

SMALL CAP VALUE STRATEGY

PERFORMANCE (%)

	1 Year	3 Years	5 Years	7 Years	10 Years	Since 12/31/99
Portfolio (Gross)	9.82	6.13	9.35	8.22	10.71	13.62
Portfolio (Net)	8.60	5.01	8.23	7.12	9.59	12.51
Russell 2000® Value Index	4.63	3.72	9.65	6.25	8.66	9.18

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

MANAGER COMMENTARY
Market Overview

The recovery in financial markets continued in Q4 2020 with the S&P 500 and Russell 2000 Value rising 12.2% and 33.4%, respectively. For the year, the S&P 500 and Russell 2000 Value rose 18.4% and 4.6%, respectively. Positive vaccine data, combined with election results that indicated further stimulus is expected, were the impetus for the strong fourth quarter rally. The equity market rally materially boosted valuation multiples indicating a portion of the 2021 earnings recovery has already been discounted. As the economy continues to recover, additional policy support may be needed to offset the damage that occurred to key service sectors and the commercial real estate market.

U.S. and International economies remain buoyed by the continued strong recovery in the industrial sector as global supply chains are busy rebuilding inventories and preparing for a post COVID-19 normalization of activity. The recovery in the services side of the economy continues at a modest pace as renewed lock downs have presented headwinds in the fourth quarter. 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 domestic price increases 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

As a result of buys and sells and market action the largest moves in sector weightings were increases in the Consumer Discretionary, Materials, Real Estate, and Energy sectors and decreases in Financials, Health Care, Information Technology and Communication Services sectors.

Contributors to Performance

During the quarter, the portfolio experienced positive absolute and negative relative performance. Positive contributions from Consumer Discretionary, Real Estate, Utilities, and Consumer Staples was offset by negative contribution from Industrials, Financials, Information Technology, Health Care, Materials, and Energy sectors.

4Q20 SMALL CAP VALUE PORTFOLIO

MODEL PORTFOLIO ATTRIBUTION (GROSS RETURNS)

S&P GICS SECTOR	Portfolio			Russell 2000® Value			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	3.92	35.06	1.32	2.31	37.27	0.84	1.61	-2.21	0.48	0.05	-0.11	-0.05
Consumer Discretionary	5.52	48.58	2.53	12.87	29.67	3.82	-7.36	18.91	-1.29	0.36	0.92	1.28
Consumer Staples	1.87	40.23	0.86	3.56	29.24	1.04	-1.70	10.99	-0.18	0.08	0.28	0.36
Energy	1.44	47.18	0.57	4.35	46.13	1.83	-2.91	1.05	-1.26	-0.32	0.06	-0.28
Financials	13.73	28.80	3.79	28.07	37.06	10.47	-14.34	-8.27	-6.68	-0.39	-1.55	-1.87
Health Care	7.24	12.70	0.94	6.50	23.35	1.53	0.74	-10.65	-0.59	-0.07	-0.74	-0.81
Industrials	30.58	23.71	7.27	17.14	32.56	5.61	13.43	-8.85	1.67	-0.11	-2.56	-2.68
Information Technology	21.52	28.24	6.18	6.07	43.34	2.47	15.45	-15.10	3.71	1.09	-2.65	-1.53
Materials	7.30	40.86	2.80	5.67	49.11	2.59	1.63	-8.25	0.21	0.24	-0.55	-0.32
Real Estate	5.01	35.64	1.88	9.12	23.79	2.30	-4.11	11.85	-0.42	0.41	0.48	0.91
Utilities	--	--	--	4.32	18.15	0.88	-4.32	-18.15	-0.88	0.60	--	0.59
[Cash]	1.88	0.00	0.00	--	--	--	1.88	0.00	0.00	-0.74	--	-0.81
Total	100.00	28.14	28.14	100.00	33.36	33.36	--	-5.22	-5.22	1.20	-6.42	-5.22

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 CHARACTERISTICS

	Portfolio	Russell 2000® Value Index
No. of Holdings	51	1,486
Wtd. Avg. Mkt. Cap (\$B)	4.3	2.5
Price/Book	2.45	1.42
Est. 3-5 Yr. EPS Growth	12.21	10.18
P/E NTM	16.65	14.50
ROA (%)	5.92	1.95
ROE (%)	12.00	5.22
Dividend Yield (%)	0.97	2.05
Beta*	0.86	1.00
Sharpe Ratio*	0.42	0.38
Information Ratio*	-0.06	N/A
R-Squared*	0.94	1.00
Standard Deviation* (%)	19.53	22.16

* Annualized 5-year ending 12/31/20 vs. Russell 2000 Value.

