

### Investment Philosophy

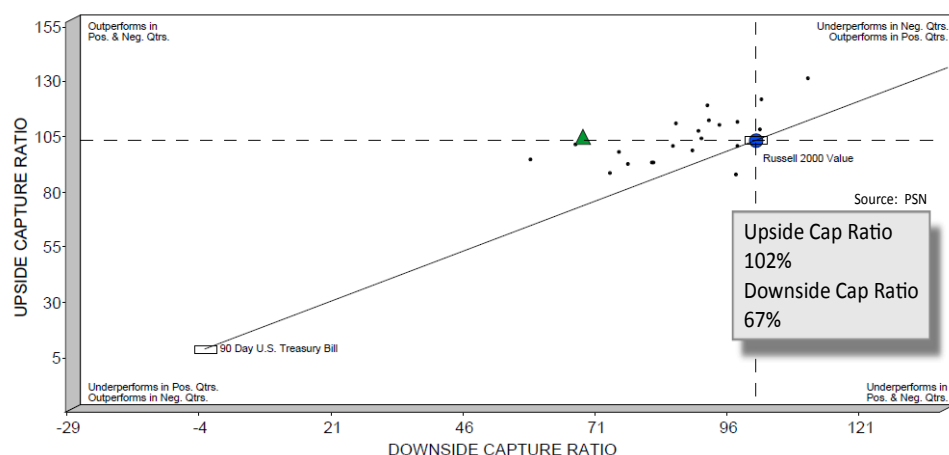
The Vaughan Nelson Small Cap Value strategy targets returns of 50% over a rolling three year investment horizon. The investment philosophy, employed by Vaughan Nelson since 1999, uses a research-intensive investment process to capitalize on information and liquidity inefficiencies.

### Performance (as of 6/30/17)

Annualized Returns	YTD	One Year	Three Years	Five Years	Seven Years	Ten Years	Since 12/31/99
Vaughan Nelson Small Cap Value (gross)	-0.6%	15.6%	7.8%	15.4%	15.4%	10.3%	14.8%
Vaughan Nelson Small Cap Value (net)	-1.1%	14.4%	6.7%	14.3%	14.2%	9.2%	13.7%
Russell 2000® Value Index	0.5%	24.9%	7.0%	13.4%	13.5%	5.9%	10.0%

All periods longer than 12 months are annualized.

### Upside/Downside Capture Ratio (12/31/99 - 6/30/17)



Vaughan Nelson Investment Management specializes in value equity investing with a focus on a targeted return. The firm employs a bottom-up, fundamental research process that seeks to capitalize on information and liquidity inefficiencies in the equity universe. The firm's long-term, consistent investment approach draws on its in-depth research capabilities.

Headquarters: Houston, TX

Founded: 1970

Firm assets: \$12.8 billion\*

\* Number includes assets where Vaughan Nelson Investment Management does not have full unconditional trading authority. The assets consist of model portfolio relationships with third party platforms and totaled \$1.4 billion as of June 30, 2017.

#### Investment Team

Chris D. Wallis, CFA, CPA

CEO and CIO, Lead Senior Portfolio Manager

Began his financial and investment career in 1991; joined Vaughan Nelson in 1999; MBA, Harvard Business School; BBA, Baylor University

Dennis G. Alff, CFA

Senior Portfolio Manager

Began investment career in 1997; joined Vaughan Nelson in 2006; MBA, Harvard Business School; BS, United States Military Academy

Chad Fargason, PhD

Senior Portfolio Manager

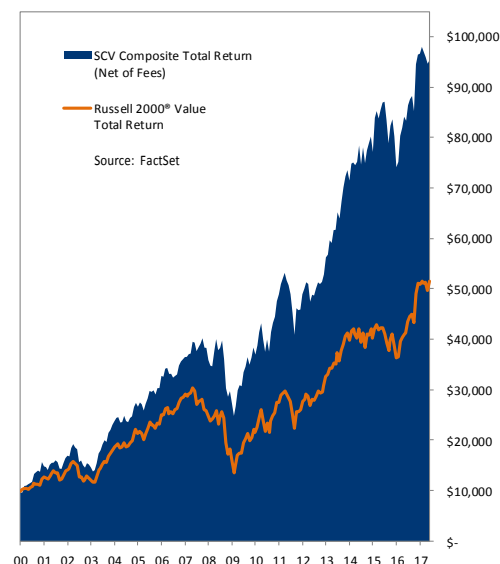
Began investment career in 1998; joined Vaughan Nelson in 2013; PhD, Duke University; MA, Duke University; BA, Rice University

