



Kayne Anderson Rudnick
Investment Management

A VIRTUS INVESTMENT PARTNER

Small Cap Core 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 2000® 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 Cap Core Team



Kayne Anderson Rudnick
Investment Management

Portfolio Manager/Analysts	Responsibility	Research Start Date	KAR Start Date
Todd Bailey, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Financials (Insurance Industry) and Information Technology	1999	2002
Jon Christensen, CFA	Portfolio Manager and Senior Research Analyst Sector Coverage: Health Care and Industrials	1995	2001
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
Craig Stone	Senior Research Analyst Sector Coverage: Real Estate and Consumer Staples	1990	2000
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

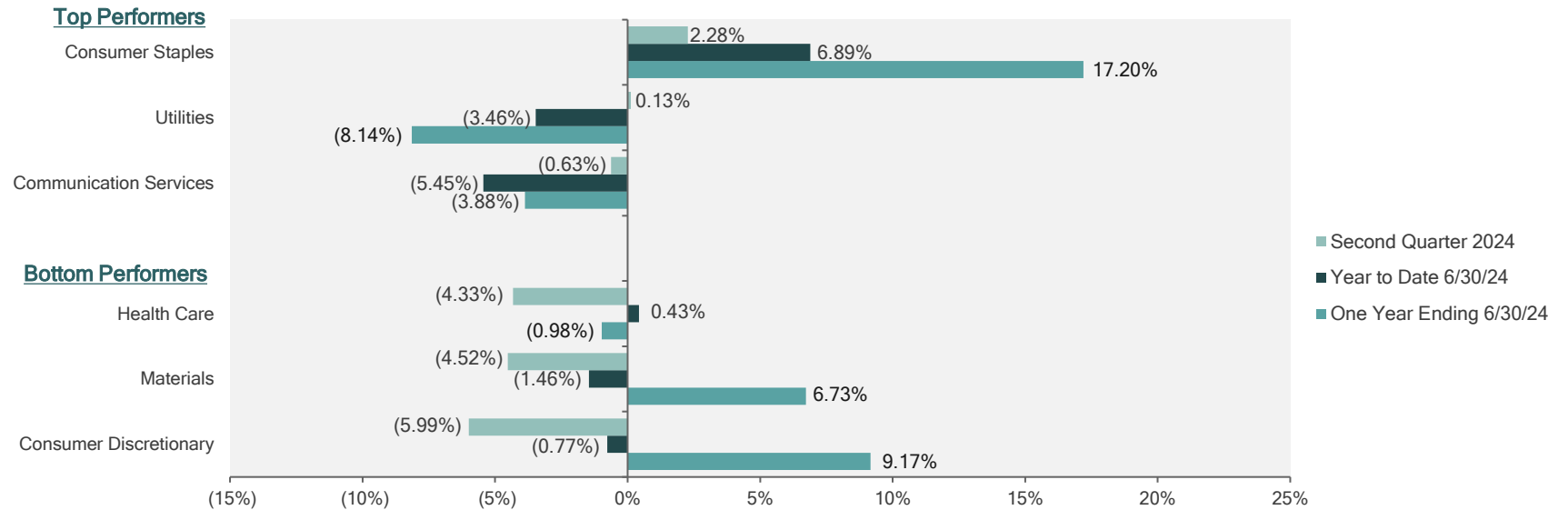
Performance by Sector and Style



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Investment Management

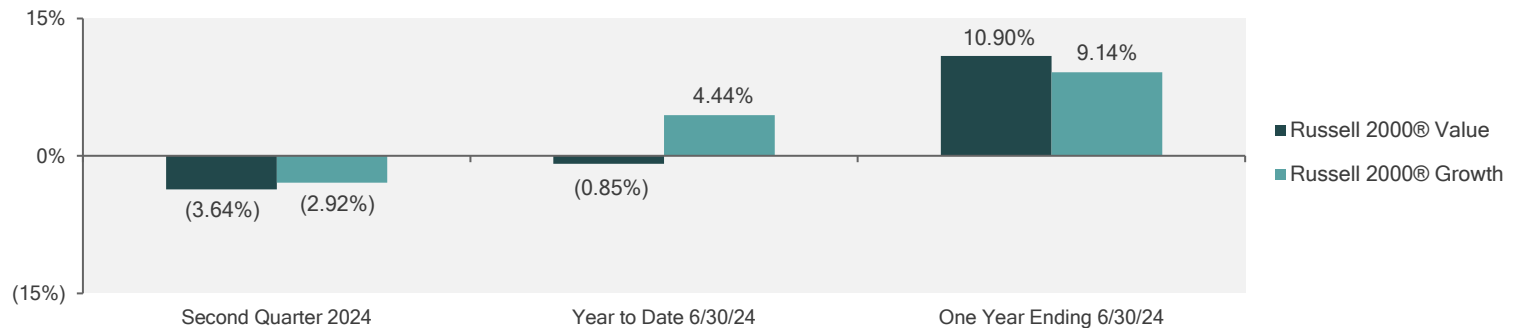
Sector Performance

Russell 2000® Index



Performance by Style

Russell 2000® Value Index vs. Russell 2000® 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.