PORTFOLIO SECTOR WEIGHTINGS (%)¹

	Portfolio	Russell 2000® Value Index
Industrials	30.79	16.99
Technology	21.42	6.39
Financials	12.16	27.84
Consumer Discretionary	7.98	12.75
Materials	7.76	6.03
Health Care	6.87	6.41
Real Estate	4.73	8.95
Communication Services	3.78	2.39
Energy	2.78	4.68
Staples	1.73	3.55
Utilities	0.00	4.02

* Excludes 2.70% cash.

¹ This information is provided as supplemental to the GIPS compliant presentation.

TOP TEN HOLDINGS¹

	% of Total Portfolio*
LPL Financial Holdings	3.89
Insight Enterprises	3.70
Univar Solutions	3.18
Axalta Coating Systems	3.10
Element Solutions	3.07
Old Republic International	3.00
Builders FirstSource	2.99
CMC Materials	2.96
First American Financial	2.93
PRA Health Sciences	2.83

* Excludes 2.70% cash.

¹ This information is provided as supplemental to the GIPS compliant presentation.

ADDITIONS TO PORTFOLIO

	Category	Category	Category
Capri Holdings	UA	International Game Technology	UA
ChampionX	UA	Sunstone Hotel Investment	UA
Coherus Biosciences	UG	Welbilt	UA

Key

UG - undervalued growth • UD - undervalued dividend • UA - undervalued asset

DELETIONS FROM PORTFOLIO

	Category	Category	Category
Armstrong World Industries	BO	Landstar System	BO
Brucker	BO	Nexstar Media Group	BO
CyberArk Software	V	Selective Insurance Group	BO
First Cash	BO	STAG Industries	BO
Lantheus Holdings	BO	Watts Water Technologies	BO

Key

V - valuation • F - fundamental • A - acquisition • MC - market cap • BO - better opportunity

VAUGHAN NELSON EQUITY TEAM

PORTFOLIO MANAGERS



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

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



Stephen Davis, CFA
Portfolio Manager

- Began his investment career in 2005
- Joined Vaughan Nelson in 2010
- BA, Rice University, 2005, *cum laude*

RESEARCH TEAM



Benjamin Carrier, CFA
Equity Analyst

- Began financial and investment career in 2014
- Joined Vaughan Nelson in 2016
- BBA, Baylor University, 2014, *cum laude*



Tyler Fry, CFA
Equity Analyst

- Began investment career in 2014
- Joined Vaughan Nelson in 2016
- BBA, Southern Methodist University, 2014
- BS, Southern Methodist University, 2014



Photo coming

Sundeep Khanna, CFA
Vice President - Equity Investments

- Began investment career in 2004
- Joined Vaughan Nelson in 2020
- BS, The University of Texas, 2005



Adam Rich, CFA
Vice President - Equity Investments

- Began investment career in 2010
- Joined Vaughan Nelson in 2016
- BS, Brigham Young University, 2010

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.

