

GLOBAL SMID CAP STRATEGY



4Q 2024 Strategy Fact Sheet

PERFORMANCE (%)

Past performance is no guarantee of future results.

	4Q 2024	1 Year	3 Years	Since 6/30/2020
Portfolio (Gross)	-4.19	4.36	-0.58	12.81
Portfolio (Net)	-4.41	3.42	-1.47	11.80
MSCI ACWI SMID Cap Net Index	-3.37	8.68	0.82	10.28

All periods longer than 12 months are annualized. See disclosures on last page. Source: GPS.

Manager Commentary

Market Overview

The equity market rally that persisted for the first three quarters of 2024 weakened in the fourth quarter, with the MSCI ACWI SMID Cap Index down 3.37%. During the quarter, U.S. Dollar strength, rising interest rates, and a steepening yield curve were headwinds for equities, despite continued rate cuts from the Federal Reserve. Non-U.S. equity markets generally underperformed U.S. markets during the quarter. Despite ending the year on a down note, the MSCI ACWI Mid Cap Index still produced a positive return of 9.49% for the year.

As we enter 2025, we expect market volatility to increase, with the potential for a correction in the first half of the year, given weakening liquidity conditions, rising inflation and slowing economic growth outside the U.S. The longer-term outlook for inflation and growth at the country level will be driven by each country's geopolitical, monetary and fiscal policy choices over the next 12 months.

Portfolio Positioning

As a result of buys and sells and market action, the portfolio is overweight Industrials, Financials, Consumer Discretionary, Energy, Information Technology, and Materials while underweight Health Care, Utilities, Consumer Staples, Real Estate, and Communication Services.

Contributors to Performance

During the quarter, the portfolio experienced negative absolute and negative relative performance. Positive relative performance was driven by Consumer Discretionary, Materials, Health Care, Real Estate, Consumer Staples, Utilities, and Energy while offset by Industrials, Communication Services, Financials, and Information Technology.

"We believe investing is about **offsetting future obligations**, not just having market exposure."

4Q 2024 GLOBAL SMID CAP STRATEGY PORTFOLIO

Portfolio Characteristics

	Portfolio	MSCI ACWI SMID Cap Net Index
Number of Holdings	57	7,530
Wtd. Avg. Mkt. Cap (\$B)	12.98	13.03
Price/Book	3.18	0.32
Est. 3-5 Yr. EPS Growth (%)	13.19	12.34
P/E NTM	17.92	14.85
ROA (%)	8.24	5.62
ROE (%)	16.98	12.92
Dividend Yield (%)	1.11	2.05
Net Debt/Equity	0.68	0.05

Source: FactSet

Portfolio Sector Weightings (%)^{* 1}

	Portfolio	MSCI ACWI SMID Cap Net Index
Industrials	25.09	19.50
Financials	19.77	15.72
Consumer Discretionary	14.52	11.35
Information Technology	14.43	12.78
Materials	8.49	7.37
Energy	5.81	4.16
Real Estate	4.52	6.84
Health Care	3.82	8.73
Communication Services	2.22	3.94
Consumer Staples	1.32	4.89
Utilities	-	4.73

^{*} Excludes 5.46% cash. Due to rounding, totals may not equal 100%.

¹ Performance holdings subject to change.

Source: FactSet

Top Ten Holdings^{* 1}

	Country	Sector	% of Total Portfolio [*]
Brown & Brown Inc	United States	Financials	3.33
Element Solutions Inc	United States	Materials	3.27
TechnipFMC PLC	United Kingdom	Energy	3.03
Wise PLC	United Kingdom	Financials	2.97
Cushman & Wakefield PLC	United States	Real Estate	2.84
Globus Medical Inc	United States	Health Care	2.41
Embraer SA	Brazil	Industrials	2.34
MonotaRO Co Ltd	Japan	Industrials	2.30
Warby Parker Inc	United States	Consumer Discretionary	2.26
Selective Insurance Group Inc	United States	Financials	2.24

^{*} Excludes 5.46% cash.

¹ Performance holdings subject to change.

Source: FactSet

Portfolio Geographic Weightings (%)^{*}

	Portfolio	MSCI ACWI SMID Cap Net Index
North America	66.42	58.87
Western Europe	19.49	14.12
Pacific Rim	11.75	20.11
South America	2.34	0.69
Africa	-	0.74
Central Asia	-	3.12
Eastern Europe	-	0.63
Middle East	-	1.73

^{*} Excludes 5.46% cash.

Source: FactSet

VAUGHAN NELSON EQUITY TEAM

LEAD PORTFOLIO MANAGER



James Eisenman, CFA, CPA
Portfolio Manager

- 22 years financial services and accounting experience
- Masters in Accounting, Ohio State University, 2005
- BBA, Ohio State University, 2002, with Honors

PORTFOLIO MANAGERS



Marco Priani, CFA, CPA, FRM
Portfolio Manager

- 23 years investment management and financial experience
- MBA, The University of Chicago-Graduate School of Business, 2005
- LL.M., Northwestern University School of Law, 2006
- MSF, Universidad Del CEMA, 1999
- JD, Universidad De Buenos Aires-School of Law, 1987, *cum laude*



Kevin Ross, CFA
Portfolio Manager

- 18 years investment management and research experience
- MBA, The University of Chicago Booth School of Business, 2014
- BSBA, Washington University, 2006

ANALYTS



Zach Buell, CFA
Associate, International Equity

- 7 years investment management and financial analysis experience
- BS, Brigham Young University, 2020, *magna cum laude*