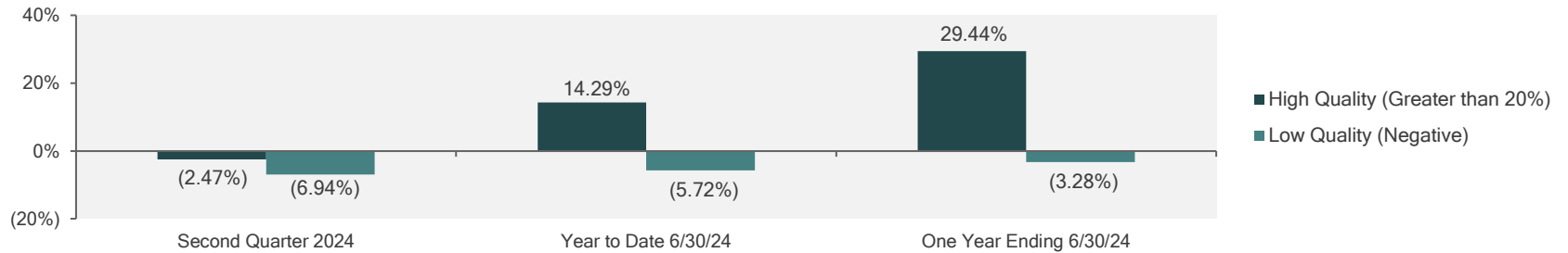
Market Review

Performance by Financial Metric

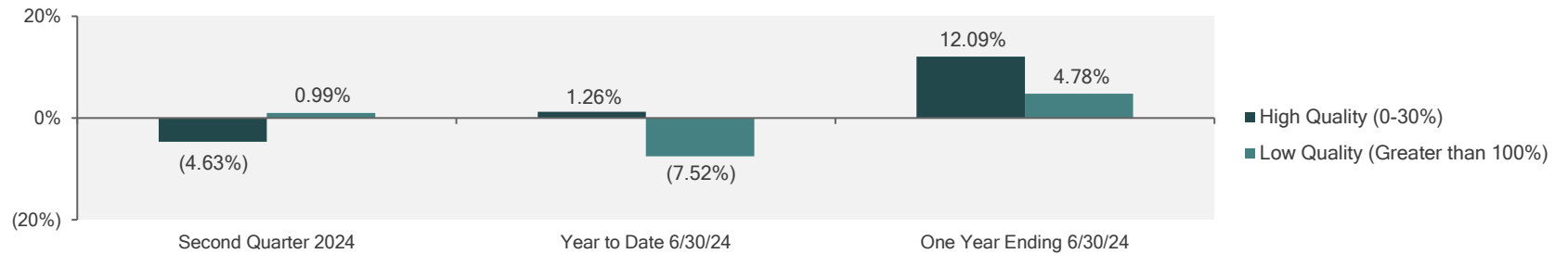


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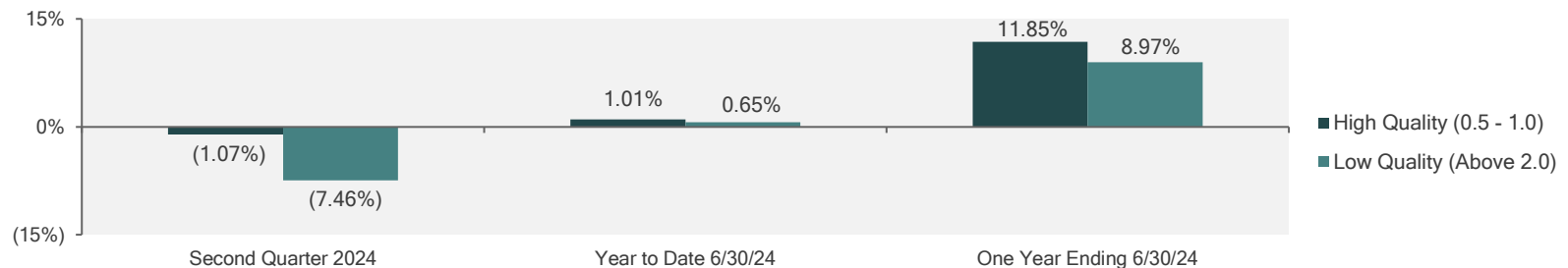
Performance by Return on Equity Russell 2000® Index



Performance by Debt/Capital Ratio Russell 2000® Index



Performance by Beta Russell 2000® Index



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Quarterly Performance Overview

Small Cap Core Portfolio
Periods Ending June 30, 2024



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Monthly, Quarterly and Year to Date Performance

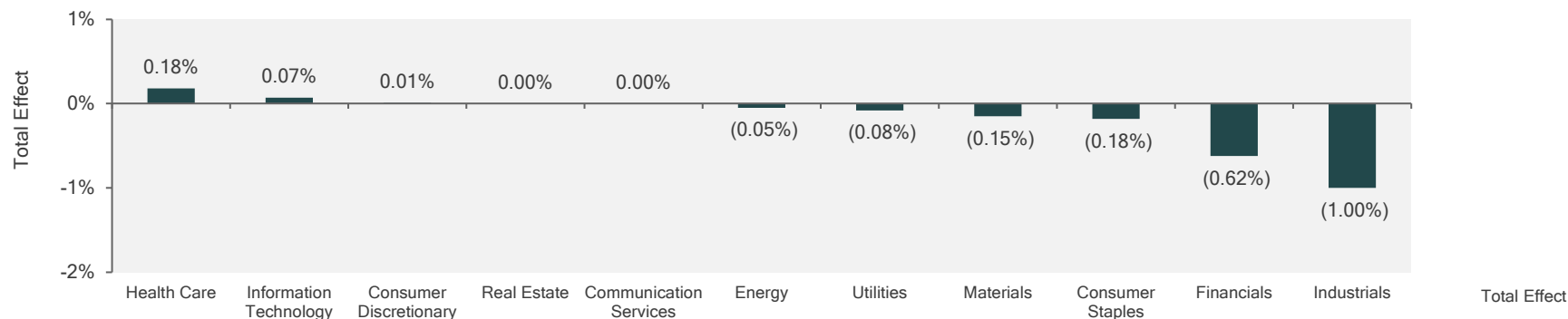
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
April	(8.04)	(8.29)	(7.04)	(126)
May	3.78	3.53	5.02	(149)
June	(0.30)	(0.55)	(0.93)	37
Second Quarter	(4.86)	(5.58)	(3.28)	(230)
Year to Date	3.06	1.53	1.73	(20)

Annualized Performance

Periods Ending 6/30/24	Gross (%)	Net (%)	Index (%)
1 Year	17.68	14.24	10.06
5 Years	13.93	10.59	6.94
10 Years	15.49	12.11	7.00

Attribution by Sector

Quarter Ending June 30, 2024



KAR Selection Effect	0.06%	0.09%	(0.11%)	0.00%	(0.02%)	0.00%	0.00%	(0.17%)	0.00%	(0.73%)	(0.73%)	(1.61%)
KAR Allocation Effect	0.12%	(0.02%)	0.12%	0.00%	0.02%	(0.05%)	(0.08%)	0.02%	(0.18%)	0.11%	(0.26%)	(0.22%)

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*The attribution data provided herein is based upon a buy and hold methodology and gross returns for a representative portfolio for a representative portfolio. Returns for the Kayne Anderson Rudnick composite are final. All periods less than one year are total returns and are not annualized. 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. 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.*