SMALL CAP VALUE PORTFOLIO COMPOSITE RETURNS (12/31/99 - 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 Anlzd)	Std Dev. Benchmark 3-Yr Anlzd
2020	9.82%	8.60%	4.63%	64	1.16%	2,571	12,690	14,052	23.18%	26.12%
2019	25.95%	24.64%	22.39%	72	0.35%	2,712	11,346	13,064	14.18%	15.68%
2018	-13.59%	-14.47%	-12.86%	87	0.38%	2,663	10,078	11,425	14.15%	15.76%
2017	7.77%	6.71%	7.84%	101	0.21%	3,780	11,675	13,172	12.78%	13.97%
2016	21.37%	20.18%	31.74%	109	0.86%	3,944	11,572	12,912	13.69%	15.50%
2015	0.99%	-0.01%	-7.47%	102	0.18%	3,135	11,316	12,469	12.12%	13.46%
2014	10.12%	9.02%	4.22%	95	0.16%	3,783	9,943	11,057	10.76%	12.79%
2013	40.39%	39.02%	34.52%	100	0.36%	3,933	9,243	10,258	14.48%	15.82%
2012	16.26%	15.16%	18.05%	96	0.28%	2,902	7,273	8,071	17.60%	19.89%
2011	-2.54%	-3.48%	-5.50%	102	0.19%	2,801	6,876	7,667	20.89%	26.05%
2010	25.20%	23.97%	24.50%	111	0.31%	3,133	7,050	7,965	22.91%	28.37%
2009	30.36%	29.09%	20.58%	93	0.66%	2,491	6,757	7,690	20.31%	25.62%
2008	-21.57%	-22.37%	-28.92%	95	0.52%	1,711	5,761	6,642	16.69%	19.14%
2007	7.31%	6.25%	-9.78%	109	0.29	1,840	6,637	8,176	10.68%	12.59%
2006	20.00%	18.82%	23.48%	35	0.47	580	5,218	6,711	11.26%	12.33%
2005	11.81%	10.71%	4.71%	23	0.31	234	4,120	4,688	14.60%	14.09%
2004	20.11%	18.93%	22.25%	12	0.12	73	3,446	3,617	18.12%	17.51%
2003	53.27%	51.79%	46.03%	9	0.29	61	3,246	3,274	19.57%	18.42%
2002	-6.80%	-7.74%	-11.43%	Fewer than 5	N/A	7	3,470	3,471	20.42%	17.39%
2001	5.93%	4.99%	14.03%	Fewer than 5	N/A	8	N/A	4,247	18.37%	14.65%
2000	57.55%	56.65%	22.83%	Fewer than 5	N/A	7	N/A	3,955	19.81%	16.61%

* 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 Small Cap Value compliant presentation.

NOTES AND DISCLOSURES

NOTES

COMPOSITE DESCRIPTION. This composite is comprised of all fee paying, discretionary Small Capitalization Value portfolios in excess of \$1 million under management. Small Capitalization is defined as a company within the market capitalization range of Russell 2000® Value Index. The benchmark is the Russell 2000® Value Index. The Russell 2000® Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics. Frank Russell Company ("Russell") is the source and owner of Russell Index data contained herein. Any further dissemination of the data is strictly prohibited. Russell is not responsible for any inaccuracy in this presentation. The composite create date is April 1997.

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. Small Capitalization Value Fee Schedule: 1.00% on the first \$25 million, .85% on the next \$25 million, .75% on the remainder.

OTHER NOTES. 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.

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 Chris Wallis and Stephen Davis from 12/31/18; Chris Wallis, Scott Weber, Dennis Alff and Chad Fargason from 9/30/13; and Chris Wallis and Scott Weber from 6/30/04; and Chris Wallis since 1999.

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.

DISCLOSURES - cont.

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. No composite accounts hold foreign denominated securities. 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 9/30/20. 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 Small Capitalization Value composite has been examined for the periods 1/1/98 to 12/31/20. The verification and performance examination reports are available upon request.

Model year-end portfolio totals were as follows: 2020 - \$1.4 billion, 2019 - \$1.7 billion, 2018 - \$1.3 billion; 2017 - \$1.5 billion; 2016 - \$1.3 billion, 2015 - \$1.2 billion, 2014 - \$1.1 billion, 2013 - \$1.0 billion, 2012 - \$798 million, 2011 - \$791 million, 2010 - \$915 million, 2009 - \$933 million, 2008 - \$881 million, 2007 - 1,539 million, 2006 - \$1,493, 2005 - \$568 million, 2004 - \$171 million, 2003 - \$28 million, 2002 - \$1 million.



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