

INTERNATIONAL SMALL CAP STRATEGY

PERFORMANCE (%)

	1 Year	3 Years	5 Years	7 Years	Since 11/30/13
Portfolio (Gross)	17.09	7.72	11.95	8.22	8.40
Portfolio (Net)	15.54	6.30	10.48	6.80	6.98
MSCI EAFE Small Cap Index	12.34	4.85	9.40	7.25	7.51

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

MANAGER COMMENTARY

Market Overview

The recovery in financial markets continued into the fourth quarter for our International Small Cap universe driven by an improvement in economic activities, significant fiscal and monetary support, a decline in the US Dollar, and approval of vaccines to prevent against COVID 19.

A couple of macro events that were relevant during the quarter were the presidential elections in the US and the trade agreement between the United Kingdom and the European Union that places us near the end of the multiyear Brexit saga.

The US presidential elections determined a favorable political scenario in the US for fiscal stimulus, something that affects our markets in terms of currency influence, sentiment, and economic activity. The expected fiscal largesse scenario extends to our markets as well, where we expect to see in 2021 the positive effect of the mutualization of debt in the form of a large EU stimulus in addition to increased national deficits. Monetary policy is expected to be dovish in the EU, the UK and Japan, providing a favorable background for equity performance.

The UK-EU trade agreement eliminates an important risk factor as sentiment and economic activity would have been affected by trade barriers between those geographies. There is more bureaucracy now in the border, but the disruptions are de-minimis compared to those of the alternative no-deal scenario. One thing to highlight in terms of the flexibility of our investment approach vis-à-vis geographies is that 4 years ago, at the time of the Brexit referendum, we were around 10% underweight the UK. As the year ends, we are almost 10% overweight. The UK has been the biggest contributor to relative performance over the last 12 months and we believe that valuations are more attractive than those in the EU at this moment.

Portfolio Positioning

As a result of buys and sells and market action on the back of Brexit resolution at year end, our weighting in the United Kingdom increased materially by more than 500bps. The portfolio's weighting in Norway, France, Sweden, and Japan decreased.

From a sector perspective, our weightings in Industrials, Consumer Discretionary, Materials, and Financials increased during the quarter. The portfolio's weighting in Consumer Staples, Information Technology, and Health Care decreased during the period.

Contributors to Performance

The fund returned 18.83% during the fourth quarter compared to the MSCI EAFE Small Cap Index's increase of 17.27%. This was driven by both stock selection and allocation effect. The best performing countries (total effect) were Japan, the United Kingdom, Switzerland, and Sweden. The portfolio underperformed in the Netherlands, Norway, and Spain. The portfolio continues to be overweight information technology and industrials while underweight to consumer discretionary, real estate, financials, health care and utilities. Our biggest country overweights are to the United Kingdom, France, and Germany which is offset by underweights to Australia, Italy, and Switzerland.

Outlook

In terms of macro risks for 2021 the main one is that monetary policy ceases to generate its current outcomes. If lack of confidence in fiat money determines that investors demand to be more richly compensated by sovereign borrowers that can affect equity valuations. It is clear at this time also that inflation is picking up in the short term, helped among other things by the weakness of USD. If markets conclude that this is not just a short-term phenomenon interest rates may increase.

Geopolitical tensions are high with a more visible emergence of distinct blocks of USA and China-oriented supply chain blocks in several sensitive verticals. For the time being those tensions are affecting more directly larger companies than those in our universe.

In the short term, we are cognizant of the second wave of COVID which is causing rising cases and hospitalizations in several of our markets. With our long-term investment horizon, we can see through this short-term volatility to take advantage of high quality and attractively valued businesses that can meet our targeted return over three years. We remain towards the top end of our targeted number of names of 60-80 given the attractive opportunity set and improving economic outlook that we see playing out over the medium term.