Highest Contributors

Small Cap Core Portfolio

Quarter Ending June 30, 2024



Kayne Anderson Rudnick
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Security	Contribution	Comments
EMCOR Group	+0.39%	EMCOR continues to generate strong financial results in a healthy demand environment driven by datacenter, high-tech manufacturing, energy efficiency, healthcare, and reshoring projects. Revenues and Remaining Performance Obligation growth continue to move higher, while favorable project mix and operational excellence resulted in margins ahead of target.
FTI Consulting	+0.20%	In the latest quarter, FTI Consulting reported healthy revenue growth across all business segments with commensurate margin improvement.
Toro	+0.16%	Toro's outperformance stems from the company's continued strength in underground, construction, and golf and grounds product categories, while continuing to make progress in working through excess inventory of landscape and retail lawnmowers.
Clearwater Analytics Holdings	+0.10%	In its latest quarter, Clearwater Analytics reported strong revenue growth, high win-rates, and good customer retention. Expenses also declined as a percentage of revenues, increasing the company's profit margins due to operating leverage.
Moelis & Co.	+0.04%	Moelis & Co. reported a quarter of recovering revenues, up from a cyclical low level last year, and margins improved as the company grew into the higher expense base that resulted from last year's opportunistic hiring of Managing Directors. Management also provided commentary that the backdrop for deals has improved with the reopening of financing markets.

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Lowest Contributors

Small Cap Core Portfolio

Quarter Ending June 30, 2024



Kayne Anderson Rudnick
Investment Management

Security	Contribution	Comments
Simpson Manufacturing	(1.54%)	Simpson Manufacturing's shares lagged following the company's reports of lower-than-expected operating results primarily driven by greater-than-expected allowances for volume discounts that reflect a continued market share shift to larger homebuilders—a shift that we believe should serve the company well in the long-term due to its strong relationships with most national homebuilders.
Graco	(0.65%)	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.
Watts Water Technologies	(0.55%)	Watts Water Technologies' underperformance stems from a decline in organic revenue in its latest quarter's results due to what we believe is a softer general economic operating environment.
Kadant	(0.44%)	We believe Kadant's underperformance in the quarter stems from organic revenue declines in two of its three business segments and an accompanying compression in the valuation multiple of the business.
Primerica	(0.40%)	A research report on competitor Globe Life by a short seller accused that company of insurance fraud. Primerica has a conceptually similar sales structure, so its shares fell in sympathy.

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Annual Performance Overview

Small Cap Core Portfolio

Periods Ending June 30, 2024



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Quarterly and Annual Performance

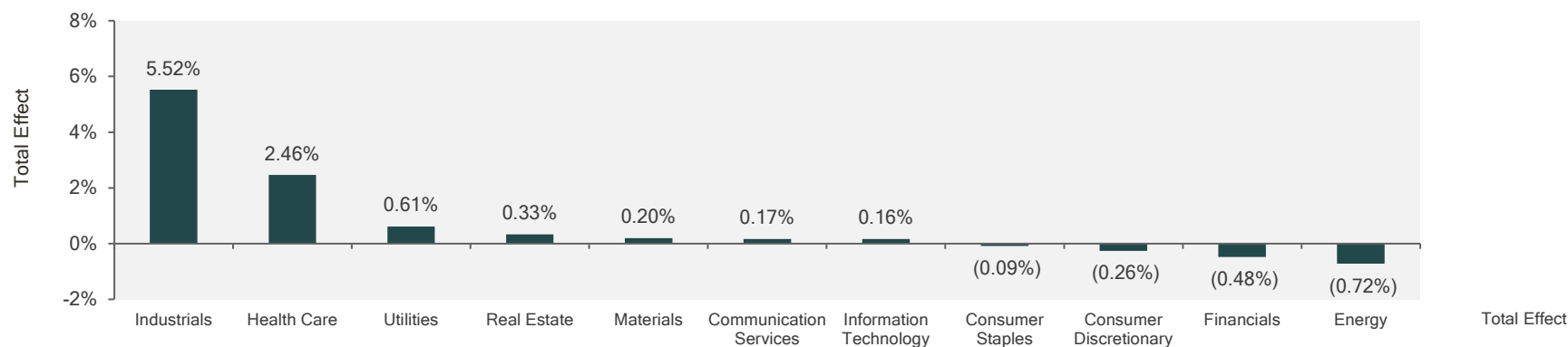
	Gross (%)	Net (%)	Index (%)	Excess Returns - Net (bps)
Third Quarter 2023	(0.60)	(1.34)	(5.13)	378
Fourth Quarter 2023	14.87	14.05	14.03	2
First Quarter 2024	8.33	7.54	5.18	236
Second Quarter 2024	(4.86)	(5.58)	(3.28)	(230)
1 Year Ending 6/30/24	17.68	14.24	10.06	418

Annualized Performance

Periods Ending 6/30/24	Gross (%)	Net (%)	Index (%)
1 Year	17.68	14.24	10.06
5 Years	13.93	10.59	6.94
10 Years	15.49	12.11	7.00

Attribution by Sector

One Year Ending June 30, 2024



KAR Selection Effect	4.79%	1.22%	0.00%	0.00%	0.10%	0.26%	0.23%	0.10%	(0.29%)	(1.41%)	0.00%	4.99%
KAR Allocation Effect	0.73%	1.24%	0.61%	0.33%	0.10%	(0.09%)	(0.07%)	(0.19%)	0.04%	0.94%	(0.72%)	2.90%

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Highest Contributors

Small Cap Core Portfolio

One Year Ending June 30, 2024



Kayne Anderson Rudnick
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Security	Contribution	Comments
EMCOR Group	+6.15%	EMCOR's shares outperformed over the last twelve months as the company generated solid growth in revenues and its project pipeline because of healthy demand for datacenter, high-tech manufacturing, electrification, healthcare, and reshoring projects. We believe operational excellence and favorable project mix translated into strong profitability levels.
Simpson Manufacturing	+1.76%	Simpson Manufacturing's business proved resilient over the past year amid a sluggish new home construction market.
Manhattan Associates	+1.45%	Over the trailing-twelve-months, Manhattan Associates reported multiple quarters with bookings and profit growth driven by a high win-rate and strong demand. From our perspective, the company's solutions are experiencing resilient demand because they enable traditional economy companies to unify their supply chain to be able to better offer modern direct-to-consumer experiences that customers expect today.
FTI Consulting	+1.36%	FTI Consulting reported healthy revenue growth across all business segments with commensurate margin improvement.
CorVel	+1.21%	CorVel's shares performed strongly supported by the company's operating results. We believe the company's focus on highly inefficient areas within healthcare position it to benefit from its strong innovation capabilities.

