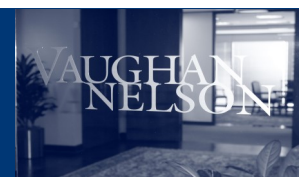


Q4
2018

VAUGHAN NELSON VALUE OPPORTUNITY PORTFOLIO FACT SHEET



Performance (%)

	1 Year	3 Years	5 Years	7 Years	10 Years	Since 6/30/06
Portfolio (Gross)	-14.8	1.4	2.7	9.8	11.9	7.6
Portfolio (Net)	-15.6	0.6	1.8	8.9	10.9	6.7
Russell Midcap [®] Value Value Index	-12.3	6.1	5.4	10.9	13.0	7.0
Russell 2500 [®] Value Value Index	-12.4	6.6	4.2	10.0	11.6	6.2

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

Manager Commentary

During the fourth quarter of 2018, equity markets experienced one of the largest sell-offs in market history. The S&P 500 and Russell 2000 Value declined approximately 13.5% and 18.7%, respectively.

Since the second quarter, we warned that central bank policy normalization needed to pause for the economy and capital markets to adjust to tighter monetary conditions. Unfortunately, the Federal Reserve raised interest rates by another 25 basis points in September and December and continued to reduce its balance sheet. Meanwhile, the European and Japanese central banks also reduced its monetary stimulus. During the fourth quarter, global liquidity fell at an annualized rate of 10% compared to normally rising at an annualized rate of 7%. The annualized decline of 10% is comparable to what was experienced during the 2008/2009 credit crisis.

After decades of financial engineering, and with the last nine years turbo charged by quantitative easing, the ability to fund/hold positions in risk assets can be more important to the price of that asset than the asset's underlying fundamentals. Therefore, the size of central bank balance sheets has become as important, if not more, as the level of interest rates. With global government deficits set to rise in 2019 any further decline in global liquidity will necessitate a further crowding out of liquidity available to support risk assets. This implies that multiple compression/disinflationary pressures will continue until central banks stop/reverse quantitative tightening or until markets reduce leverage sufficiently that fundamentals become more important than funding liquidity.

Credit markets were also impacted by the decline in liquidity. High yield bonds widened approximately 200 basis points during the quarter. Corporate balance sheets remain fully leveraged. A market environment that is highly leveraged requires a highly liquid environment to support refinancing activity and stem an increase in systemic risk. Interestingly, the risk within credit markets is concentrated in sovereign and high yield bonds. Central banks will likely continue to support the sovereign bond market thus increasing pressure on high yield bonds should liquidity continue to decline.

In the near-term, economic activity will likely continue to slow, which will further pressure margins and ultimately earnings growth. Although valuations have improved through 2018, they still do not fully reflect an earnings or economic recession in an environment where central banks and governments have minimal policy levers to fight a slowing economy.

We do not expect this current market correction to reflect underlying valuations and economic fundamentals until forced selling has run its course. During the decline in 2007/2008 the economic and valuation excesses were more isolated. However, during this bear market we are recessing excess liquidity not excess economic activity. Therefore, we would expect a broad "price recession" followed by a narrower price recovery. Most of the alpha generation this cycle will come from those stocks that are able to recover from oversold positions and continue higher versus stocks that previously rose solely from excess liquidity and not from underlying fundamental strength.

We continued to sell positions that we believe to be fully valued or that could face increased earnings pressure as we move into the late stages of this economic recovery and added to existing positions or established new positions that met our investment criteria. As a result of this trading activity, sector weightings increased in Communication Services, Industrials, Real Estate, and Utilities and decreased in the Consumer Discretionary, Energy, and Materials sectors. The portfolio is overweight Consumer Discretionary, Energy, Financials, Technology, Materials, and Utilities while underweight Communication Services, Consumer Staples, Health Care, Industrials, and Real Estate.

We continue to position the portfolio into companies that have lower earnings variability and higher profitability than the broader investment universe, and where we can get these characteristics at similar valuation levels to the benchmark index. We still do not favor any single industry or sector and continue to look for the characteristics noted above across all industries.

During the quarter, the portfolio experienced negative absolute performance and lagged the benchmark. The relative performance was driven by stock selection. Stock selection within Financials, Energy, Industrials, Materials, and Consumer Discretionary detracted the most from relative performance. The portfolio was underweight Consumer Staples and Real Estate, which outperformed the market for the quarter. Stock selection within the Utilities, Communication Services, and Technology sectors contributed the most to relative performance.

"Investing is about offsetting future obligations, not just having market exposure."

