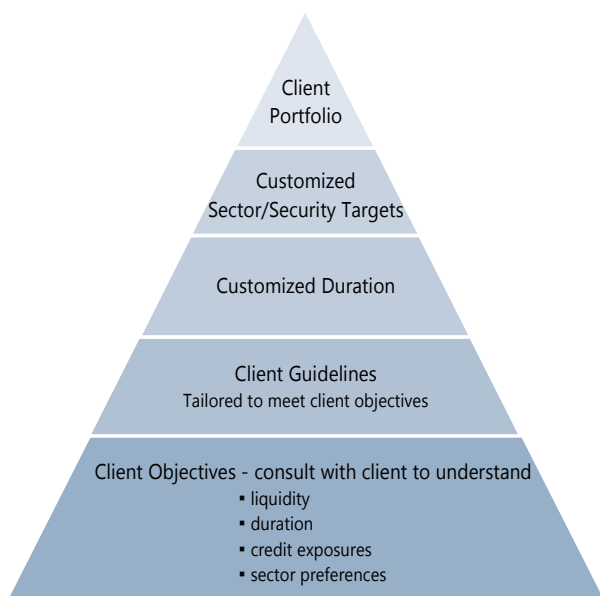


Vaughan Nelson's Customized Duration is designed to enable financial institutions, corporations and non-profit entities to build a customized fixed income portfolio of governments, agencies and/or investment grade fixed income securities to meet specific liquidity, yield, duration and sector targets as dictated by client guidelines. Each customized portfolio is constructed and actively managed by Vaughan Nelson's highly experienced team of fixed income portfolio managers.

Investment process



Four Tools to Add Value (utilized subject to client guidelines)

1. Security Selection

- Changing credit quality
- Structure
- Inefficient pricing

2. Duration/Yield Curve Positioning

- Inflation expectations
- Monetary policy
- Anticipating yield curve shifts

3. Sector Rotation

- Relative value among sectors
- Historical spread vs. Treasuries
- Economic cycle outlook

4. Opportunistic Trading Efficiencies

- Access to inventory of multiple brokers
- Strong trading relationships
- Electronic trading conducted only for Treasuries

Vaughan Nelson Investment Management

Bringing over 47 years of equity and fixed income experience to foundations, universities endowments, and corporations; the firm follows a disciplined, fundamental, bottom-up investment process.

Fixed Income Portfolio Team

Steven M. Henriksen, Senior Portfolio Manager; B.A., Louisiana State University; joined Vaughan Nelson in 1994; 34 years investment management and research experience

Charles M. Ellis, Portfolio Manager; B.B.A., Texas Tech University; joined Vaughan Nelson in 2003; 42 years investment management and research experience

Blanca L. Garza, Portfolio Manager; M.B.A., University of Saint Thomas; B.A., University of Houston-University Park; joined Vaughan Nelson in 1998; 24 years investment and financial experience

Customized characteristics

Duration

- Targeted
- Minimum/maximum
- Manager discretion

Sectors (0% to 100%)

- Corporates
- Agencies
- Treasuries
- Mortgages

Quality (0% to 100%)

- AAA
- AA
- A
- BBB



Vaughan Nelson Customized Duration

Product Overview - 3Q17

Overview

Organization

- Founded in 1970
- \$12.8 billion under management*
- Based in Houston
- Equity and Fixed Income strategies

* 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 September 30, 2017.

Process

- Active management
- Fundamental research
- New idea generation
- Risk measurement

People

- 42 employees
- 13 investment professionals
 - 6 CFA® designations
 - 2 Ph.D.s

Representative list of institutional

Non-Profit

Aurora Health Care
Board of Higher Education, United Methodist Church
Hamill Foundation
Houston Grand Opera
Methodist Hospital
Roman Catholic Diocese of Orange
Santa Barbara Museum of Art
Santa Clara University
Texas Medical Association
The Community Foundation of Louisville
Trull Foundation
University of Dallas
Wortham Foundation

Public

Cobb County Employees' Retirement System
Florida State Board of Administration
Gwinnett County Public Employees' Retirement System
Montana Board of Investments
Nebraska Public Power Employees' Retirement System
Peace Officers' Annuity and Benefit Fund of Georgia
Teacher Retirement System of Texas

Corporate

Baxter International
Bristol-Myers Squibb
Hess Corporation
Principal Financial Group
Stewart Title

It is not known whether the listed clients approve or disapprove of the advisor or the advisory services provided. This is a list of institutional clients whose investment management is a matter of public record, selected because it was believed that their names would be recognized by prospective clients, without regard to performance-based criteria.

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