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Lowest Contributors

Small Cap Core Portfolio

One Year Ending June 30, 2024



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Security	Contribution	Comments
LCI Industries	(0.46%)	LCI Industries continues to feel the effects of the significant downdraft in industry-wide RV sales. The company is facing pressure from declining same-SKU pricing and de-contenting of RVs as the industry lowers retail prices to stimulate consumer demand.
Graco	(0.34%)	We believe Graco's underperformance over the twelve-month period was likely due to a minor decline in revenue for the business as general macro-economic conditions provided a softer operating environment for the company.
Atrion	(0.31%)	Atrion faced several headwinds in 2023 and into 2024. These included customers double ordering inventory during the height of pandemic shortages only to pull back spend as they worked through their own excesses. The company also struggled to get supply for a key processor part for its meta programming system platform, for which it had substantial demand it could not meet. Both issues led to weaker sales and material declines in profitability due to low absorption of fixed costs. These issues both began to reverse in 2023; however, the company agreed to be acquired in the second quarter of the year.
Landstar System	(0.21%)	Landstar System's revenue and profits have been under pressure due to continued weakness in the trucking market. While the U.S. economic environment remains healthy, the truckload market has entered the longest industry downturn in recent memory. Despite these industry headwinds, the company continues to generate cash flow, and we believe the company should benefit from the eventual recovery in the market.
Toro	(0.09%)	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 Cap Core Portfolio
Quarter Ending June 30, 2024



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- There were no purchases in the 2nd quarter of 2024.

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Sales

Small Cap Core Portfolio
Quarter Ending June 30, 2024



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Sales	Reasons
Acushnet Holdings—Trimmed Position	We reduced our holdings of Acushnet to stay within our single company ownership limit. We believe the company's key products remain competitively well-positioned and profitability is healthy, so our opinion of the company is unchanged.
Emcor Group—Trimmed Position	We reduced our position in EMCOR to remain within our portfolio guideline of 10% maximum position size. We believe the company's reputational, cultural, and scale advantages remain in place while sales and profitability have expanded due to favorable demand trends within a variety of industry segments.
Manhattan Associates—Trimmed Position	Manhattan Associates revenue growth has accelerated over the past three years as companies embrace supply chain management tools amid ongoing omnichannel efforts and pandemic-caused turmoil, and as existing customers migrate to the company's cloud offerings. Importantly, Manhattan has maintained its competitive position throughout this period of heightened demand. We believe the stock's valuation reflects ample investor optimism so we reduced our position.

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Portfolio Characteristics

Small Cap Core Portfolio

As of June 30, 2024



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	KAR Small Cap Core	Russell 2000® Index
Quality		
Return on Equity—Past 5 Years	24.0%	9.8%
Debt/EBITDA*	0.5 x	2.2 x
Earnings Variability—Past 10 Years	30.1%	83.6%
Growth		
Earnings Per Share Growth—Past 10 Years	14.0%	10.9%
Dividend Per Share Growth—Past 10 Years	12.3%	5.5%
Capital Generation—{ROE x (1-Payout)}	17.8%	8.2%
Value		
P/E Ratio—Trailing 12 Months	24.8 x	36.1 x
Dividend Yield	1.2%	1.4%
Free Cash Flow Yield†	4.9%	2.5%
Market Characteristics		
\$ Weighted Average Market Cap—3-Year Average	\$7.0 B	\$3.2 B
Largest Market Cap—3-Year Average	\$19.5 B	\$18.8 B
Annualized Standard Deviation—Since Inception‡ (Net of Fees)	16.0%	20.6%

*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.

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

‡April 1, 1992

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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

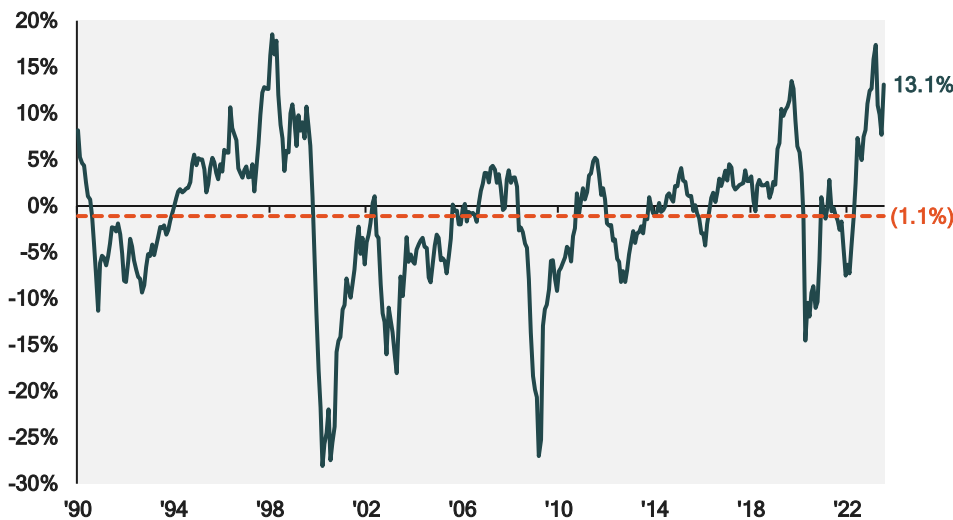
Continuation of Very Narrow U.S. Large Cap Market



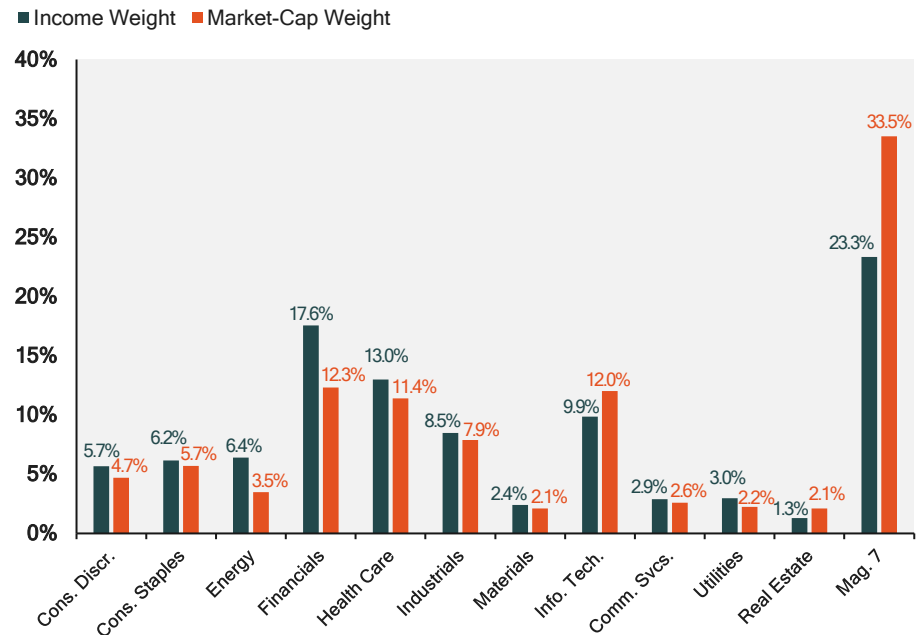
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- From a historical perspective, we have seen two periods where the gap between the market-cap weighted versus equal weighted indices has been this wide (the late 1990s and the late 2010s) and would note that while the gap can persist for some time, 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