Scott J. Weber, CFA

Senior Portfolio Manager

Began investment career in 1997; joined Vaughan Nelson in 2003; MBA, Tulane University; BS, University of the South

### Growth of \$10,000 (12/31/99 - 6/30/17)



### Portfolio Characteristics<sup>1</sup> (as of 6/30/17)

	VN Small Cap Value	Russell 2000® Value Index
No. of Holdings	86	1,399
Wtd Avg Mkt Cap (\$Bil)	3.1	1.9
Price/Book	2.3	1.4
Est. 3-5 Yr EPS Growth	10.1	8.6
P/E NTM	17.4	16.5
ROA (%)	5.2	1.9
ROE (%)	14.1	4.8
Dividend Yield (%)	1.3	1.9
Beta*	0.82	1.00
Sharpe Ratio*	1.28	0.98
Information Ratio*	0.41	N/A
R-Square*	0.87	1.00
Standard Deviation*	11.94%	13.57%

\* Annualized 5-years ending 6/30/17 vs. Russell 2000® Value

### Top Ten Holdings<sup>1</sup> (as of 6/30/17)

Company	% of Ttl Port*
VWR	2.69
First Merchants	2.55
First Financial Bancorp	2.33
Hillenbrand	2.33
Graphic Packaging	2.32
Brown & Brown	2.24
Union Bankshares	2.23
Prosperity Bancshares	2.19
First American Financial	2.10
Silicon Laboratories	1.99

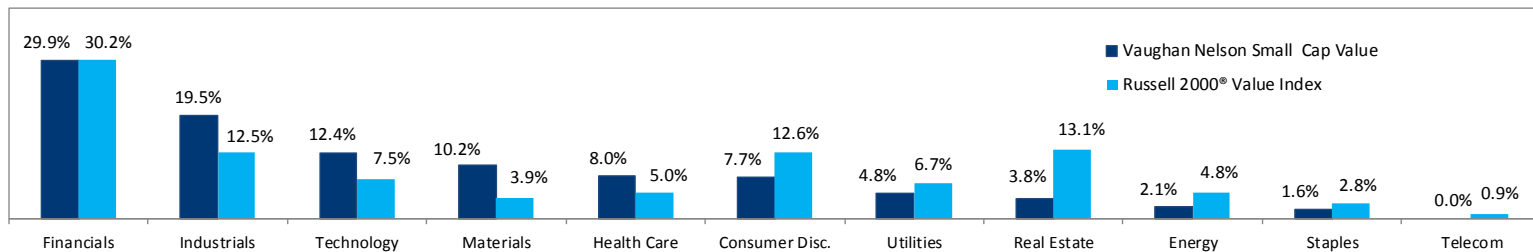
\* Excludes 2.41% cash and 4.88% Small Cap Value iShares.

<sup>1</sup> This information is provided as supplemental to the GIPS® compliant presentation.

# Vaughan Nelson Small Capitalization Value

Product Overview - 2Q17

## Sector Allocation\*<sup>1</sup> (as of 6/30/17)



\* Excludes 2.41% cash and 4.88% Russell 2000 Value iShares. <sup>1</sup> This information is provided as supplemental to the GIPS® compliant presentation.

## Composite Returns (1/1/07 - 6/30/17)

Year	Composite (Gross)	Composite (Net)	Benchmark	Number of Portfolios	Dispersion at End-of-Period (Std Dev)	Composite Assets at End-of-Period (\$MM-USD)	Total Firm Assets (ex. model assets) (\$MM-USD)	Entity Assets** (\$MM-USD)	Std Dev Composite (3-Yr Annlzd)	Std Dev Benchmark (3-Yr Annlzd)
YTD 2017	-0.63%	-1.12%	0.54%	106	N/A	3,672	11,396	12,774	13.30%	15.14%
2016	21.37%	20.18%	31.74%	109	0.86%	3,944	11,572	12,912	13.69%	15.50%
2015	0.99%	-0.1%	-7.47%	102	0.18%	3,135	11,316	12,469	12.12%	13.46%
2014	10.12%	9.02%	4.22%	95	0.16%	3,783	9,943	11,057	10.76%	12.79%
2013	40.39%	39.02%	34.52%	100	0.36%	3,933	9,243	10,258	14.48%	15.82%
2012	16.26%	15.12%	18.05%	96	0.28%	2,902	7,273	8,071	17.60%	19.89%
2011	-2.54%	-3.48%	-5.50%	102	0.19%	2,801	6,876	7,667	20.89%	26.05%
2010	25.20%	24.03%	24.50%	111	0.31%	3,133	7,050	7,965	22.91%	28.37%
2009	30.36%	29.14%	20.58%	93	0.66%	2,491	6,757	7,690	N/A	N/A
2008	-21.57%	-22.34%	-28.92%	95	0.52%	1,711	5,761	6,642	N/A	N/A
2007	7.31%	6.29%	-9.78%	109	0.29%	1,840	6,637	8,176	N/A	N/A