4Q20 INTERNATIONAL SMALL CAP PORTFOLIO

MODEL PORTFOLIO ATTRIBUTION (GROSS RETURNS)

S&P GICS SECTOR	Portfolio			MSCI EAFE Small 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	5.18	32.20	1.60	4.82	14.87	0.72	0.36	17.33	0.88	-0.01	0.84	0.83
Consumer Discretionary	6.81	32.86	2.21	12.87	18.24	2.34	-6.05	14.62	-0.13	-0.06	0.93	0.86
Consumer Staples	7.77	8.57	0.59	6.29	5.16	0.32	1.47	3.41	0.26	-0.19	0.24	0.05
Energy	0.69	47.22	0.29	1.60	32.25	0.49	-0.91	14.96	-0.20	-0.12	0.10	-0.02
Financials	7.34	26.39	1.92	10.21	19.75	2.04	-2.87	6.64	-0.11	-0.06	0.43	0.38
Health Care	4.38	15.88	0.73	7.29	7.16	0.52	-2.91	8.71	0.21	0.32	0.43	0.74
Industrials	32.02	20.45	6.55	22.70	21.23	4.77	9.32	-0.77	1.78	0.37	-0.29	0.08
Information Technology	18.11	12.86	2.35	10.75	18.17	1.89	7.36	-5.31	0.46	0.06	-0.91	-0.85
Materials	5.83	21.37	1.26	8.45	23.22	1.91	-2.61	-1.84	-0.65	-0.14	-0.06	-0.20
Real Estate	8.26	14.78	1.24	12.15	13.98	1.75	-3.89	0.81	-0.51	0.14	0.03	0.17
Utilities	--	--	--	2.74	19.43	0.53	-2.74	-19.43	-0.53	-0.04	--	-0.04
[Cash]	3.62	0.24	0.01	--	--	--	3.62	0.24	0.01	-0.56	--	-0.56
Total	100.00	18.75	18.75	100.00	17.27	17.27	--	1.48	1.48	-0.26	1.74	1.48

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 EAFE Small Cap Index
No. of Holdings	79	2,361
Wtd. Avg. Mkt. Cap (\$B)	2.6	3.0
Price/Book	1.96	1.43
Price/Cash Flow	10.95	8.51
P/E NTM	16.07	17.41
ROA (%)	5.40	4.97
ROE (%)	10.66	9.64
Dividend Yield (%)	2.10	2.12
Net Debt/Equity	0.29	0.46
Beta [*]	0.96	1.00
Sharpe Ratio [*]	0.31	0.16
Information Ratio [*]	0.81	N/A
R-Square [*]	0.97	1.00
Std. Deviation [*]	19.76%	20.27%

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

* Annualized 3-year ending 12/31/20.

TOP TEN HOLDINGS

	Country	Sector	% of Total Portfolio*
Marlowe Plc	United Kingdom	Industrials	2.89
TAG Immobilien	Germany	Real Estate	2.10
Atea ASA	Norway	Information Technology	2.01
PATRIZIA AG	Germany	Real Estate	1.90
Denka	Japan	Materials	1.88
Ship Healthcare Holdings	Japan	Health Care	1.87
Befesa SA	Germany	Industrials	1.85
Kin and Carta	United Kingdom	Communication Services	1.74
Zenkoku Hosho	Japan	Financials	1.59
OC Oerlikon	Switzerland	Industrials	1.56

This information is provided as supplemental to the GIPS compliant presentation. * Excludes 3.69% cash.

PORTFOLIO SECTOR WEIGHTINGS (%)^{*1}

	Portfolio	MSCI EAFE Small Cap Index
Industrials	34.26	23.14
Technology	17.91	10.48
Real Estate	8.53	11.99
Financials	7.93	10.35
Consumer Discretionary	7.71	12.87
Materials	6.54	9.05
Staples	6.43	5.75
Communication Services	5.63	4.64
Health Care	4.30	7.11
Energy	0.76	1.67
Utilities	0.00	2.95

* Excludes 3.69% cash.

¹ This information is provided as supplemental information to the International Small Cap compliant presentation.

