

Global Dividend Yield Portfolio

Fourth Quarter 2017

Portfolio Review

The Global Dividend Yield portfolio underperformed the Russell Large Cap Developed Index during the quarter. Performance benefited from stock selection in real estate and consumer staples, while poor stock selection in financials and an overweight in utilities hurt the portfolio. Positive effects of strong stock selection in telecommunication services were offset by an overweight in the sector.

Holdings that contributed the most to performance were Vodafone and Royal Dutch Shell.

Vodafone shares got a boost as the company raised its earnings guidance and free cash flow in line with strong commercial results and solid cost control.

Royal Dutch Shell shares benefited from rising energy prices during the quarter.

Holdings that detracted the most from performance were GlaxoSmithKline and BAE Systems.

GlaxoSmithKline is going through a patent expiration period that will pressure results. At the same time, the company is continuing to invest in R&D and its pipeline in order to prepare for the future.

BAE Systems is restructuring some of its operations to prepare for the winding down of certain contracts.

Purchases and Sales

During the quarter we bought Duke Energy, Fortis and Tokio Marine Holdings. We sold our positions in Cincinnati Financial, National Grid, PPL and Meredith.

Duke Energy is a North Carolina-based utility company. It has regulated gas and electric utility businesses throughout the Southeast and upper Midwest. The company also has a commercial renewables business that is centered in the Southwest and provides wind and solar power to other utilities via long-term power purchase agreements. Over the past few years, the company has exited its merchant business and its Latin American operations.

Fortis is a Canada-based utility company that has operations in Canada, the United States and the Caribbean. The company has both regulated electric and gas utility businesses. In addition, its ITC Holdings subsidiary is one of the largest electricity transmission companies in the U.S.

Tokio Marine is a Tokyo-based insurance company. In Japan the company is a leading provider of auto and home insurance. In the United States the company is a top-10 underwriter of property & casualty insurance. The company also has operations in various international markets. Management has stated that its primary means of shareholder return is via dividends, which have more than tripled since 2011. The company is also one of the few large, global financial companies that did not cut its dividend during the financial crisis.

Cincinnati Financial has performed strongly since we first purchased it at the beginning of 2012, outperforming both the Russell Large Cap Developed Index and the S&P 500 Financial Services Index for the period. However, the stock's valuation is less attractive today, and we decided to sell our shares in order to fund purchases elsewhere in the portfolio.

National Grid and PPL have been buffeted by political issues in the U.K. The opposition labor party has talked about increasing regulation and potentially nationalizing part of the utility industry. In addition, potential changes coming in 2021 to the regulatory framework for utilities look to be harsher than anticipated. Given these issues and our concern that they will linger for an extended period of time, we sold our shares in both companies.

Meredith operates local television stations and has a publishing arm that focuses on magazines for women. The TV business has been stable, and our concern resides with the publishing business. Declining ad revenue in the company's print magazines had been offset by growth in digital advertising. However, growth in the digital advertising area has been weak recently and is no longer offsetting the declines seen in the print business. This decline had not been forecast by the company and has numerous reasons, some of which may linger for a period of time. Given these issues, we sold our shares.

Outlook

The outlook for 2018 is favorable overall, but to expect another 2017 would be unreasonable. More volatility and drawdowns are anticipated in 2018 as markets return to more normal conditions. 2018 should continue to provide investors with mid-to-high single-digit equity returns but most likely not without a bumpy ride along the way. Investors should review their asset allocation and make sure they can "sleep at night" with their current equity exposure. We will continue to own high-quality businesses that can shine in good and bad times and have competitive protections.

Portfolio Highlights

Style: Large Cap
Index: Russell Developed Large Cap Index
Portfolio Turnover: 25%–35%
Number of Holdings: 25–50

Investment Management Team

Name	Years of research experience
Douglas S. Foreman, CFA Chief Investment Officer	31
Richard Sherry, CFA Portfolio Manager + Senior Research Analyst	19
Chris Armbruster, CFA Research Analyst	12

Top 10 Holdings

As of December 31, 2017

Company	Percent of equity (%)
Vodafone Group	4.5
Royal Dutch Shell	4.4
Zurich Insurance Group	4.1
Las Vegas Sands	3.9
Crown Castle International	3.7
Royal Bank of Canada	3.7
BCE	3.6
Altria Group	3.6
Duke Energy	3.4
Scor	3.4
Total	38.3