## Notes and Disclosures

### NOTES

**COMPOSITE DESCRIPTION.** This composite is comprised of all fee paying, discretionary Small Capitalization Value portfolios in excess of \$1 million under management. Small Capitalization is defined as a company within the market capitalization range of Russell 2000® Value Index. The benchmark is the Russell 2000® Value Index. The Russell 2000® Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics. Frank Russell Company ("Russell") is the source and owner of Russell Index data contained herein. Any further dissemination of the data is strictly prohibited. Russell is not responsible for any inaccuracy in this presentation. The composite create date is April 1997.

**FIRM DEFINITION.** Vaughan Nelson Investment Management ("Vaughan Nelson") is an equity, fixed-income and balanced portfolio investment manager. Vaughan Nelson is defined as an independent investment advisory firm and is affiliated with Natixis Global Asset Management.

**FEES.** Small Capitalization Value Fee Schedule: 1.00% on the first \$25 million, .85% on the next \$25 million, .75% on the remainder.

**OTHER NOTES.** Performance results are presented before management fees. Results for the full historical period are time weighted. Accounts have been valued daily and portfolio returns have been weighted by using beginning-of-month market values plus daily weighted cash flow. Performance compliance date is April 1997. The dispersion calculation is based on a dollar-weighted average of portfolios within the composite for the entire period. The dispersion percent of N/A indicates that the number of portfolios for the entire year were equal to five or fewer or periods of less than one year. The benchmark source is FactSet. The valuation source is Interactive Data Corp. (IDC) through Advent Software.

### DISCLOSURES

**BASIS OF PRESENTATION.** The attached information and index performance has been developed internally and/or obtained from sources, which Vaughan Nelson believes to be reliable; however, Vaughan Nelson does not guarantee the accuracy, adequacy or completeness of such information, nor does it guarantee the appropriateness of any strategy referred to for any particular investor. This document is provided for informational purposes only and should not be construed as advice or a recommendation for purchase or sale of securities. Past performance is not indicative of future results.

**COMPOSITE NOTES.** The composite for each investment strategy has specific criteria in terms of minimum portfolio size, tax status, and discretion. Portfolios meeting the stated criteria are added to the composite as of the first full quarter of investment in that composite's style. Similarly, accounts are removed from the composite after the last full quarter of management under the composite style. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. A complete list and descriptions of composites is available upon request. The strategy is managed by Chris Wallis, Scott Weber, Dennis Alff and Chad Fargason since 9/30/13. Previously, the strategy was managed by Chris Wallis and Scott Weber.

**CALCULATION METHODOLOGY.** The composite performance results are time-weighted total returns net of commissions and transaction costs. Valuations and returns are expressed in U.S. dollars. Vaughan Nelson consistently values all portfolios each month on a trade date basis. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. No composite accounts hold foreign denominated securities. Net-of-fee returns are calculated utilizing the highest annual fee paid by a client in the strategy. This fee is divided by 12 and subtracted from the gross composite return on a monthly basis to calculate monthly net of fee returns. Quarterly and annual net-of-fee returns are calculated by geometrically linking these monthly returns.

**COMPLIANT STATEMENT.** Vaughan Nelson claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® Standards. Vaughan Nelson has been independently verified for the periods 12/31/97 through 3/31/17. 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 Small Capitalization Value composite has been examined for the periods 1/1/01 to 3/31/17. The verification and performance examination reports are available upon request.

Model year-end portfolio totals were as follows: 2016 - \$1.3 billion, 2015 - \$1.2 billion, 2014 - \$1.1 billion, 2013 - \$1.0 billion, 2012 - \$798 million, 2011 - \$791 million, 2010 - \$915 million, 2009 - \$933 million, 2008 - \$881 million, 2007 - \$1,539 million.

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