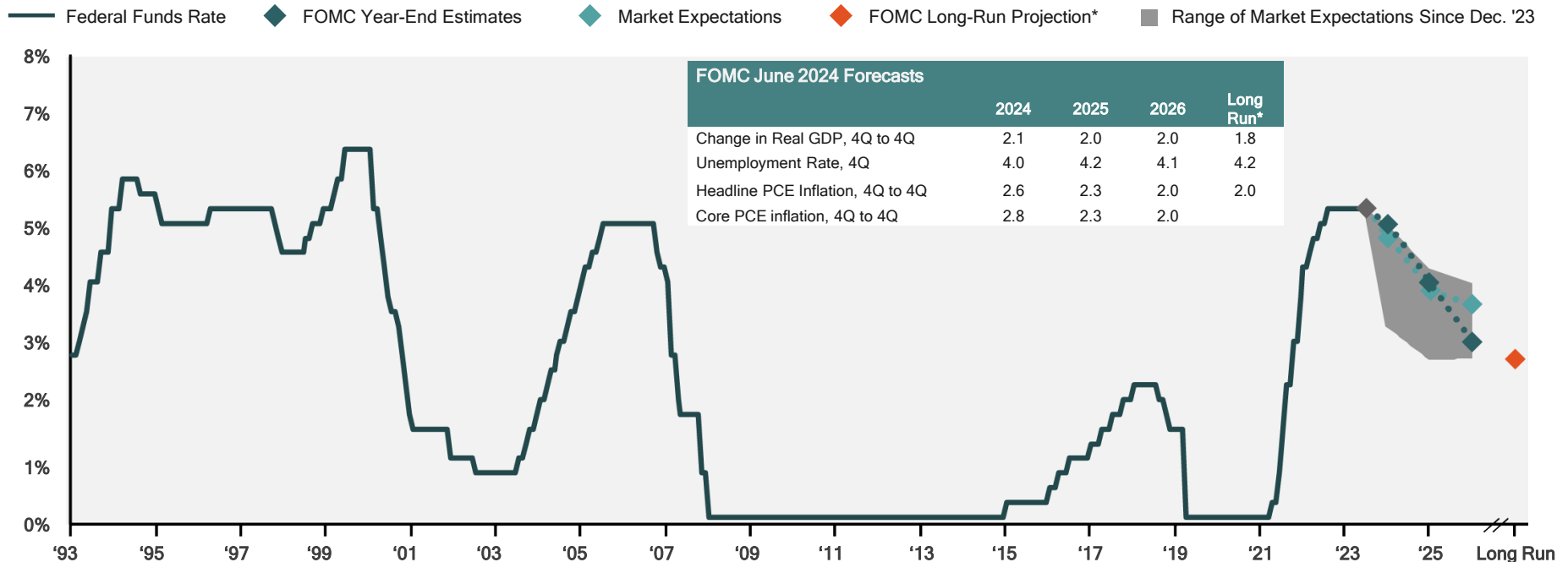


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- While we do expect the Fed to eventually cut interest rates, we do not expect interest rates to return to 0%. The last 13 years are the anomaly, not the current 5.25-5.50%, which is less than 100 basis points above the long-run average.
- Assuming 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

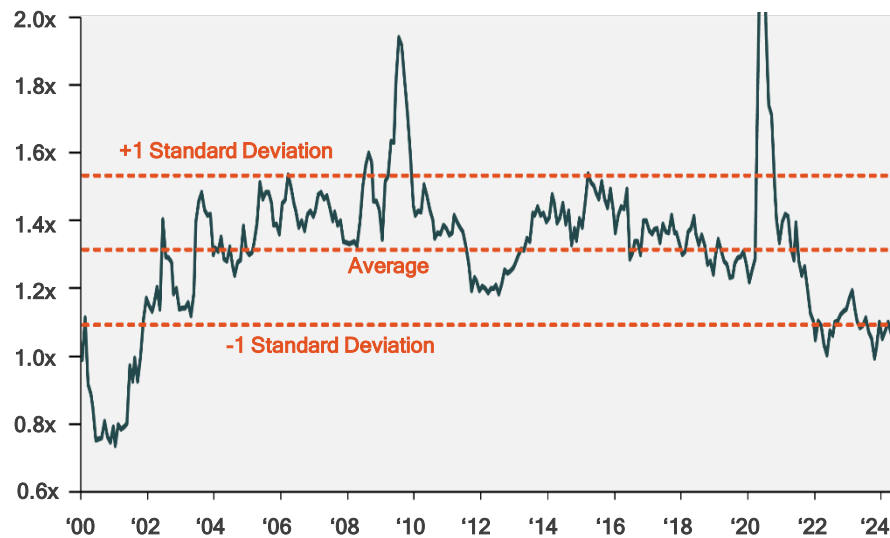
Large Differential in Valuations Between Large and Small Stocks