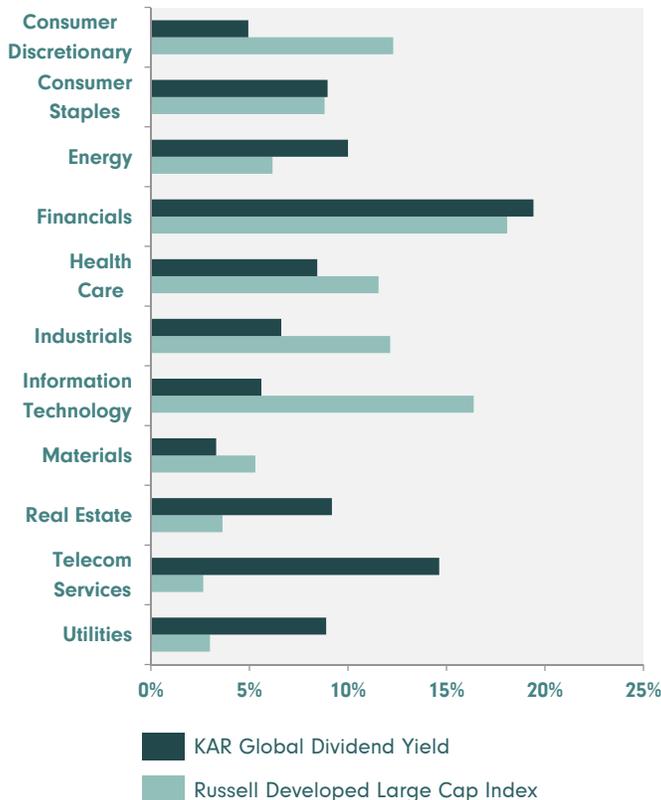
This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should be not considered a recommendation or solicitation to purchase securities. A complete listing of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual investors' holdings may differ slightly. Data is obtained by FactSet Research Systems and is assumed to be reliable. Numbers may not always add up due to rounding. Past performance is no guarantee of future results.

Investment Process: Discovering Quality

Development of High-Quality Universe	Proprietary Fundamental Research	Portfolio Construction	Sell Discipline
<p>KAR Universe</p> <p>Typical Quantitative Screens</p> <ul style="list-style-type: none"> Investment-grade balance sheet Market cap > \$1.0 billion 5-year average ROE > 7.5% No dividend cut last five years <p>Other Resources</p> <ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research 	<p>Qualitative Analysis</p> <ul style="list-style-type: none"> Evaluate sustainability of business model and assess management's ability to direct capital where it can create further control of its market <p>Financial Analysis</p> <ul style="list-style-type: none"> Evaluate basis for superior profitability, long-term growth potential, and ability to allocate capital appropriately <p>Valuation Analysis</p> <ul style="list-style-type: none"> Determine the current and potential value of the business 	<p>25-50 Stocks</p> <p>Position Weights</p> <ul style="list-style-type: none"> Typically 1%-5% Max position size is 10% (market) <p>Sector Tolerances</p> <ul style="list-style-type: none"> Typically +/- 15% of the Russell Developed Large Cap Index, utilizing GICS sector classifications <p>Holding Period</p> <ul style="list-style-type: none"> Typically 3-to-5 years, but is often longer Portfolio turnover is typically 25% to 35% <p>Cash Levels</p> <ul style="list-style-type: none"> Typically will not exceed 10% once a portfolio is fully invested 	<p>Potential dividend cut</p> <p>Balance sheet deterioration</p> <p>Inability to cover dividend via internal cash generation over medium-to-long term</p>
<p>Higher Quality Stronger, More Consistent Growth Better Value</p>			

Sector Diversification

As of December 31, 2017



A complete listing of portfolio holdings and specific security transactions for the preceding 12 months is available upon request. Holdings are subject to change. Holdings and weightings are based on a representative portfolio. Individual Investors' holdings may differ slightly. The sector information represented above is based on GICS sector classifications. Data is obtained by FactSet Research Systems and is assumed to be reliable.

Portfolio Characteristics

As of December 31, 2017

	KAR Global Dividend Yield	Russell Developed Large Cap Index
Quality		
Return on Equity—Past 5 Years	14.9%	15.1%
Total Debt/EBITDA	4.5 x	4.9 x
Dividend Variance—Past 10 Years	1.4%	20.4%
Growth		
Dividend Per Share Growth—Past 10 Years	4.9%	7.8%
Dividend Payout Ratio—5 Year Average	82.0%	42.3%
Dividend Yield	4.0%	2.3%
Value		
P/E Ratio—Trailing 12 Months	23.7 x	21.5 x
Market Characteristics		
\$ Weighted Average Market Cap	\$79.0 B	\$129.4 B
Largest Market Cap	\$275.9 B	\$868.9 B

