

GLOBAL SMID CAP STRATEGY



1Q 2025 Strategy Fact Sheet

PERFORMANCE (%)

Past performance is no guarantee of future results.

	1Q 2025	1 Year	3 Years	Since 6/30/2020
Portfolio (Gross)	-1.09	-2.37	1.54	11.84
Portfolio (Net)	-1.32	-3.25	0.63	10.84
MSCI ACWI SMID Cap Net Index	-1.71	1.74	2.48	9.32

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

Manager Commentary

Market Overview

The performance of global equity markets diverged in the first quarter, with a selloff in U.S. markets, while equity markets outside the U.S. generally produced positive returns, with markets in Europe, Japan and South America showing the most strength. The U.S. market was pressured by declining global liquidity, outflows of capital being repatriated by foreign investors and negative sentiment around the U.S. administration's focus on reducing federal spending and increasing revenues through tariffs.

We see it as likely that capital controls and fiscal policy expansion outside of the U.S. will continue to drive foreign investors to repatriate capital away from the U.S. This dynamic should be a positive for liquidity outside the U.S., however, the impact on local equity prices within specific markets may vary widely. We expect U.S. markets to remain volatile until the back half of the year, when we have resolution around future U.S. tax rates and trade policies, which will provide the visibility needed for private sector investment to increase and for economic growth to improve.

Portfolio Positioning

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

Contributors to Performance

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

1Q 2025 GLOBAL SMID CAP STRATEGY PORTFOLIO

Portfolio Characteristics*

	Portfolio	MSCI ACWI SMID Cap Net Index
Number of Holdings	57	7,343
Wtd. Avg. Mkt. Cap (\$B)	14.70	12.72
Price/Book*	2.72	1.82
Est. 3-5 Yr. EPS Growth (%)*	11.07	11.72
P/E NTM*	16.83	14.26
ROA (%)*	8.13	5.99
ROE (%)*	17.92	13.25
Dividend Yield (%)*	1.41	2.20
Net Debt/Equity*	0.67	0.52

* Calculated gross-of-fees.

Source: FactSet

Portfolio Sector Weightings (%)*¹

	Portfolio	MSCI ACWI SMID Cap Net Index
Industrials	28.82	19.31
Financials	17.92	16.22
Consumer Discretionary	9.73	10.35
Materials	8.31	7.93
Information Technology	7.07	11.26
Real Estate	6.05	7.25
Energy	5.52	3.93
Communication Services	4.63	4.06
Utilities	4.31	5.23
Consumer Staples	3.95	5.51
Health Care	3.69	8.95

* Excludes 5.28% cash. Due to rounding, totals may not equal 100%.

¹ Performance holdings subject to change.

Source: FactSet

Top Ten Holdings*¹

	Country	Sector	% of Total Portfolio *
Brown & Brown Inc	United States	Financials	4.10
AutoZone Inc	United States	Consumer Discretionary	3.21
Element Solutions Inc	United States	Materials	3.14
Wise PLC	United Kingdom	Financials	2.75
MonotaRO Co Ltd	Japan	Industrials	2.55
Selective Insurance Group Inc	United States	Financials	2.49
Scout24 SE	Germany	Communication Services	2.40
Embraer SA	Brazil	Industrials	2.26
Internet Initiative Japan Inc	Japan	Communication Services	2.25
JTC PLC	Jersey	Financials	2.24

* Excludes 5.28% cash.

¹ Performance holdings subject to change.

Source: FactSet

Portfolio Geographic Weightings (%)*

	Portfolio	MSCI ACWI SMID Cap Net Index
North America	62.71	56.93
Western Europe	23.59	15.19
Pacific Rim	10.16	20.97
South America	3.53	0.87
Africa	-	0.77
Central Asia	-	2.81
Eastern Europe	-	0.71
Middle East	-	1.75

* Excludes 5.28% cash.

Source: FactSet

VAUGHAN NELSON EQUITY TEAM

LEAD PORTFOLIO MANAGER



James Eisenman, CFA, CPA
Portfolio Manager

- 23 years financial services and accounting experience
- Masters in Accounting, Ohio State University, 2005
- BBA, Ohio State University, 2002, with Honors

ANALYSTS



Zach Buell, CFA
Associate, International Equity

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



Benjamin Carrier, CFA
Vice President, U.S. Equity

- 11 years financial analysis and accounting experience
- BBA, Baylor University, 2014, *cum laude*



Earl Lee, CFA
Vice President, U.S. Equity

- 13 years investment management and financial analysis experience
- MBA, The University of Texas at Austin, 2012
- BS, Purdue University, 2007



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, Northwestern University, 2022
- BA, University of Manitoba, 2016



William Lee
Associate, U.S. Equity

- 2 years financial analysis experience
- BA, Vanderbilt University, 2023

CIO TEAM



Adam Rich, CFA
Deputy CIO
Portfolio Manager

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



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

CAPITAL ALLOCATION TEAM



Yash Patil
Junior Associate

- MS, Rice University, 2024
- BT, Vellore Institute of Technology, 2020

RISK TEAM



Sarah Lai
Junior Associate, Portfolio and Risk Analysis

- MS, Rice University, 2024
- BA, The University of Texas at Austin, 2023



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: \$16.9 Billion*
- Domestic equity, international equity, and fixed income strategies
- 56 employees
- 27 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 \$2.7 billion as of 3/31/25.

GLOBAL SMID CAP PORTFOLIO COMPOSITE RETURNS

June 30, 2020 through March 31, 2025

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 SMID Cap Net 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 ACWI SMID Cap Net Index
	Gross	Net			Std. Dev.	MM-USD	\$MM-USD	\$MM-USD	3-Yr Anlzd	3-Yr Anlzd
2025 YTD	-1.09%	-1.32%	-1.71%	5 or fewer	N/A	195	14,176	16,904	17.96%	17.96%
2024	4.36%	3.42%	8.68%	5 or fewer	N/A	191	14,791	17,840	18.10%	18.24%
2023	19.02%	17.97%	16.02%	5 or fewer	N/A	149	13,811	16,351	17.49%	17.80%
2022	-20.87%	-21.59%	-18.72%	5 or fewer	N/A	112	11,720	13,566	N/A	N/A
2021	29.31%	28.16%	16.24%	5 or fewer	N/A	114	13,490	15,481	N/A	N/A
2020*	35.34%	34.76%	30.41%	5 or fewer	N/A	9	12,690	14,052	N/A	N/A

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 Net 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 and inception 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, LLC. **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 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 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 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 12/31/24. 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. The Global SMID Cap composite has had a performance examination for the periods 6/30/20 to 12/31/24. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Model year-end portfolio totals were as follows: 2024 - \$3.0 billion, 2023 - \$2.5 billion, 2022 - \$1.8 billion, 2021 - \$2.0 billion, 2020 - \$1.4 billion.

* Partial year return. Inception date of 6/30/20.

** 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 \$2.7 billion as of 3/31/25. This information is supplemental to the Global SMID Cap GIPS Report.

