

GLOBAL SMID CAP STRATEGY

PERFORMANCE (%)

	Since 6/30/20
Portfolio (Gross)	35.34
Portfolio (Net)	34.76
MSCI ACWI SMID Cap Index - ND	30.41

MANAGER COMMENTARY

Market Overview

The recovery in financial markets continued in the fourth quarter, with all countries within the ACWI SMID benchmark recording positive absolute returns. Positive vaccine data and indications that further stimulus is likely, were the impetus for the strong market returns. The equity market rally materially boosted valuation multiples, indicating that a portion of the expected 2021 earnings recovery has already been discounted. As the global economy recovers, additional policy support may be needed to offset the damage that occurred to key service sectors and the commercial real estate market.

Economies remain buoyed by a strong recovery in the industrial sector as supply chains rebuild inventories and prepare for a normalization of activity. The recovery in the services side of the economy continues at a modest pace, as renewed lock downs presented headwinds. One of the brightest spots in the U.S. economy has been the strength in housing. The rapid increase in demand has pushed home prices materially higher. Higher home prices represent a near term headwind but are a harbinger of increased economic activity as additional supply is brought to market to balance supply and demand.

A key driver of the recovery has been the weaker U.S. dollar, which boosted commodity prices and eased the debt service burden of foreign borrowers. However, the falling U.S. dollar and supply chain disruptions are leading to price increases in the U.S., which will likely cause headline inflation to exceed the Federal Reserve's 2% target during the first half of 2021. Should this increase in inflationary pressure prove transitory, and there are no material shifts in real yields, then we would not expect a material impact to risk assets. To the extent higher inflation expectations become more entrenched, or real yields move higher, a broader repricing of risk assets across sectors and asset classes is expected.

Portfolio Positioning

At the country level, the portfolio is overweight Germany, Norway, Japan, the United States and the United Kingdom and underweight Canada and the Emerging Market "EM" countries as a group. We have a weighting of 3% in EM countries vs the benchmark at 10%.

On a Sector basis, the portfolio is materially overweight Industrials and Information Technology, and has a smaller overweight in Financials and Materials. We are underweight Consumer Discretionary, Utilities, Communication Services, Healthcare, Real Estate and Energy.

Contributors to Performance

During the quarter, the portfolio produced strong absolute returns and outperformed the ACWI SMID benchmark. The largest contributors to the fund's relative outperformance were holdings in the United States, and Japan. In the United States, strength was broad based, driven by multiple expansion as economic demand continues to recover. In Japan, a real estate investment company received a takeover offer. The largest country level detractor from relative performance was the Netherlands, where a financial services company continued to see weak demand from its customers.

We continue to position the portfolio into companies that have better pricing power, lower earnings variability, higher profitability, and stronger balance sheets than the broader investment universe, as well as cyclical companies that should see accelerating growth as economic activity continues to rebound in 2021. We do not currently favor any single country, industry, or sector and continue to find attractive opportunities across a wide variety of countries and industries in our investment universe.

4Q20 GLOBAL SMID CAP PORTFOLIO

MODEL PORTFOLIO ATTRIBUTION (GROSS RETURNS)

S&P GICS SECTOR	Portfolio			MSCI ACWI SMID Cap Index			Variation			Attribution Analysis		
	Avg Wt	Tot Ret	Contrib To Ret	Avg Wt	Tot Ret	Contrib To Ret	Avg Wt	Tot Ret	Contrib To Ret	Allocation Effect	Selection + Interaction	Total Effect
Communication Services	1.98	44.71	0.81	4.79	24.70	1.17	-2.81	19.59	-0.36	-0.06	0.29	0.23
Consumer Discretionary	5.55	52.31	2.48	12.17	19.41	2.37	-6.62	32.36	0.10	0.11	1.43	1.54
Consumer Staples	4.48	11.16	0.50	4.46	8.58	0.39	0.02	2.51	0.11	0.01	0.13	0.14
Energy	1.12	52.24	0.51	2.37	37.30	0.81	-1.25	14.94	-0.30	-0.17	0.16	-0.01
Financials	12.62	24.07	3.05	11.86	26.25	3.09	0.75	-2.35	-0.05	0.09	-0.30	-0.21
Health Care	7.98	25.61	2.01	10.94	16.56	1.84	-2.97	9.02	0.16	0.12	0.67	0.79
Industrials	26.04	26.49	6.86	16.92	21.18	3.62	9.12	5.29	3.25	0.03	1.22	1.25
Information Technology	22.21	23.25	5.16	15.89	25.58	3.91	6.32	-2.46	1.25	0.23	-0.34	-0.11
Materials	8.72	27.94	2.36	8.61	22.73	1.93	0.11	5.17	0.43	0.02	0.42	0.44
Real Estate	6.28	21.62	1.40	8.11	16.15	1.37	-1.83	5.44	0.03	0.11	0.33	0.44
Utilities	--	--	--	3.82	13.03	0.52	-3.82	-13.03	-0.52	0.30	--	0.30
[Cash]	3.02	0.09	0.00	--	--	--	3.02	0.09	0.00	-0.72	--	-0.72
Total	100.00	25.14	25.14	100.00	21.03	21.03	--	4.11	4.11	0.12	4.00	4.11

The above information is intended to provide a summary of how Vaughan Nelson's strategy model performed over the referenced period. Client-specific portfolios may differ meaningfully from this summary due to client-directed portfolio constraints that may include, but are not limited to, tax considerations, socially responsible restrictions and sector/position limitations. See additional disclosures on last page.