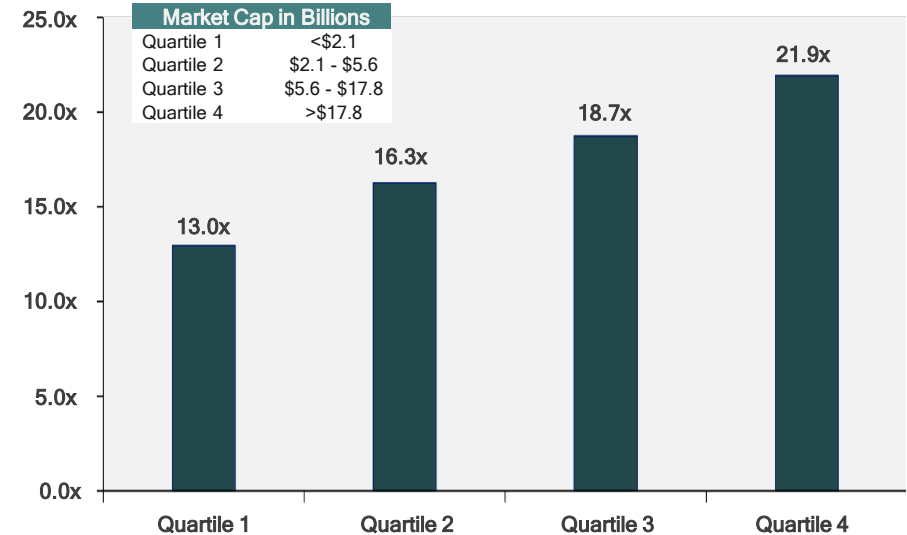
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- Given the disparity in performance between large and small-cap stocks, the differential in large cap and small-cap P/Es are now one standard deviation from their average.
- We also see a direct linear relationship between market cap and P/E multiples.

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 Cap Core Portfolio

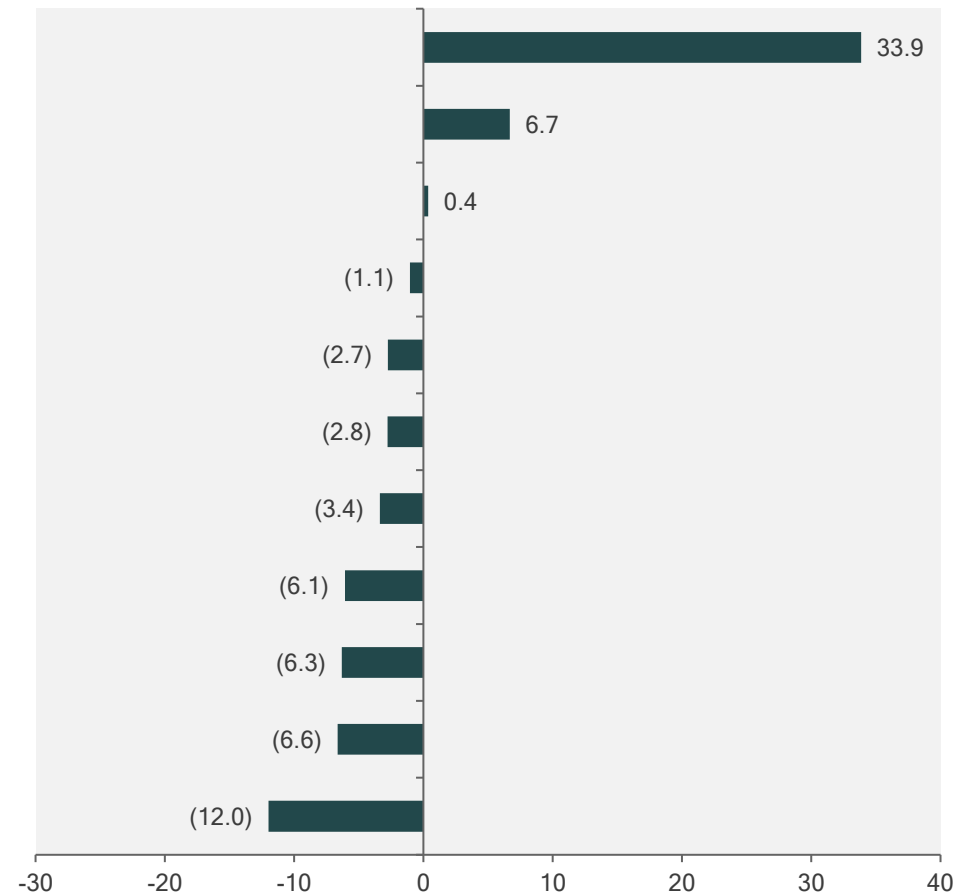
As of June 30, 2024



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Investment Management

Sectors	KAR Small Cap Core (%)	Russell 2000® Index (%)
Industrials	50.7	16.8
Financials	23.9	17.2
Communication Services	2.8	2.5
Materials	3.8	4.8
Utilities	—	2.7
Consumer Staples	—	2.8
Consumer Discretionary	6.6	10.0
Real Estate	—	6.1
Information Technology	6.9	13.3
Energy	—	6.6
Health Care	5.3	17.3

Underweight/Overweight (%)



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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 Cap Core Portfolio

As of June 30, 2024



Kayne Anderson Rudnick
Investment Management

Top 10 Holdings	GICS Sector	% of Portfolio
EMCOR Group	Industrials	10.0
Simpson Manufacturing	Industrials	7.6
FTI Consulting	Industrials	7.2
Primerica	Financials	6.2
CorVel	Health Care	4.6
Acushnet Holdings	Consumer Discretionary	4.5
Toro	Industrials	4.4
Landstar System	Industrials	4.0
Kadant	Industrials	3.9
UFP Industries	Materials	3.8
Total		56.1

Research confidence leads to large active weights

	KAR Small Cap Core	Russell 2000® Index
# of Holdings	28	1,983
Average Position Size (%)	3.6	0.1
Weight of Top Ten Holdings (%)	56.1	3.4
Active Share (%)	98.5	—

The strategy benefits from diversification while still taking significant active positions

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Returns

Small Cap Core Portfolio



Kayne Anderson Rudnick
Investment Management

Annualized Performance

Periods Ending 6/30/24	Gross (%)	Net (%)	Index (%)	Excess Return - Net (bps)
Second Quarter	(4.86)	(5.58)	(3.28)	(230)
Year to Date	3.06	1.53	1.73	(20)
1 Year	17.68	14.24	10.06	418
3 Years	9.47	6.25	(2.58)	883
5 Years	13.93	10.59	6.94	365
7 Years	16.47	13.06	6.85	621
10 Years	15.49	12.11	7.00	511
Since Inception*	13.63	10.33	8.91	142

*April 1, 1992

†Performance calculations are for the nine months ended December 31, 1992.

