

EMERGING MARKETS STRATEGY



2Q 2026 Strategy Fact Sheet

Performance (%)

Past performance is no guarantee of future results.

	2Q 2026	YTD	1 Year	2 Years	Since 3/31/2024
Portfolio (Gross)	6.87	14.20	41.53	29.63	25.57
Portfolio (Net)	6.58	13.58	40.03	28.24	24.22
MSCI Emerging Markets Net Index	24.05	23.85	43.51	28.63	27.82

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

Manager Commentary

Market Overview

The strategy returned 6.87% during the quarter compared to 24.05% for the MSCI Emerging Markets Index.

- **Selection + Interaction Effect (-3.77%)** – Stock selection detracted from relative performance as several AI-related holdings sold earlier in the year continued to appreciate before the portfolio was repositioned. Top contributors included NAURA Technology Group (002371-CN), Tencent Holdings (0700-HK), and JSW Infrastructure (JSWINFRA-IN). The largest detractors were SK hynix (000660-KS), B3 SA (B3SA3-BR), and Alibaba Group (9988-HK).
- **Allocation Effect (-12.35%)** – Allocation detracted primarily due to underweight positioning in Technology Hardware & Equipment and Semiconductors as AI-related investments continued to outperform. Top industry contributors included Media & Entertainment, Automobiles & Components, and Consumer Services, while Technology Hardware & Equipment, Semiconductors & Semiconductor Equipment, and Consumer Discretionary Distribution & Retail detracted. Avoided industries contributed 3.22%, continuing to demonstrate the value of avoiding industries where future returns remain less attractive.

Portfolio Positioning

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

Contributors to Performance

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

"We believe investing is about **offsetting future obligations**, not just having market exposure."

2Q 2026 EMERGING MARKETS STRATEGY PORTFOLIO

Portfolio Characteristics

	Portfolio	MSCI Emerging Markets Net Index
Number of Holdings	21	1,178
Wtd. Avg. Mkt. Cap (\$B)	432.56	570.33
Median Forward P/E*	16.83	14.87
Median Growth in Investments (%) ¹	16.63	6.96
Median ROA (%)*	8.46	4.17

* Calculated gross-of-fees.

¹ Represents year-over-year growth as of 12/31/25; excludes Financials.

Source: FactSet; Bloomberg

Top Ten Holdings*

	Country	Sector	% of Total Portfolio
Taiwan Semiconductor	Taiwan	Information Technology	13.24
SK hynix	South Korea	Information Technology	8.37
NAURA Technology	China	Information Technology	6.45
JSW Infrastructure	India	Industrials	5.26
Emaar Properties	United Arab Emirates	Real Estate	4.77
SK Square	South Korea	Industrials	4.76
Accton Technology	Taiwan	Information Technology	4.70
Contemporary Amperex Technology	China	Industrials	4.65
Lenovo	China	Information Technology	4.57
International Container Terminal Services	Philippines	Industrials	4.53

* Excludes 0.61% cash. Portfolio holdings subject to change.

Source: FactSet

Portfolio Sector Weightings (%)*

	Portfolio	MSCI Emerging Markets Net Index
Information Technology	41.22	45.26
Industrials	19.23	6.75
Financials	11.39	18.40
Materials	8.11	5.43
Communication Services	7.72	6.00
Real Estate	4.77	0.97
Consumer Discretionary	4.35	7.23
Energy	3.21	3.08
Consumer Staples	-	2.65
Health Care	-	2.37
Utilities	-	1.86

* Excludes 0.61% cash. Due to rounding, totals may not equal 100%. Sector weightings subject to change.

Source: FactSet

Portfolio Geographic Weightings (%)*

	Portfolio	MSCI Emerging Markets Net Index
United States	20.90	23.26
China	19.25	23.31
India	12.54	10.09
Europe	9.02	8.11
Argentina	6.05	0.31
Brazil	5.85	3.68
Mexico	4.63	1.77
United Arab Emirates	4.61	1.07
South Korea	4.34	5.62
Taiwan	1.98	5.01
Other	10.83	17.76

* Excludes 0.61% cash. Due to rounding, totals may not equal 100%.

Geographic weightings subject to change.

