

INTERNATIONAL STRATEGY



4Q 2024 Strategy Fact Sheet

Performance (%)

Past performance is no guarantee of future results.

	4Q 2024	Since 3/31/2024
Portfolio (Gross)	-2.63	4.98
Portfolio (Net)	-2.88	4.20
MSCI AC World ex USA Net Index	-7.60	0.82

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

Manager Commentary

Market Overview

The past quarter saw continued volatility in international markets, influenced by geopolitical tensions, inflation concerns, and a global slowdown in manufacturing. These challenges, as well as reduced expectations for interest rate cuts from the Federal Reserve, drove the MSCI ACWI ex USA Index down for the quarter.

The key event of the quarter was the United States election. The ramifications of the election have changed politics around the world as populist movements have gained strength in many countries across the globe.

Looking ahead, we see three significant regime changes that will impact international investing: (1) the Bank of Japan exiting their decades-long stimulative monetary policies, (2) the People's Bank of China becoming the most accommodative central bank in the world to offset their bubble burst, and (3) populism driving local brand champions. We believe the current positioning of the strategy will benefit as these regime changes materialize.

Portfolio Positioning

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

Contributors to Performance

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

4Q 2024 INTERNATIONAL STRATEGY PORTFOLIO

Portfolio Characteristics

	Portfolio	MSCI AC World ex USA Net Index
Number of Holdings	26	2,058
P/E NTM	16.43	13.22
Price/Cash Flow	16.54	8.98
Wtd. Avg. Mkt. Cap (\$B)	105.09	108.81
Est. 3-5 Yr. EPS Growth (%)	19.26	11.46
Dividend Yield (%)	1.40	2.86
Net Debt/Equity	0.09	0.54

Source: FactSet

Top Ten Holdings*¹

	Country	Sector	% of Total Portfolio*
Monolithic Power Systems Inc	United States	Information Technology	7.73
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	Information Technology	7.16
Wise PLC	United Kingdom	Financials	6.21
PDD Holdings Inc	Ireland	Consumer Discretionary	5.07
ASML Holding NV	Netherlands	Information Technology	5.05
Intermediate Capital Group PLC	United Kingdom	Financials	4.95
UBS Group AG	Switzerland	Financials	4.76
TFI International Inc	Canada	Industrials	4.67
Ashtead Group PLC	United Kingdom	Industrials	4.56
MercadoLibre Inc	Uruguay	Consumer Discretionary	4.55

* Excludes 0.56% cash.

¹ Performance holdings subject to change.

Source: FactSet

Portfolio Sector Weightings (%)^{* 1}

	Portfolio	MSCI AC World ex USA Net Index
Information Technology	29.68	13.53
Financials	20.57	23.70
Industrials	15.03	13.95
Consumer Discretionary	11.69	11.18
Energy	10.26	4.95
Materials	8.20	6.29
Utilities	3.12	3.03
Communication Services	1.46	5.87
Consumer Staples	-	6.97
Health Care	-	8.76
Real Estate	-	1.77

* Excludes 0.56% cash. Due to rounding, totals may not equal 100%.

¹ Performance holdings subject to change.

Source: FactSet

VAUGHAN NELSON EQUITY TEAM

LEAD PORTFOLIO MANAGER



Adam Rich, CFA
Deputy CIO
Portfolio Manager

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

PORTFOLIO MANAGERS



Marco Priani, CFA, CPA, FRM
Portfolio Manager

- 24 years investment management and financial analysis 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

- 19 years investment management and research experience
- Joined Vaughan Nelson in 2019
- MBA, The University of Chicago Booth School of Business, 2014
- BSBA, Washington University, 2006

ANALYSTS



Zach Buell, CFA
Associate, International Equity

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



Masa Matsumura, PhD
Vice President, International Equity

- 15 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

- 6 years financial analysis experience
- MBA, Northwest University, 2022
- BA, University of Manitoba, 2016

MACRO ANALYSIS



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

- 33 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

- 3 years portfolio and risk analysis experience
- MBA, Texas A&M University, 2024
- BS, Texas A&M University, 2022



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

- 23 years investment management and financial analysis experience
- 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.

VAUGHAN NELSON EQUITY STRATEGIES

		Product Assets as of 12/31/2024
Small Cap Value	<ul style="list-style-type: none"> • Benchmark against the Russell 2000® Value Index • Generally 55 to 85 positions 	\$4,507 MM
Value Opportunity	<ul style="list-style-type: none"> • Benchmark against the Russell Midcap® Value Index and Russell 2500™ Value Index • Generally 55 to 75 positions 	\$2,366 MM
Select	<ul style="list-style-type: none"> • Benchmark against the S&P 500 Index and Russell 3000® Index • Generally 20 to 40 positions 	\$6,996 MM
Global SMID Cap	<ul style="list-style-type: none"> • Benchmark against the MSCI ACWI SMID Cap NR Index • Generally 40 to 80 positions 	\$191 MM
Emerging Markets	<ul style="list-style-type: none"> • Benchmark against the MSCI Emerging Markets NR Index • Generally 60 to 80 positions 	\$40 MM
International	<ul style="list-style-type: none"> • Benchmark against the MSCI ACWI ex USA NR Index • Generally 25 to 35 positions 	\$26 MM

INTERNATIONAL COMPOSITE RETURNS

March 31, 2024 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	Compos. Returns	MSCI ACWI ex USA NR 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 EAFE Small Cap Net Index
	Gross	Net			Std Dev	\$MM-USD	\$MM-USD	\$MM-USD	3-Yr Anlzd	3-Yr Anlzd
2024*	-2.63%	-2.88%	-7.60%	5 or fewer	N/A	26	14,791	17,840	N/A	N/A

NOTES AND DISCLOSURES

NOTES

COMPOSITE DESCRIPTION. Effective 4/1/24, this composite is comprised of all fee-paying, discretionary International portfolios in excess of \$1 million under management. The International strategy primarily invests in non-U.S. equities and principally in developed markets with a market capitalization generally within the range of the MSCI ACWI ex USA NR Index at time of purchase. The index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. The index covers approximately 85% of the global equity opportunity outside the United States. 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 3/31/24. **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.** International Fee Schedule: 1.00% on the first \$25 million, .85% on the next \$75 million, .80% 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. 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 Adam Rich, Marco Priani and Kevin Ross from 4/01/24. **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. The verification and performance examination reports are available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report.

* Partial year return. Inception date of 3/31/24.

** 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 International GIPS Report.

† Total firm assets and entity assets are shown as N/A as the strategy was previously managed at Advisory Research, Inc. These disclosures for the predecessor firm would not be meaningful and, the strategy did not contribute to Vaughan Nelson’s assets historically.