VAUGHAN NELSON VALUE OPPORTUNITY PORTFOLIO – 4Q18

Model Portfolio Attribution (Gross Returns)

S&P GICS SECTOR	Portfolio			Russell Midcap [®] 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	2.62	-2.94	-0.10	3.32	-17.20	-0.58	-0.71	14.26	0.48	0.02	0.40	0.41
Consumer Discretionary	11.33	-21.35	-2.48	8.73	-17.68	-1.51	2.60	-3.66	-0.97	-0.09	-0.49	-0.58
Consumer Staples	--	--	--	5.17	-10.26	-0.55	-5.17	10.26	0.55	-0.20	--	-0.20
Energy	6.90	-45.11	-3.74	6.66	-35.29	-2.66	0.24	-9.81	-1.08	-0.05	-1.03	-1.07
Financials	23.36	-20.94	-4.87	17.61	-15.92	-2.75	5.74	-5.01	-2.12	-0.00	-1.32	-1.32
Health Care	4.46	-15.33	-0.66	6.77	-16.13	-1.10	-2.31	0.80	0.44	0.04	0.05	0.08
Industrials	12.07	-24.22	-2.92	12.15	-17.77	-2.13	-0.08	-6.45	-0.79	0.04	-0.89	-0.84
Information Technology	14.58	-14.89	-2.01	8.57	-17.53	-1.52	6.01	2.64	-0.49	-0.11	0.45	0.34
Materials	7.86	-23.24	-1.89	6.09	-15.79	-0.93	1.78	-7.44	-0.95	-0.03	-0.62	-0.64
Real Estate	2.15	-15.48	-0.36	13.48	-6.29	-0.91	-11.33	-9.19	0.56	-0.93	-0.20	-1.13
Utilities	12.39	0.95	-0.10	11.23	-1.44	-0.32	1.16	2.39	0.22	0.12	0.30	0.42
[Cash]	2.28	0.50	0.01	--	--	--	2.28	0.50	0.01	0.39	--	0.39
[Unassigned]	--	--	--	0.22	1.40	0.00	-0.22	-1.40	-0.00	-0.02	--	-0.02
Total	100.00	-19.11	-19.11	100.00	-14.96	-14.96	--	-4.15	-4.15	-0.80	-3.35	-4.15

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 Midcap [®] Value Index	Russell 2500 [®] Value Index
No. of Holdings	68	592	1,748
Wtd. Avg. Mkt. Cap (\$B)	9.9	12.9	4.3
Price/Book	1.7	1.7	1.4
Est. 3-5 Yr. EPS Growth	12.1	9.8	11.2
P/E NTM	11.8	13.0	12.6
ROA (%)	5.7	4.7	4.1
ROE (%)	14.2	11.1	8.4
Dividend Yield (%)	2.2	2.6	2.6
Beta*	1.11	1.00	1.10
Sharpe Ratio*	0.16	0.43	0.27
Information Ratio*	-0.57	N/A	-0.34
R-Squared*	0.88	1.00	0.92
Standard Deviation*	13.40%	11.32%	12.96%

* Annualized 5-year ending 12/31/18 vs. Russell Midcap[®] Value.

Additions to Portfolio

	Category
Willscot	UG
Allstate	UA
Bright Horizons Family Solutions	UG
CDW	UG
Cooper Companies	UG
Dollar General	UG
Hologic	UG

Key

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

Top Ten Holdings¹

	% of Total Portfolio*
Nexstar Media Group Class A	3.02
Ares Capital	2.81
Bank of N.T. Butterfield & Son	2.66
Fidelity National Information Services	2.66
New Residential Investment	2.54
Atlantica Yield	2.50
Eversource Energy	2.47
CyrusOne	2.40
Keysight	2.39
Ameren	2.37

* Excludes 4.68% cash.

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

Deletions from Portfolio

	Rationale
Packaging Corporation of America	F
Reliance Steel & Aluminum	BO
First American Financial	BO
Middleby	F
Forum Energy Services	BO
Milacron	F
PVH	BO

Key

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

VAUGHAN NELSON VALUE OPPORTUNITY PORTFOLIO – 4Q18

Portfolio Sector Weightings (%)^{* 1}

	Portfolio	Russell Midcap [®] Value Index	Russell 2500 [®] Value Index
Financials	25.2	17.5	23.4
Technology	15.9	8.4	9.0
Utilities	14.1	12.0	7.4
Industrials	11.7	12.0	13.5
Consumer Disc.	10.2	8.8	8.3
Materials	7.2	6.1	5.9
Energy	5.6	5.7	5.0
Health Care	4.7	6.8	5.0
Communication Services	3.0	3.3	3.2
Real Estate	2.4	14.2	16.0
Staples	0.0	5.2	3.3

* Excludes 4.68% cash.