Source: FactSet; Bloomberg

VAUGHAN NELSON EQUITY TEAM

EMERGING MARKETS TEAM



Adam Rich, CFA
Deputy CIO
Lead Portfolio Manager

- 16 years investment management and research experience
- B.S., Brigham Young University, 2010



Zach Buell, CFA
Vice President, International Equity Analyst

- 9 years investment management and financial analysis experience
- B.S., Brigham Young University, 2020, *magna cum laude*



James Eisenman, CFA, CPA
Portfolio Manager

- 24 years financial services and accounting experience
- Masters in Accounting, Ohio State University, 2005
- B.B.A., Ohio State University, 2002, with Honors



Kevin Ross, CFA
Senior Portfolio Manager

- 20 years investment management and financial analysis experience
- M.B.A., The University of Chicago Booth School of Business, 2014
- B.S.B.A., Washington University, 2006

CAPITAL ALLOCATION TEAM



Ben Eckert
Junior Associate

- 1 year financial analysis experience
- B.B.A., Baylor University, 2025

Will Taylor
Junior Associate

- B.B.A., Baylor University, 2025



Isabella Thomsen
Junior Associate

- 1 year financial analysis experience
- M.S., Vanderbilt University, 2025
- B.B.A., Stetson University, 2024

CIO TEAM



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

- 34 years investment management / financial analysis and accounting experience
- M.B.A., Harvard Business School, 1998
- B.B.A., Baylor University, 1991

RISK TEAM



William Wojciechowski, PhD
Chief Risk Officer, Portfolio and Risk Analysis

- 24 years investment management and financial analysis experience
- PhD, Rice University, 2001
- M.A., Rice University, 1999
- M.S., West Virginia University, 1996
- B.S., Carnegie Mellon University, 1992



Sarah Lai
Associate, Portfolio and Risk Analysis

- 1 year portfolio and risk analysis experience
- M.S., Rice University, 2024
- B.A., The University of Texas at Austin, 2023



Isabelle Long
Associate, Portfolio and Risk Analysis

- 4 years portfolio and risk analysis experience
- M.B.A., Texas A&M University, 2024
- B.S., Texas A&M University, 2022

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: \$16.2 Billion*
- Domestic equity, international equity, and fixed income strategies
- 54 employees
- 27 investment team professionals
- 12 Chartered Financial Analyst designations

* 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 \$2.9 billion as of 6/30/26.

VAUGHAN NELSON EQUITY STRATEGIES

		Product Assets as of 6/30/2026
Small Cap Value	• Benchmark against the Russell 2000® Value Index • Generally 55 to 85 positions	\$5,265 MM
Value Opportunity	• Benchmark against the Russell Midcap® Value Index and Russell 2500™ Value Index • Generally 55 to 75 positions	\$2,937 MM
Select	• Benchmark against the S&P 500 Index and Russell 3000® Index • Generally 20 to 40 positions	\$5,869 MM
Global SMID Cap	• Benchmark against the MSCI ACWI SMID Cap NR Index • Generally 40 to 80 positions	\$467 MM
Emerging Markets	• Benchmark against the MSCI Emerging Markets NR Index • Generally 20 to 40 positions	\$67 MM
International	• Benchmark against the MSCI ACWI ex-USA NR Index • Generally 20 to 40 positions	\$50 MM
Global Large Cap	• Benchmark against the MSCI ACWI NR Index • Generally 20 to 40 positions	\$1 MM

EMERGING MARKETS COMPOSITE

March 31, 2024 though June 30, 2026

Performance data shown represents past performance and is not a guarantee of, and not indicative of, future results.

Year	Compos. Returns	Compos. Returns	MSCI EM Net Index	No. of Ports.	Disp. at EOP	Compos. Assets at EOP	Ttl. Firm Assets [†] (ex. Model assets)	Entity Assets ^{***†}	Std. Dev. Compos.	Std. Dev. MSCI EM Net Index
	Gross	Net	PRIM		Std Dev	\$MM-USD	\$MM-USD	\$MM-USD	3-Yr Anlzd	3-Yr Anlzd
2026 YTD	14.20%	13.58%	23.85%	5 or fewer	N/A	67	13,310	16,227	N/A	N/A
2025	46.88%	45.32%	33.57%	5 or fewer	N/A	55	12,239	15,108	N/A	N/A
2024*	-0.48%	-1.30%	5.02%	5 or fewer	N/A	40	14,791	17,840	N/A	N/A

NOTES

COMPOSITE DESCRIPTION. Effective 4/1/24, this composite is comprised of all fee-paying, discretionary Emerging Markets portfolios in excess of \$1 million under management. The Emerging Markets strategy primarily invests in non-U.S. equities and principally in emerging markets. The primary benchmark is the MSCI Emerging Markets Index. The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries*. With 1,376 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. 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. **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.** Emerging Markets Fee Schedule: 1.10% on the first \$25 million, 1.00% on amounts over \$25 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. Effective 4/1/24, the strategy is managed by Adam Rich and Kevin Ross. **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. Policies for valuing investments, calculating performance, and preparing GIPS® Report 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 9/30/25. 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 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: 2025 - \$2.9 billion, 2024 - \$3.0 billion.

* Partial year. Inception date of 3/31/24.

** 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 \$2.9 billion as of 6/30/26. This information is presented as supplemental information to the Emerging Markets GIPS Report.

