weights

Mid Cap Core Portfolio

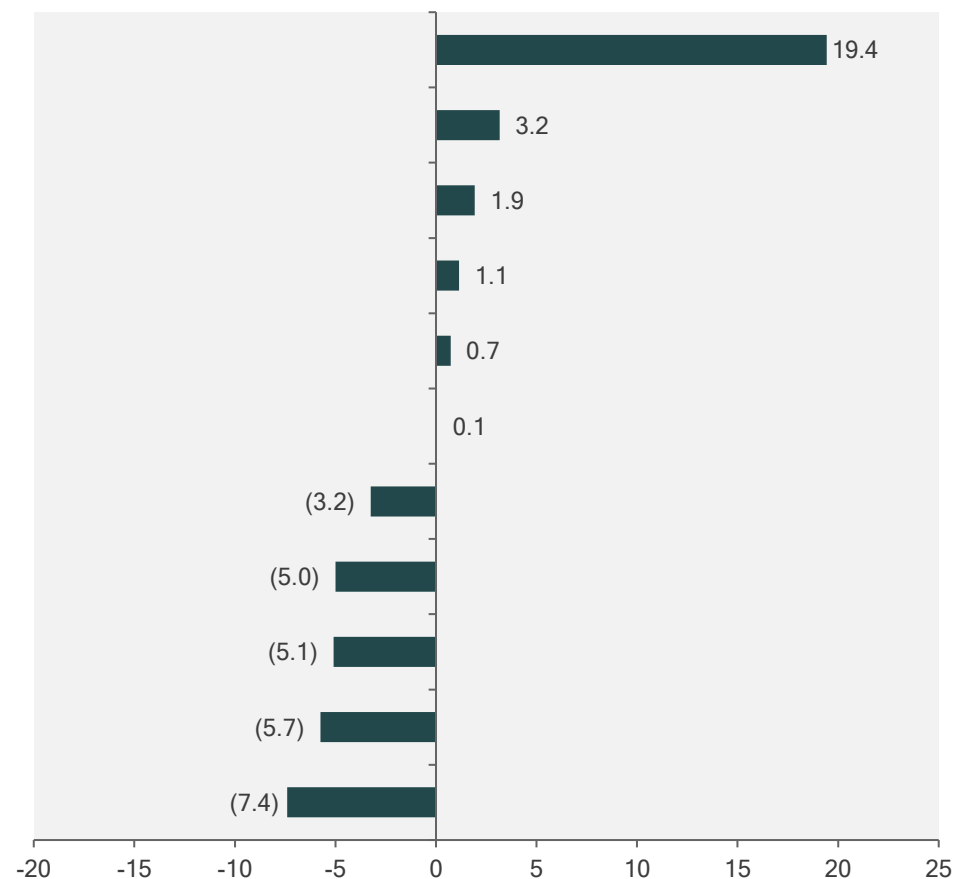
As of March 31, 2024



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Sectors	KAR Mid Cap Core (%)	Russell Midcap® Index (%)
Industrials	39.6	20.2
Health Care	13.1	9.9
Financials	18.2	16.3
Consumer Discretionary	12.0	10.9
Consumer Staples	4.1	3.4
Information Technology	12.9	12.8
Communication Services	—	3.2
Energy	—	5.0
Utilities	—	5.1
Materials	—	5.7
Real Estate	—	7.4

Underweight/Overweight (%)



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Top Ten Holdings

Mid Cap Core Portfolio

As of March 31, 2024



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Top 10 Holdings	GICS Sector	% of Portfolio
AMETEK	Industrials	6.5
Cooper Companies	Health Care	4.7
West Pharmaceutical Services	Health Care	4.6
Equifax	Industrials	4.4
POOLCORP	Consumer Discretionary	4.3
Ross Stores	Consumer Discretionary	4.3
Lennox International	Industrials	4.2
Lamb Weston	Consumer Staples	4.1
Houlihan Lokey	Financials	4.0
Azenta	Health Care	3.9
Total		45.0

Research confidence leads to large active weights

	KAR Mid Cap Core	Russell Midcap® Index
# of Holdings	29	808
Average Position Size (%)	3.4	0.1
Weight of Top Ten Holdings (%)	45.0	5.8
Active Share (%)	95.0	—

The strategy benefits from diversification while still taking significant active positions

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Returns

Mid Cap Core Portfolio



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Annualized Performance

Periods Ending 3/31/24	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
First Quarter	6.20	5.42	8.60	(318)
1 Year	22.90	19.32	22.35	(303)
3 Years	8.11	4.92	6.07	(114)
5 Years	14.39	11.03	11.10	(7)
7 Years	14.54	11.18	10.58	60
10 Years	14.07	10.73	9.95	78
Since Inception*	10.76	7.52	9.22	(170)

*January 1, 2000

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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. **Industrial Concentration:** Because the portfolio is presently heavily weighted in the industrial sector, it will be impacted by that sector's performance more than a portfolio with broader sector diversification. **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.