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

Vaughan Nelson Equity Team - Value Opportunity



Dennis G. Alff, CFA
Lead Senior Portfolio Manager

Began investment career in 1997; joined Vaughan Nelson in 2006; MBA, Harvard Business School; BS, United States Military Academy



Chad Fargason, PhD
Senior Portfolio Manager

Began investment career in 1998; joined Vaughan Nelson in 2013; PhD, Duke University; MA, Duke University; BA, Rice University



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

Began financial and investment career in 1991; joined Vaughan Nelson in 1999; MBA, Harvard Business School; BBA, Baylor University

ANALYST TEAM

Benjamin Carrier
Equity Analyst

Began investment career in 2012; joined Vaughan Nelson in 2016; BBA, Baylor University, 2014, *cum laude*

Keith Cioci
Equity Analyst

Began investment career in 2009; joined Vaughan Nelson in 2018; MPA, BBA, University of Texas, 2008

James Eisenman, CFA, CPA
Vice President - Equity Investments

Began investment career in 2002; joined Vaughan Nelson in 2005; BBA, Ohio State University, 2002; Masters in Accounting, Ohio State University, 2002

Tyler Fry
Equity Analyst

Began investment career in 2014; joined Vaughan Nelson in 2016; BBA, Southern Methodist University, 2014 BS, Southern Methodist University, 2014

Adam Rich, CFA
Equity Analyst

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: \$11.4 Billion*
- 44 employees
- 15 Investment Team Professionals
- 6 CFAs, 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 \$1.3 billion as of December 31, 2018.

Vaughan Nelson Value Opportunity Portfolio Composite Returns (6/30/06 - 12/31/18)

Year	Composite (Gross)	Composite (Net)	Primary Bnchmrk	Secondary Bnchmrk	Number of Ports.	Dispersion at End-of-Period (Std Dev)	Composite Assets at End-of-Period (\$MM-USD)	Ttl Firm Assets (ex. model assets) (\$MM-USD)	Entity Assets*** (\$MM-USD)	Std Dev Composite (3-Yr Annlzd)	Std Dev Primary Benchmark (3-Yr Annlzd)	Std Dev Secondary Benchmark (3-Yr Annlzd)
2018	-14.82%	-15.56%	-12.29%	-12.36%	36	0.14%	1,952	10,078	11,425	14.01%	11.96%	13.58%
2017	14.31%	13.33%	13.34%	10.36%	49	0.27%	2,612	11,675	13,172	12.30%	10.32%	11.81%
2016	7.12%	6.22%	20.00%	25.20%	62	0.26%	2,895	11,572	12,912	13.53%	11.30%	13.17%
2015	-2.35%	-3.21%	-4.78%	-5.49%	62	0.24%	2,631	11,316	12,469	12.48%	10.71%	12.02%
2014	12.26%	11.32%	14.75%	7.11%	58	0.58%	1,477	9,943	11,057	11.21%	9.81%	11.25%
2013	43.03%	41.84%	33.46%	33.32%	46	0.39%	965	9,243	10,258	15.65%	13.69%	15.07%
2012	17.56%	16.57%	18.51%	19.21%	41	0.18%	586	7,273	8,071	18.81%	16.76%	18.41%
2011	-2.37%	-3.17%	-1.38%	-3.36%	27	0.17%	433	6,876	7,667	21.46%	22.78%	24.23%
2010	21.92%	20.91%	24.75%	24.82%	19	0.36%	356	7,050	7,965	24.09%	27.11%	26.97%
2009	34.11%	32.87%	34.21%	27.68%	7	0.49%	127	6,757	7,690	21.42%	25.01%	24.61%
2008	-31.33%	-32.01%	-38.44%	-31.99%	7	0.19%	80	5,761	6,642	N/A	N/A	N/A
2007	10.48%	9.39%	-1.42%	-7.27%	6	N/A	90	6,637	8,176	N/A	N/A	N/A
2006**	7.73%	7.20%	12.33%	11.62%	*	N/A	18	5,218	6,711	N/A	N/A	N/A

* Indicates less than five accounts.

** Partial year return. Inception date of June 30, 2006

*** 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 \$1.3 billion as of December 31, 2018. This information is supplemental to the Value Opportunity compliant presentation.

NOTES

COMPOSITE DESCRIPTION. This composite is comprised of all fee paying, discretionary Value Opportunity portfolios with a minimum of \$1 million under management. Value Opportunity is defined as a security having a market capitalization within the capitalization range of \$1 billion to \$20 billion at time of initial purchase. The primary benchmark is the Russell Midcap® Value Index. The Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap® Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap value market. The secondary benchmark is Russell 2500® Value Index. The Russell 2500® Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2500® Value Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-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. Composite creation date is June 2006.

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. Value Opportunity Fee Schedule: .85% on the first \$10 million, .75% on the next \$15 million, .70% on the next \$25 million, .65% on assets over \$50 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.

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 Dennis Alf, Chad Fargason, Chris Wallis and Scott Weber since 9/30/13 and Dennis Alf, Chris Wallis and Scott Weber since 6/30/06.

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. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. A complete list and descriptions of composites is available upon request.

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 9/30/18. 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 Value Opportunity composite has been examined for the periods 7/1/06 to 12/31/17. The verification and performance examination reports are available upon request.

Model year-end portfolio totals were as follows: 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.

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