PORTFOLIO CHARACTERISTICS¹

	Portfolio	MSCI ACWI SMID Cap Index
No. of Holdings	75	7,553
Wtd. Avg. Mkt. Cap (\$B)	5.2	9.6
Price/Book	2.32	1.97
Price/Cash Flow	10.32	9.80
P/E NTM	16.01	17.96
ROA (%)	5.61	4.53
ROE (%)	12.30	9.85
Dividend Yield (%)	1.23	1.74
Net Debt/Equity	0.53	-0.62

¹ This information is provided as supplemental information to the Global SMID Cap compliant presentation. Data as of 1/17/21 for 12/31/20.

PORTFOLIO SECTOR WEIGHTINGS (%)¹

	Portfolio	MSCI ACWI SMID Cap Index
Industrials	25.23	16.76
Technology	22.43	15.69
Financials	13.25	12.14
Materials	9.57	8.79
Health Care	8.14	10.89
Consumer Discretionary	8.07	12.12
Real Estate	6.49	8.07
Staples	4.35	4.32
Energy	1.24	2.65
Communication Services	1.23	4.74
Utilities	--	3.83

* Excludes 2.77% cash.

¹ This information is provided as supplemental information to the Global SMID Cap compliant presentation.

TOP TEN HOLDINGS

	Country	Sector	% of Total Portfolio*
LPL Financial	United States	Financials	2.71
Insight Enterprises	United States	Information Technology	2.64
Builders FirstSource	United States	Industrials	2.59
CMC Materials	United States	Information Technology	2.33
Befesa SA	Germany	Industrials	2.26
Steadfast Group	Australia	Financials	2.16
Marlowe	United Kingdom	Industrials	2.14
Atea ASA	Norway	Information Technology	2.09
First American Financial	United States	Financials	2.04
Element Solutions	United States	Materials	1.95

This information is provided as supplemental to the GIPS compliant presentation.

* Excludes 2.77% cash.

PORTFOLIO GEOGRAPHIC WEIGHTINGS (%)¹

	Portfolio	MSCI ACWI SMID Cap Index
North America	53.41	53.91
Western Europe	23.71	20.10
Pacific Rim	21.09	21.03
Middle East	1.79	1.16
Africa	--	0.66
Central Asia	--	1.39
Eastern Europe	--	0.72
South America	--	1.03

* Excludes 2.77% cash.

¹ This information is provided as supplemental information to the Global SMID Cap compliant presentation.

PORTFOLIO MANAGERS



James Eisenman, CFA, CPA
Lead Portfolio Manager - Global Equity Investments

- Began his financial and accounting career in 2002
- Joined Vaughan Nelson in 2005
- MAcc, Ohio State University, 2005
- BBA, Ohio State University, 2002, with Honors



Marco Priani, CFA, CPA, FRM
Senior Portfolio Manager - International Equity Investments

- Began his financial and investment career in 2001
- Joined Vaughan Nelson in 2019
- 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, *magna cum laude*, 1987



Kevin Ross, CFA
Senior Portfolio Manager - International Equity Investments

- Began his financial and investment career in 2006
- Joined Vaughan Nelson in 2019
- MBA, The University of Chicago Booth School of Business, 2014
- BSBA, Washington University, 2006



Chris Wallis, CFA, CPA
CEO and CIO

- Began his financial, investment and accounting career in 1991
- Joined Vaughan Nelson in 1999
- MBA, Harvard Business School, 1998
- BBA, Baylor University, 1991

RESEARCH



Masa Matsumura, Ph.D.
Senior Equity Analyst - International Equity Investments

- Began his financial and investment career in 2010
- Joined Vaughan Nelson in 2020
- MBA, The University of Chicago Booth School of Business, 2014
- Ph.D., University of Alabama at Birmingham, 2007
- MS, University of Alabama at Birmingham, 2005
- BS, University of Alabama at Birmingham, 2001

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: \$14.1 Billion*
- Domestic equity, international equity, and fixed income strategies
- 44 employees
- 18 investment team professionals
- 11 Chartered Financial Analyst designations
- 3 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 \$1.4 billion as of December 31, 2020.

VAUGHAN NELSON EQUITY STRATEGIES

Small Cap Value	<ul style="list-style-type: none"> • Benchmark against the Russell 2000® Value Index • Generally 55 to 85 positions
Select	<ul style="list-style-type: none"> • Benchmark against the Russell 3000® Index and S&P 500 Index • Generally 20 to 40 positions
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
International Small Cap	<ul style="list-style-type: none"> • Benchmark against the MSCI EAFE Small Cap Index • Generally 60 to 80 positions
Emerging Markets	<ul style="list-style-type: none"> • Benchmark against the MSCI Emerging Markets SMID Index • Generally 60 to 80 positions
Global SMID Cap	<ul style="list-style-type: none"> • Benchmark against the MSCI ACWI SMID Cap Index • Generally 40 to 80 positions

OUR MISSION

To provide for the **financial wellbeing**
of our **clients** and **employees**
through **superior performance** consistent
with our values.

GLOBAL SMID CAP COMPOSITE RETURNS (6/30/20 - 12/31/20)

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)
2020*	35.34	34.76	30.41	5 or fewer	N/A	9	12,690	14,052	N/A	N/A

* Partial year return. Inception date of June 30, 2020.

** 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 December 31, 2020. This information is supplemental to the Global SMID Cap compliant presentation.

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 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 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.

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 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 Intercontinental Exchange (ICE) through Advent Software. 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 complete list and descriptions of composites 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.

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.

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 9/30/20. The verification report(s) is/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.

