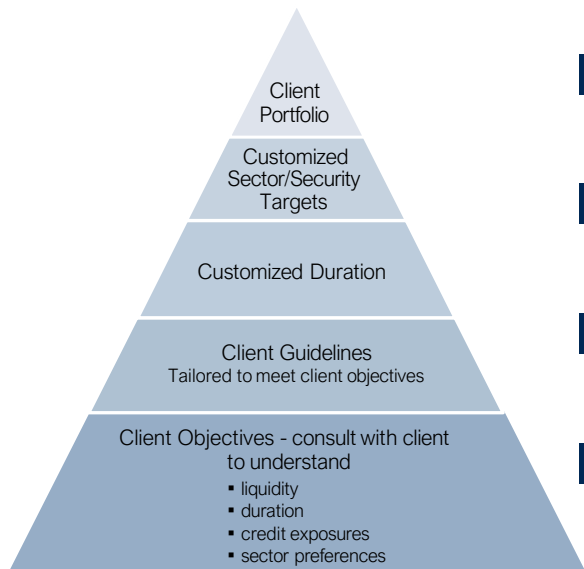# CUSTOMIZED DURATION STRATEGY

3Q 2023 Strategy Fact Sheet

Vaughan Nelson's Customized Duration is designed to enable financial institutions, corporations and non-profit entities to build a customized fixed income portfolio of governments, agencies and/or investment grade fixed income securities to meet specific liquidity, yield, duration and sector targets as dictated by client guidelines. Each customized portfolio is constructed and actively managed by Vaughan Nelson's highly experienced team of fixed income portfolio managers.

Investment process

Client Portfolio

Customized Sector/Security Targets

Customized Duration

Client Guidelines
Tailored to meet client objectives

Client Objectives - consult with client to understand
- liquidity
- duration
- credit exposures
- sector preferences

Four Tools to Add Value
(utilized subject to client guidelines)

1. Security Selection
- Changing credit quality
- Structure
- Inefficient pricing

2. Duration/Yield Curve Positioning
- Inflation expectations
- Monetary policy
- Anticipating yield curve shifts

3. Sector Rotation
- Relative value among sectors
- Historical spread vs. Treasuries
- Economic cycle outlook

4. Opportunistic Trading Efficiencies
- Access to inventory of multiple brokers
- Strong trading relationships
- Electronic trading conducted only for Treasuries

Vaughan Nelson Investment Management

Bringing over 50 years of equity and fixed income experience to found-dations, universities, endowments, and corporations; the firm follows a disciplined, fundamental, bottom-up investment process.

INVESTMENT TEAM

Michael Hanna
- Director - Fixed Income Investments
- Senior Portfolio Manager
- Began investment career in 1998; joined Vaughan Nelson in 2005; MBA, Rice University, 2005; BA, University of Texas, 1997

Matt Caire, CFA, CMT, CFP®
- Portfolio Manager
- Began investment career in 2010 ; joined Vaughan Nelson in 2021; MSF, Tulane University; BA, Texas State University, *cum laude*

Blanca Garza
- Portfolio Manager
- Began investment career in 1993; joined Vaughan Nelson in 1998; MBA, University of St. Thomas; BA, University of Houston-University Park

Customized characteristics

Duration
- Targeted
- Minimum/maximum
- Manager discretion

Sectors (0% to 100%)
- Corporates
- Agencies
- Treasuries
- Mortgages

Quality (0% to 100%)
- AAA
- AA
- A
- BBB

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600 Travis, Suite 3800
Houston, TX 77002
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Customized Duration Strategy

3Q 2023 - Product Overview

Overview

Organization
- Founded in 1970
- $14.9 billion under management*
- Based in Houston
- Domestic Equity, International Equity, Global Equity, Fixed Income

* 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 $2.2 billion as of 9/30/23.

Process
- Active management
- Fundamental research
- New idea generation
- Risk measurement

People
- 49 employees
- 24 investmentment professionals
- 12 CFA® designations
- 3 Ph.D.s

Representative list of institutional clients

Non-Profit
Board of Higher Education, United Methodist Church
Hamill Foundation
Methodist Hospital
Roman Catholic Diocese of Orange
Texas Medical Association
The Community Foundation of Louisville
Trull Foundation
University of Dallas
Wortham Foundation

Public
Austin Firefighters Retirement Fund
Cobb County Employees' Retirement System
Florida State Board of Administration
Gwinnett County Public Employees' Retirement System
Teacher Retirement System of Texas

Corporate
Baxter International
Hess Corporation
Principal Global Investors
Stewart Title

It is not known whether the listed clients approve or disapprove of the advisor or the advisory services provided. This is a list of institutional clients whose investment management is a matter of public record, selected because it was believed that their names would be recognized by prospective clients, without regard to performance-based criteria.