PORTFOLIO GEOGRAPHIC WEIGHTINGS (%)^{*1}

	Portfolio	MSCI EAFE Small Cap Index
Japan	30.21	28.65
Europe - ex. UK & Nordic	25.26	24.47
United Kingdom	28.88	17.62
Nordic	11.29	12.86
Asia/Pacific ex. Japan	4.36	15.50
Other	0.00	0.90

* Excludes 3.69% cash.

¹ This information is provided as supplemental information to the International Small Cap compliant presentation.

VAUGHAN NELSON EQUITY TEAM

PORTFOLIO MANAGERS



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

- Began his financial and investment career in 2001
- Joined Vaughan Nelson in 2019
- MBA, The University of Chicago-Graduate School of Business, 2005
- LLM, 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

- 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

RESEARCH



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

- 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, 2001
- MS, University of Alabama at Birmingham, 2005

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: \$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

- Benchmark against the Russell 2000® Value Index
- Generally 55 to 85 positions

Select

- Benchmark against the Russell 3000® Index and S&P 500 Index
- Generally 20 to 40 positions

Value Opportunity

- Benchmark against the Russell Midcap® Value Index and Russell 2500™ Value Index
- Generally 55 to 75 positions

International Small Cap

- Benchmark against the MSCI EAFE Small Cap Index
- Generally 60 to 80 positions

Emerging Markets

- Benchmark against the MSCI Emerging Markets SMID Index
- Generally 60 to 80 positions

Global SMID Cap

- 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.

INTERNATIONAL SMALL CAP COMPOSITE RETURNS (11/30/13 - 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	17.09%	15.54%	12.34%	5 or fewer	N/A	36	12,690	14,052	19.76%	20.27%
2019	25.39%	23.76	24.96%	5 or fewer	N/A	27	11,346	13,064	12.48%	11.89%
2018	-14.86%	-16.01%	-17.89%	5 or fewer	N/A	28	N/A	N/A	12.48%	12.86%
2017	32.02%	30.31%	33.01%	5 or fewer	N/A	36	N/A	N/A	10.89%	11.60%
2016	6.54%	5.15%	2.18%	5 or fewer	N/A	486	N/A	N/A	11.28%	12.12%
2015	0.19%	-1.14%	9.59%	5 or fewer	N/A	672	N/A	N/A	N/A	N/A
2014	-1.28%	-2.57%	-4.95%	5 or fewer	N/A	481	N/A	N/A	N/A	N/A
2013**	1.81%	1.71%	2.34%	5 or fewer	N/A	476	N/A	N/A	N/A	N/A

* 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 International Small Cap compliant presentation.

** Partial year.

† 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.

NOTES AND DISCLOSURES

NOTES

COMPOSITE DESCRIPTION. Effective 10/1/2019, this composite is comprised of all fee-paying, discretionary International Small Capitalization portfolios in excess of \$1 million under management. Prior to 10/1/19, the composite consisted of all non-restricted, fully discretionary, taxable and tax-exempt accounts which were managed in accordance with the International Small Capitalization Value strategy at Advisory Research, Inc. Effective 10/1/19, the strategy name was changed to International Small Capitalization in order to appropriately reflect the characteristics of the strategy. The International Small Capitalization strategy primarily invests in non-U.S. equities and principally in developed markets with a market capitalization generally within the range of the MSCI EAFE Small Cap Index (Europe, Australasia, Far East). The index is a free-float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding U.S. and Canada. 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 11/30/13.

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. International Small Capitalization 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. Inception date is 11/30/13. 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 Marco Priani and Kevin Ross from 11/30/13. Performance prior to 10/1/19 was generated by Messrs. Priani and Ross while employed by Advisory Research Inc.

COMPOSITE NOTES. Effective 10/1/19, 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. 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 International Small Capitalization composite has been examined for the periods 11/30/13 to 12/31/19. The verification and performance examination reports are available upon request.