Calendar Year Performance

Periods Ending 12/31	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
2023	23.79	20.18	17.23	296
2022	(19.24)	(21.67)	(17.32)	(436)
2021	25.64	21.99	22.58	(60)
2020	26.22	22.55	17.10	544
2019	32.71	28.87	30.54	(167)
2018	(3.24)	(6.11)	(9.06)	295
2017	26.60	22.92	18.52	441
2016	12.24	8.95	13.80	(485)
2015	3.87	0.80	(2.44)	324
2014	17.88	14.43	13.22	122
2013	28.48	24.75	34.76	(1,001)
2012	16.27	12.87	17.28	(441)
2011	4.29	1.21	(1.55)	276
2010	19.46	15.97	25.48	(950)
2009	21.47	18.02	40.48	(2,246)
2008	(28.78)	(31.08)	(41.46)	1,038
2007	6.19	3.09	5.60	(251)
2006	13.10	9.84	15.26	(542)
2005	8.79	5.63	12.65	(702)
2004	15.29	11.99	20.22	(823)
2003	26.67	23.11	40.06	(1,695)
2002	(12.62)	(15.31)	(16.19)	88
2001	(2.76)	(5.68)	(5.62)	(6)
2000	21.54	18.10	8.25	985

Risk-Return Analysis

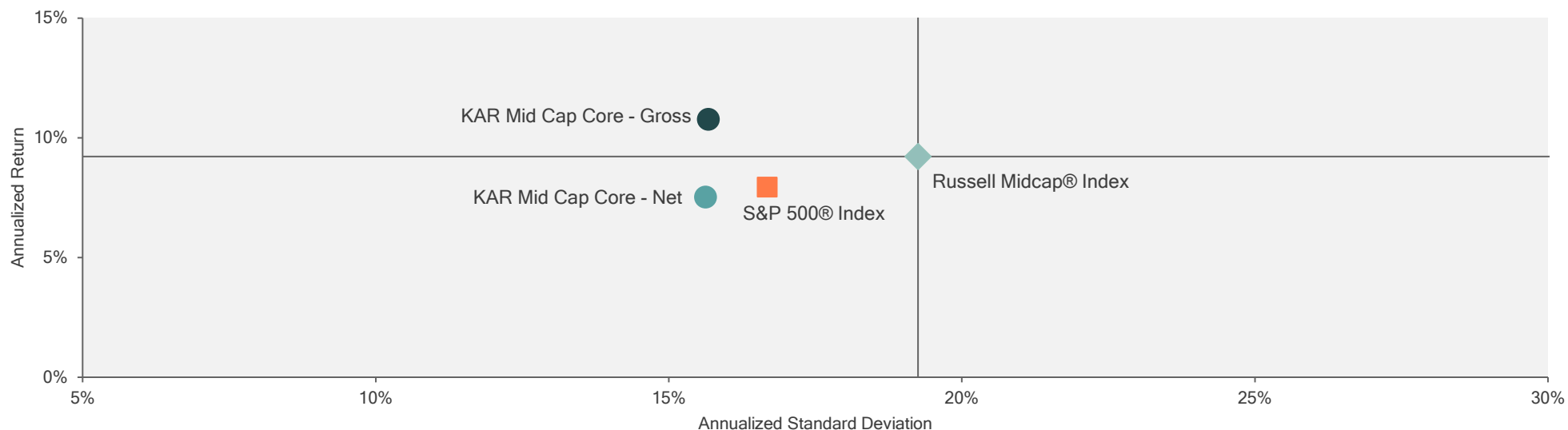
Mid Cap Core Portfolio
Inception* to March 31, 2024



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 Mid Cap Core - Gross	10.76	2.96	0.57	0.22	7.09	15.68	0.76	69.05
KAR Mid Cap Core - Net	7.52	(0.09)	0.37	(0.24)	7.10	15.63	0.76	77.46
Russell Midcap® Index	9.22	0.00	0.39	N/A	N/A	19.25	1.00	100.00

*January 1, 2000

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

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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.