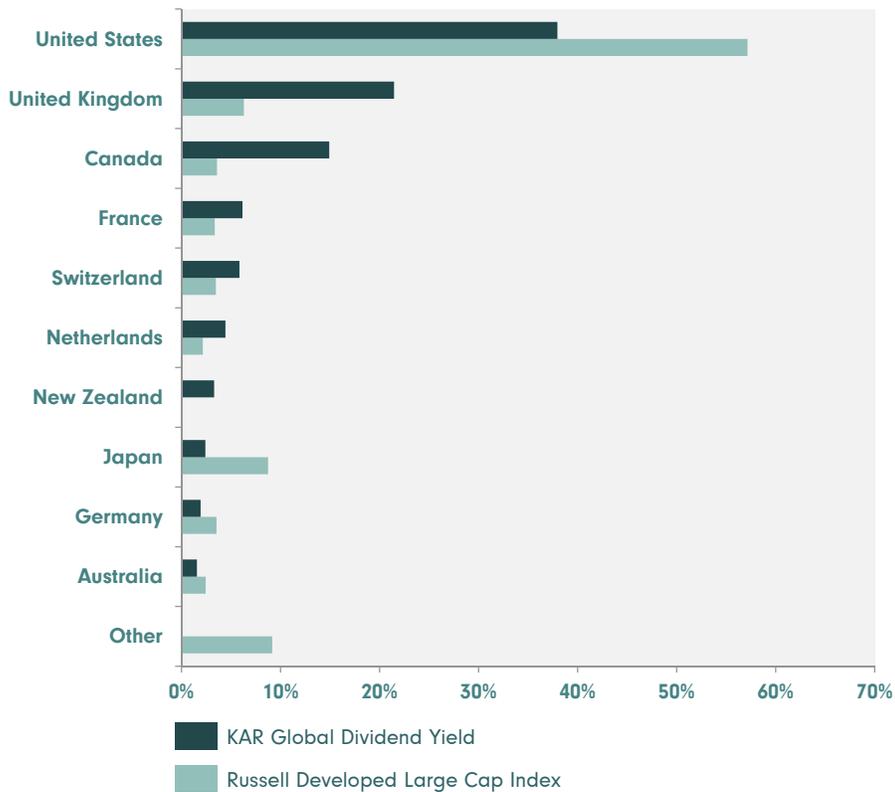
Data is obtained from FactSet Research Systems and BNY Mellon and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information. Past performance is no guarantee of future results.

Global Dividend Yield Portfolio

Fourth Quarter 2017

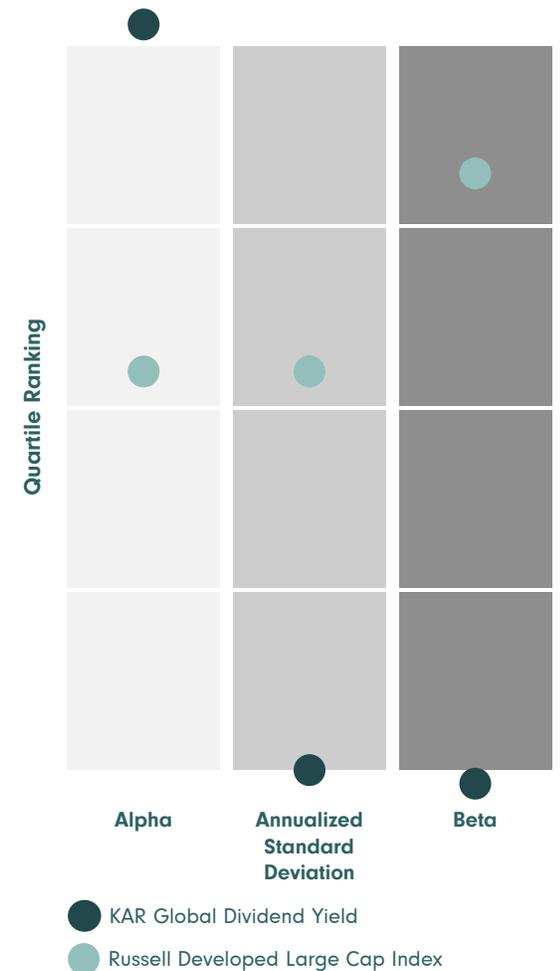
Geographical Exposure

As of December 31, 2017



Peer Comparison Chart

Inception* to December 31, 2017



Historical Returns

	KAR Global Dividend Yield (gross)	KAR Global Dividend Yield (net) [†]	Blended Index [§]	Russell Developed Large Cap Index
Annualized Returns (%)[†]				
As of December 31, 2017				
4 th Quarter	3.59	3.41	3.49	5.59
One Year	14.64	13.85	14.59	22.51
Three Years	7.47	6.73	6.61	9.36
Five Years	11.28	10.52	7.99	11.87
Inception*	11.46	10.70	8.57	12.57
Annual Returns (%)				
2017	14.64	13.85	14.59	22.51
2016	12.22	11.45	5.82	7.70
2015	(3.51)	(4.16)	(0.07)	(0.87)
2014	12.36	11.58	5.56	5.16
2013	22.35	21.53	14.84	27.38
2012	12.36	11.58	11.48	16.16

*January 1, 2012

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

[‡]Net of all fees and expenses. Assumes a 0.70% annual fee.