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. 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. 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. **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	34.01	30.13	16.93	1,320
2022	(10.77)	(13.44)	(20.44)	700
2021	16.68	13.27	14.82	(155)
2020	22.09	18.53	19.96	(143)
2019	39.05	35.04	25.52	952
2018	(0.79)	(3.73)	(11.01)	729
2017	36.06	32.14	14.65	1,749
2016	18.55	15.09	21.31	(621)
2015	2.09	(0.93)	(4.41)	348
2014	7.31	4.15	4.89	(74)
2013	30.89	27.10	38.82	(1,172)
2012	13.75	10.42	16.35	(593)
2011	9.64	6.42	(4.18)	1,060
2010	24.83	21.19	26.85	(566)
2009	31.80	28.12	27.17	95
2008	(28.15)	(30.48)	(33.79)	331
2007	3.25	0.21	(1.57)	177
2006	13.46	10.19	18.37	(818)
2005	7.87	4.72	4.55	17
2004	23.07	19.60	18.33	127
2003	35.02	31.29	47.25	(1,596)
2002	(13.73)	(16.39)	(20.48)	409
2001	6.82	3.66	2.49	118
2000	20.98	17.55	(3.02)	2,057
1999	7.02	3.89	21.26	(1,737)
1998	20.98	17.54	(2.55)	2,009
1997	21.00	17.57	22.36	(480)
1996	26.98	23.43	16.49	694
1995	18.57	15.20	28.45	(1,325)
1994	2.75	(0.28)	(1.82)	154
1993	20.00	16.60	18.88	(228)
1992†	9.65	7.28	10.16	(288)

Risk-Return Analysis

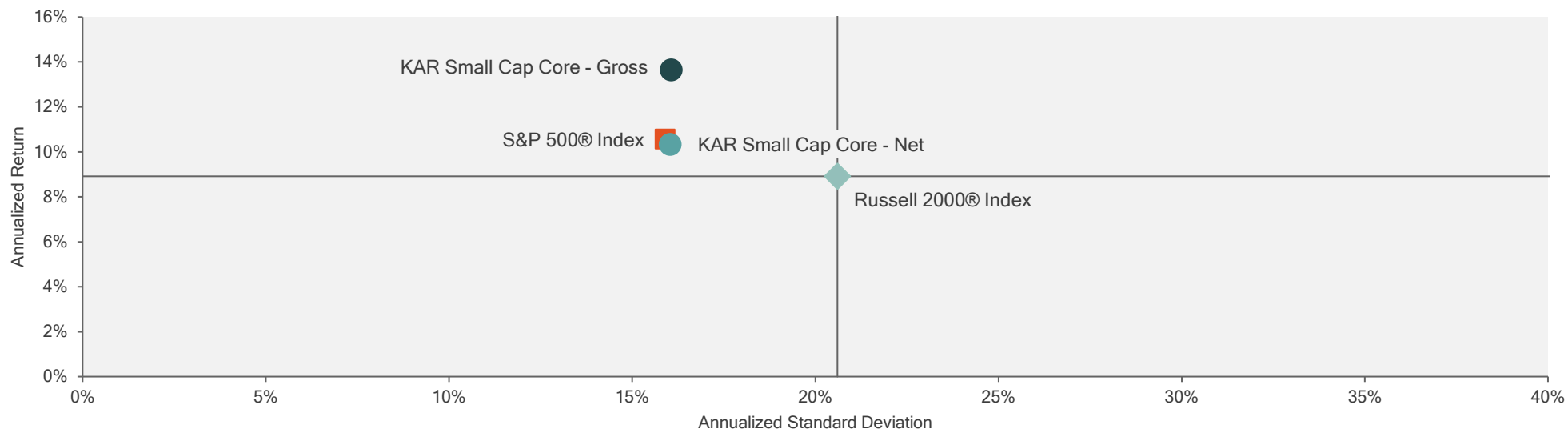
Small Cap Core Portfolio
Inception* to June 30, 2024



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 Cap Core - Gross	13.63	6.11	0.69	0.51	9.34	16.07	0.70	53.74
KAR Small Cap Core - Net	10.33	2.99	0.49	0.15	9.36	16.04	0.70	62.36
Russell 2000® Index	8.91	0.00	0.31	N/A	N/A	20.60	1.00	100.00

*April 1, 1992

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

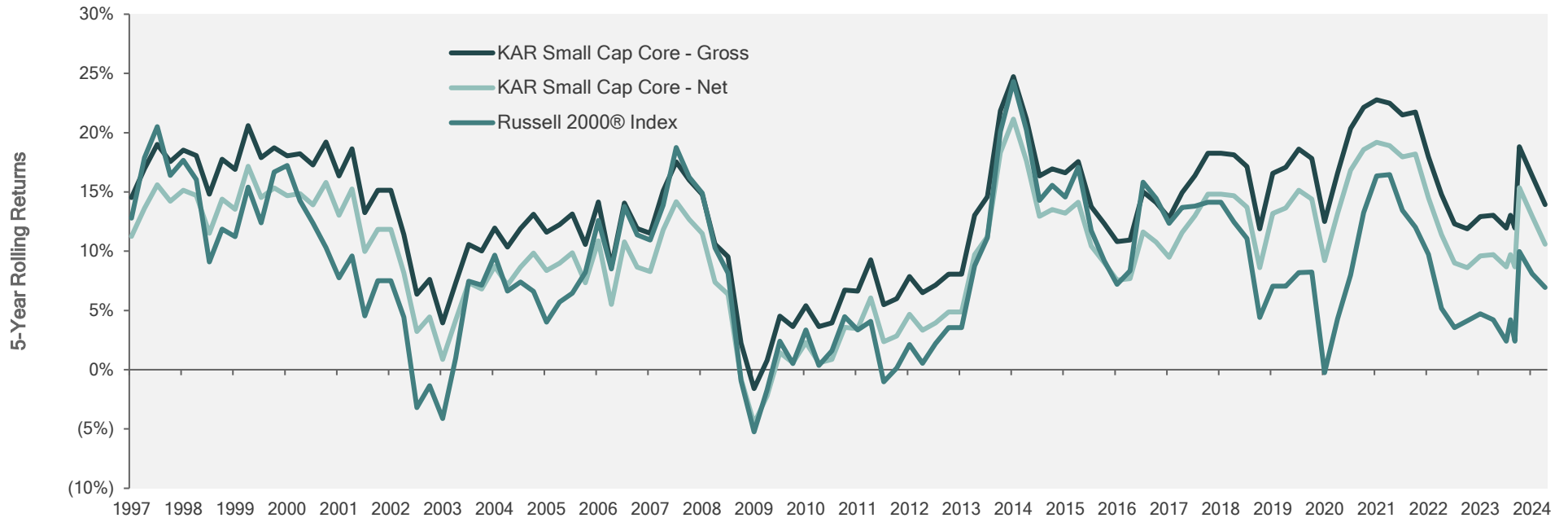
Returns for the Kayne Anderson Rudnick composite are final. For further details on the composite, please see the disclosure statement in this presentation. Data is obtained from FactSet Research Systems and is assumed to be reliable. **Past performance is no guarantee of future results.** Returns could be reduced, or losses incurred, due to currency fluctuations.