Benjamin Carrier, CFA
Vice President, U.S. Equity

- 10 years financial analysis and accounting experience
- BBA, Baylor University, 2014, *cum laude*



Benjamin Ledig
Associate, U.S. Equity

- 1 year financial analysis experience
- BA, Vanderbilt University, 2023



Earl Lee, CFA
Vice President, U.S. Equity

- 12 years investment management and financial experience
- MBA, The University of Texas at Austin, 2012
- BS, Purdue University, 2007



William Lee
Associate, U.S. Equity

- 1 year financial analysis experience
- BA, Vanderbilt University, 2023



Masa Matsumura, PhD
Vice President, International Equity

- 14 years investment management and financial analysis experience
- MBA, The University of Chicago Booth School of Business, 2014
- PhD, University of Alabama at Birmingham, 2007
- MS, University of Alabama at Birmingham, 2005
- BS, University of Alabama at Birmingham, 2001



Zhongjie (Matt) Wang
Associate, International Equity

- 5 years financial analysis experience
- MBA, Northwestern University, 2022
- BA, University of Manitoba, 2016

MACRO ANALYSIS



Adam Rich, CFA
Deputy CIO
Portfolio Manager

- 14 years investment management and research experience
- BS, Brigham Young University, 2010



Chris Wallis, CFA, CPA
CEO and CIO
Senior Portfolio Manager

- 32 years investment management / financial analysis and accounting experience
- MBA, Harvard Business School, 1998
- BBA, Baylor University, 1991

FACTOR ANALYSIS



Isabelle Long
Associate, Portfolio and Risk Analysis

- Began portfolio and risk analysis career in 2022
- MBA, Texas A&M University, 2024
- BS, Texas A&M University, 2022



William Wojciechowski, PhD
Chief Risk Officer, Portfolio and Risk Analysis

- Began investment management and financial analysis career in 2001
- PhD, Rice University, 2001
- MA, Rice University, 1999
- MS, West Virginia University, 1996
- BS, Carnegie Mellon University, 1992

ABOUT VAUGHAN NELSON

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, Texas
- Founded: 1970
- Firm Assets: \$17.8 Billion*
- Domestic equity, international equity, and fixed income strategies
- 53 employees
- 25 investment team professionals
- 13 Chartered Financial Analyst designations
- 2 PhDs

* 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 \$3.0 billion as of 12/31/24.

GLOBAL SMID CAP PORTFOLIO COMPOSITE RETURNS

June 30, 2020 through December 31, 2024

Performance data shown represents past performance and is not a guarantee of, and not indicative of, future results.

Year	Compos. Returns		MSCI ACWI SMID Cap Net Index	No. of Ports.	Disp. At EOP	Compos. Assets at EOP	Total Firm Assets (ex. model assets)	Entity Assets**	Std Dev. Compos.	Std Dev. MSCI ACWI SMID Cap Net Index
	Gross	Net								
2024	4.36%	3.42%	8.68%	5 or fewer	N/A	191	14,791	17,840	18.10%	18.24%
2023	19.02%	17.97%	16.02%	5 or fewer	N/A	149	13,811	16,351	17.49%	17.80%
2022	-20.87%	-21.59%	-18.72%	5 or fewer	N/A	112	11,720	13,566	N/A	N/A
2021	29.31%	28.16%	16.24%	5 or fewer	N/A	114	13,490	15,481	N/A	N/A
2020*	35.34%	34.76%	30.41%	5 or fewer	N/A	9	12,690	14,052	N/A	N/A

NOTES AND DISCLOSURES

NOTES:

COMPOSITE DESCRIPTION. This composite is comprised of all fee paying, discretionary Global SMID portfolios in excess of \$1 million under management. Global SMID is defined as a company within the market capitalization range of the MSCI ACWI SMID Cap Net Index at the time of initial purchase. The benchmark is the MSCI ACWI SMID Cap Index. The index is a free-float-adjusted market capitalization index that is designed to measure small and mid cap equity market performance across 23 Developed and 26 Emerging Markets, as defined by MSCI. The index is reported net-of-dividends, which indicates dividends are reinvested after the deduction for withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. MSCI is the source and owner of MSCI Index data contained herein. Any further dissemination of the data is strictly prohibited. MSCI is not responsible for any inaccuracy in this presentation. The composite creation and inception date is 6/30/20. **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 Investment Managers, LLC. **FEES.** Global SMID Cap Fee Schedule: .90% on the first \$10 million, .85% on the next \$15 million, .80% on the next \$25 million, .75% on the next \$50 million, .65% on amounts over \$100 million. **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. The dispersion calculation is based on a dollar-weighted average of gross portfolio returns 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 Intercontinental Exchange (ICE). Benchmark returns are not covered by the report of independent verifiers.

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. The strategy is managed by James Eisenman, Marco Priani, Kevin Ross, and Chris Wallis from 6/30/20. **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. A list of all composites and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. The U.S. dollar is the currency used to express performance. The three-year annualized standard deviation measures the variability of the composite (using gross-of-fee returns, and the benchmark returns over the preceding 36-month period). **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 GIPS Reports are available upon request. 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 9/30/24. 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 and pooled fund maintenance, 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 Global SMID Cap composite has had a performance examination for the periods 6/30/20 to 12/31/23. 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.

Model year-end portfolio totals were as follows: 2024 - \$3.0 billion, 2023 - \$2.5 billion, 2022 - \$1.8 billion, 2021 - \$2.0 billion, 2020 - \$1.4 billion.

* Partial year return. Inception date of 6/30/20.

** 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 \$3.0 billion as of 12/31/24. This information is supplemental to the Global SMID Cap GIPS Report.