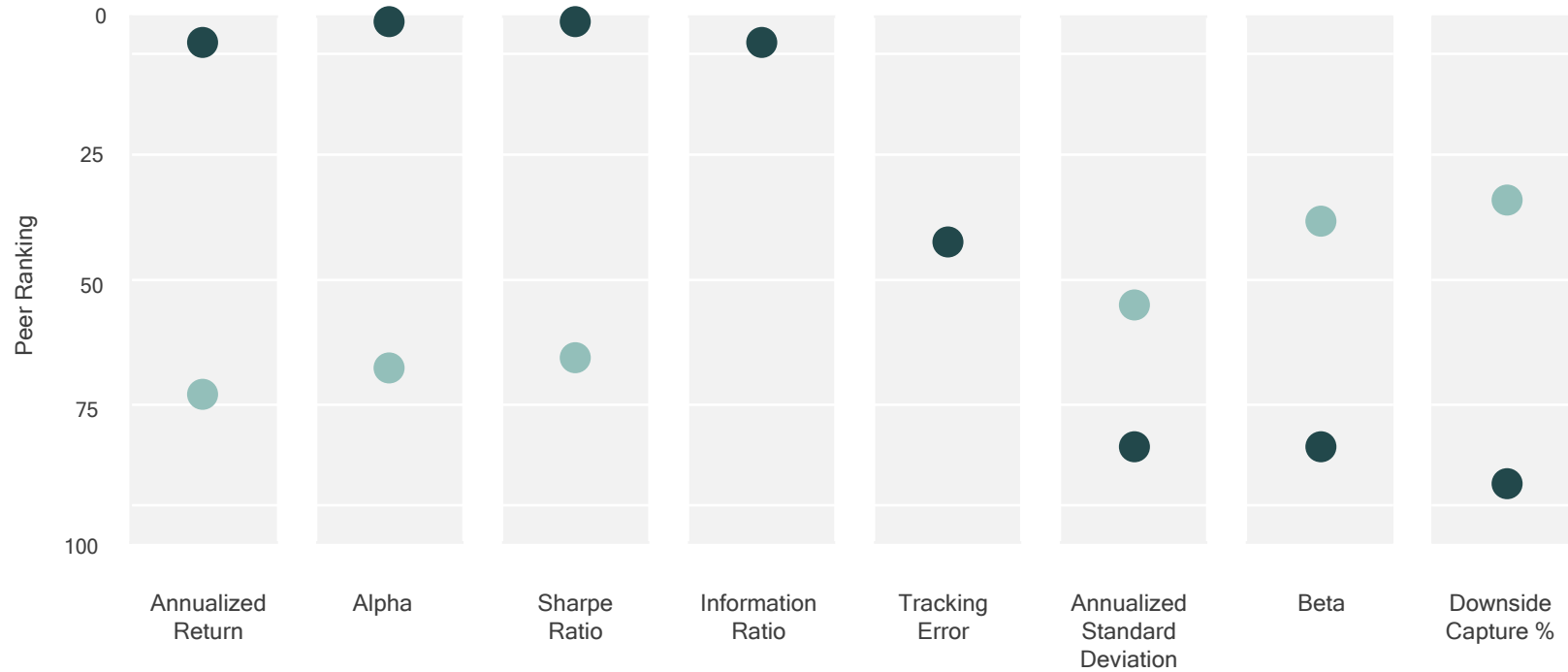
Peer Comparison

Mid Cap Core Portfolio

Ten Years Ending March 31, 2024



Kayne Anderson Rudnick
Investment Management



KAR Mid Cap Core
 Russell Midcap® Index
 Mid Cap Core Universe

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

The eVestment Mid Cap Core Universe includes 44 managers categorized in the mid cap core asset class by eVestment. KAR does not pay any fees to be included in the eVestment 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 managements 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.

Disclosure

Mid Cap Core (Wrap) Composite



Kayne Anderson Rudnick
Investment Management

Year	Composite Pure Gross Return* (%)	Composite Net Return (%)	Russell Midcap® Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2014	17.88	14.43	13.22	10.27	10.29	5	0.16	7	7,989
2015	3.87	0.80	(2.44)	11.94	11.00	5	N/A	7	8,095
2016	12.24	8.95	13.80	12.33	11.72	5	0.14	9	9,989
2017	26.60	22.92	18.52	10.79	10.51	< 5	N/A	9	14,609
2018	(3.24)	(6.11)	(9.06)	11.37	12.15	6	N/A	15	17,840
2019	32.71	28.87	30.54	12.56	13.08	< 5	N/A	20	25,685
2020	26.22	22.55	17.10	19.10	22.13	< 5	N/A	15	39,582
2021	25.64	21.99	22.58	17.89	20.84	13	N/A	25	47,269
2022	(19.24)	(21.67)	(17.32)	21.27	23.95	26	0.34	23	33,531
2023	23.79	20.18	17.23	19.00	19.38	33	0.25	41	41,186

*Pure gross returns are supplemental to net returns.

The Russell Midcap® Index and Russell 1000® Index are trademarks/service marks 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.

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 Mid Cap Core Wrap Composite has had a performance examination for the period from January 1, 2000 through December 31, 2023. 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 discretionary Mid Cap Core Wrap Portfolios. Mid Cap Core Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell Midcap® 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 Midcap® Index. The Russell Midcap® Index is a market capitalization-weighted index of the 800 smallest companies in the Russell 1000® Index, which comprises the 1,000 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 2000. The composite was created in July 2003. 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.

Beginning on January 1, 2006, sub-advisory wrap fee portfolios are also included in composite results. Each sub-advisory relationship is included in the composite as one account. All portfolios included in this composite for all 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.