5-Year Rolling Returns

Small Cap Core Portfolio
Inception* to June 30, 2024



Kayne Anderson Rudnick
Investment Management



*April 1, 1992

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. For standardized performance periods, please refer to the "Returns" slide earlier in 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. Past performance is no guarantee of future results. Returns could be reduced, or losses incurred, due to currency fluctuations.

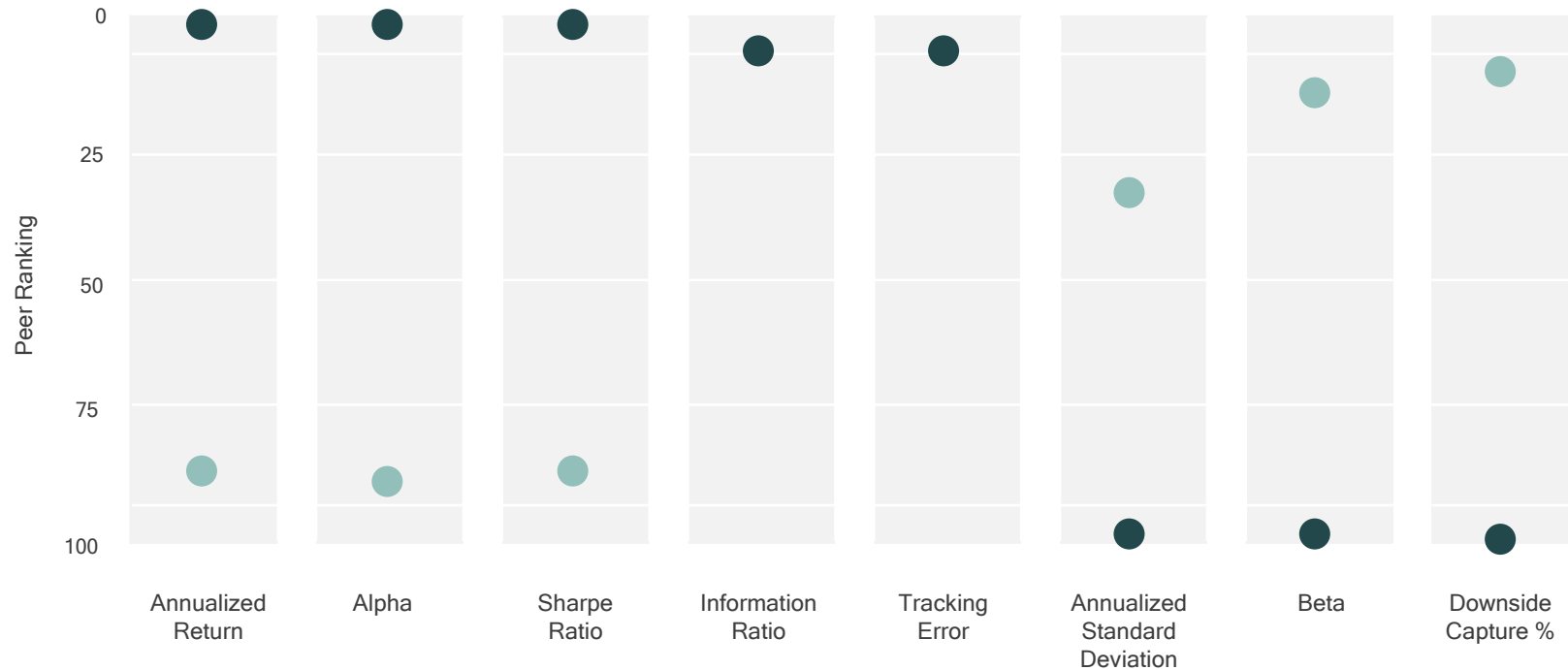
Peer Comparison

Small Cap Core Portfolio

Ten Years Ending June 30, 2024



Kayne Anderson Rudnick
Investment Management



KAR Small Cap Core
 Russell 2000® Index
 Small Cap Core Universe

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

*The eVestment Small Cap Core Universe includes 131 managers categorized in the small cap core asset class by eVestment. KAR does not pay any fees to be included in the eVestment Small 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

Small Cap Core (Wrap) Composite



Kayne Anderson Rudnick
Investment Management

Year	Composite Pure Gross Return* (%)	Composite Net Return (%)	Russell 2000® Index Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Accounts	Internal Dispersion (%)	Composite Assets (\$ Millions)	Firm Assets (\$ Millions)
2014	7.31	4.15	4.89	9.77	13.31	70	0.27	1,294	7,989
2015	2.09	(0.93)	(4.41)	11.15	14.16	55	0.38	1,023	8,095
2016	18.55	15.09	21.31	12.19	15.99	74	0.81	1,222	9,989
2017	36.06	32.14	14.65	11.38	14.11	67	0.50	1,818	14,609
2018	(0.79)	(3.73)	(11.01)	13.94	16.01	85	0.24	1,909	17,840
2019	39.05	35.04	25.52	14.65	15.93	101	0.31	2,685	25,685
2020	22.09	18.53	19.96	19.10	25.63	103	0.19	3,135	39,582
2021	16.68	13.27	14.82	16.33	23.68	111	1.19	3,781	47,269
2022	(10.77)	(13.44)	(20.44)	18.88	26.39	157	0.28	3,127	33,531
2023	34.01	30.13	16.93	17.64	21.41	189	0.24	3,693	41,186

*Pure gross returns are supplemental to net returns.

The Russell 2000® 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.

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 Core Wrap Composite has had a performance examination for the period from January 1, 1999 through December 31, 2023. 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 Small Cap Core Wrap Portfolios. Small Cap Core Wrap Portfolios are invested in equity securities with market capitalizations consistent with the Russell 2000® 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® Index. The Russell 2000® Index is a market capitalization-weighted index 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 the independent verifiers. The inception date of the composite is April 1992. The composite was created in October 1995. 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.