[§]Blended Index consists of 60% Russell Developed Large Cap Index and 40% Barclays U.S. Aggregate Bond Index.

This material is deemed supplemental and complements the performance and disclosure at the end of this presentation. Returns of the Kayne Anderson Rudnick composite are preliminary and gross of fees unless otherwise specified. For further details on the composite, please see the disclosure statement in this presentation. The Global Dividend Yield Universe includes all managers categorized in the global dividend focus asset class by eVestment. Data is obtained from FactSet Research Systems and is assumed to be reliable. Past performance is no guarantee of future results.

Performance Statistics

Inception* to December 31, 2017

	KAR Global Dividend Yield	Blended Index [§]	Russell Developed Large Cap Index
Annualized Return	11.46	8.57	12.57
Annualized Standard Deviation	8.47	6.27	10.35
Alpha	3.15	0.95	0.00
Beta	0.65	0.60	1.00
Sharpe Ratio	1.34	1.34	1.20
R-Squared	62.92	96.99	100.00

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Disclosure

Kayne Anderson Rudnick Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Kayne Anderson Rudnick Investment Management, LLC has been independently verified for the period from January 1, 1999 through December 31, 2016.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Global Dividend Yield Composite has been examined for the period from January 1, 2014 through December 31, 2016. The verification and performance examination reports are available upon request.

Kayne Anderson Rudnick Investment Management, LLC, 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. Kayne Anderson Rudnick Investment Management, LLC manages a variety of equity and fixed-income strategies focusing exclusively on securities the firm defines as high quality.

The composite includes all fully discretionary institutional and pooled Global Dividend Yield Portfolios. Global Dividend Yield Portfolios are

invested in globally diversified securities of high-quality, mature companies with high dividend yields with market capitalizations consistent with the Russell Developed Large Cap Index. For comparison purposes, the composite is measured against the Russell Developed Large Cap Index. The Russell Developed Large Cap Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment in the developed world and is completely reconstituted annually to accurately reflect the changes in the market over time. Benchmark returns are not covered by the report of the independent verifiers. The composite was created in January 2012. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. This composite contained 100% non-fee-paying portfolios as of December 31, 2012, 60% non-fee-paying portfolios as of December 31, 2013, 4% non-fee-paying portfolios as of December 31, 2014, 2% non-fee-paying portfolios as of December 31, 2015 and < 1% non-fee-paying portfolios as of December 31, 2016.

The standard management fee schedule currently in effect is as follows: 0.70% for the first \$10 million; 0.55% on the next \$25 million; 0.45% on the next \$50 million; 0.35% on the balance. Actual management fees charged may vary depending on applicable fee schedules and portfolio size, among other things. Additional information may be found in Part 2A of Form ADV, which is available on request. The performance information is supplied for reference. Past performance is no guarantee of future results.

Results will vary among accounts. The U.S. dollar is the currency used to express performance. Returns are presented net of transaction fees and include the reinvestment of all income. Gross returns will be reduced by investment management fees and other expenses that may be incurred in the management of the account. Model net returns have been calculated by deducting 1/12th of the highest tier of the standard management fee schedule in effect for the respective period from the gross composite returns on a monthly basis.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns for accounts in the composite for the entire year. For those years when less than five accounts were included for the full year, no dispersion measure is presented. The three-year annualized ex-post standard deviation, which measures the variability of the composite (using gross returns) and the benchmark for the 36-month period, is not presented for periods prior to 2014 because 36 monthly composite returns are not available.

3-Yr Annualized Standard Deviation (%)

December 31	Composite	Benchmark
2014	8.95	10.43
2015	10.15	10.94
2016	9.32	11.07

Year	Total Firm Assets (\$ millions)	Total Composite Assets (\$ millions)	Accounts at Year End	Gross Annual Return (%)	Net Annual Return (%)	Russell Developed Large Cap Index Annual Return (%)	Internal Dispersion
2012	6,545	< 1	< 5	12.36	11.58	16.16	N/A
2013	7,841	1.8	5	22.35	21.53	27.38	N/A
2014	7,989	14	24	12.36	11.58	5.16	0.29
2015	8,095	33	44	(3.51)	(4.16)	(0.87)	0.82
2016	9,989	332	61	12.22	11.45	7.70	0.82

The Russell Developed Large Cap Indices are trademarks/service marks of Frank Russell Company. Russell® is a trademark of Frank Russell Company.