

2Q21 STRATEGY FACT SHEET
GLOBAL SMID CAP
PERFORMANCE (%)

	YTD	Since 6/30/20
Portfolio (Gross)	17.83	59.47
Portfolio (Net)	17.31	58.08
MSCI ACWI SMID Cap Net Index	13.87	48.46

All periods longer than 12 months are annualized. Performance data shown represents past performance and is not a guarantee of future results. See additional disclosures on last page. Source: GPS

MANAGER COMMENTARY
Market Overview

Financial markets continued to recover during the second quarter with the MSCI ACWI SMID Cap index up 6.3% for the quarter. During the quarter large cap equities led the market higher and Growth stocks generally outperformed Value, a reversal of the trends seen in the prior two quarters. The leadership shift to larger cap equities with growth characteristics is consistent with the modest decline in Treasury yields and flattening yield curve experienced during the quarter.

While long leading indicators of economic activity had begun to signal a slow-down in economic growth last quarter, we received further confirmation of a growth rate downturn in long- and short-term leading indicators during the second quarter. This global growth rate cycle downturn in industrial activity is being led by China and the U.S., with economic growth expected to moderate in the second half of 2021. Despite a broad-based industrial slowdown, we currently expect the services side of the economy to continue to remain healthy as the economy fully reopens, employment growth accelerates, and consumers reduce their excess savings.

Portfolio Positioning

During the period, we reduced the weightings, in some of our most cyclical undervalued asset names, where the payoff profile has become less favorable. Most of the selling occurred within our holdings in the United States and to a lesser extent in Japan. With the proceeds from these sales, we added several new undervalued growth names in the United States and Europe and added to current positions where valuations warranted. We are positioned for slowing, but positive, economic growth, however, we continue to watch for data points that may indicate a more pronounced slowdown could lie ahead.

At the country level, the portfolio is overweight the United Kingdom, Norway, Belgium, and Germany and underweight Canada and the Emerging Market "EM" countries as a group. The portfolio has a weighting of less than 3% in EM countries vs the benchmark weighting at approximately 10%.

On a sector basis, the portfolio is materially overweight Information Technology, Industrials, Health Care and Financials. The portfolio is underweight Utilities, Real Estate, Communication Services, Consumer Discretionary, Consumer Staples, Energy and Materials.

Contributors to Performance

During the quarter, the portfolio produced positive absolute returns but underperformed relative to the ACWI SMID benchmark. At the country level, the largest positive contributors to the portfolio's performance were the United Kingdom and the United States. In the United States, our Consumer Discretionary and Health Care names performed very well, while our overweight to the semiconductor space was as drag on performance. In the United Kingdom, two of our holdings received offers to be acquired during the quarter, which contributed positively to performance. The largest country level detractor from relative performance was Japan, where market sentiment was hurt by a weak vaccine rollout and economic recovery, both of which have lagged many other developed markets.

We believe the portfolio is well positioned for the current environment, with a balanced mix of "recovery plays" and core holdings with long term secular tailwinds, and many holdings which we believe have both characteristics. Country and Sector weightings continue to be driven by bottom-up stock selection, rather than factor bets.

2Q21 GLOBAL SMID CAP PORTFOLIO

MODEL PORTFOLIO ATTRIBUTION - 2Q21 (GROSS RETURNS)

S&P GICS SECTOR	Portfolio			MSCI ACWI SMID Cap Net Index			Variation			Attribution Analysis		
	Avg Wt	Tot Ret	Contrib To Ret	Avg Wt	Tot Ret	Contrib To Ret	Avg Wt	Tot Ret	Contrib To Ret	Selection Effect	Allocation + Interaction	Total Effect
Communication Services	1.04	14.20	0.14	4.43	5.02	0.23	-3.39	9.17	-0.09	0.04	0.09	0.12
Consumer Discretionary	10.88	13.13	1.35	12.78	5.10	0.67	-1.89	8.10	0.68	0.00	0.80	0.81
Consumer Staples	2.66	-3.34	-0.09	4.27	2.34	0.10	-1.61	-5.69	-0.20	0.06	-0.16	-0.10
Energy	1.30	2.42	0.03	3.06	12.88	0.37	-1.76	-10.46	-0.34	-0.11	-0.12	-0.23
Financials	13.68	6.70	0.88	12.85	4.58	0.61	0.83	2.16	0.27	-0.04	0.31	0.27
Health Care	10.06	11.14	1.09	9.96	7.69	0.76	0.10	3.48	0.32	0.08	0.27	0.36
Industrials	23.30	4.22	1.08	17.21	6.59	1.13	6.09	-2.40	-0.06	0.03	-0.52	-0.49
Information Technology	20.76	4.47	1.04	14.64	8.26	1.20	6.13	-3.74	-0.17	0.19	-0.76	-0.58
Materials	9.52	3.40	0.48	8.88	5.66	0.53	0.64	-1.75	-0.06	0.04	-0.14	-0.10
Real Estate	3.71	9.03	0.24	8.11	8.22	0.65	-4.40	0.81	-0.41	-0.11	0.00	-0.11
Utilities	--	--	--	3.75	1.12	0.04	-3.75	-1.12	-0.04	0.19	--	0.19
[Cash]	3.09	-0.03	-0.00	--	--	--	3.09	-0.01	-0.00	-0.25	--	-0.25
Total	100.00	6.24	6.24	100.00	6.30	6.30	--	-0.10	-0.10	0.13	-0.23	-0.10

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. Source: FactSet

PORTFOLIO CHARACTERISTICS¹

	Portfolio	MSCI ACWI SMID Cap Net Index
No. of Holdings	70	7,831
Wtd. Avg. Mkt. Cap (\$B)	6.6	10.7
Price/Book	2.71	2.18
Price/Cash Flow	14.47	11.60
P/E NTM	17.51	17.05
ROA (%)	4.11	3.40
ROE (%)	7.61	6.49
Dividend Yield (%)	0.97	1.48
Net Debt/Equity	0.45	0.72

¹ This information is provided as supplemental information to the Global SMID Cap GIPS Report. Source: FactSet

PORTFOLIO SECTOR WEIGHTINGS (%)¹

	Portfolio	MSCI ACWI SMID Cap Net Index
Information Technology	21.57	15.07
Industrials	20.93	17.23
Financials	15.33	12.53
Health Care	13.42	10.41
Consumer Discretionary	10.97	12.67
Materials	7.55	8.26
Real Estate	4.80	8.09
Consumer Staples	2.66	4.36
Energy	1.67	3.26
Communication Services	1.10	4.46
Utilities	--	3.65

* Excludes 3.94% cash. Due to rounding, totals may not equal 100%.

¹ This information is provided as supplemental information to the Global SMID Cap GIPS Report. Source: FactSet

TOP TEN HOLDINGS¹

	Country	Sector	% of Total Portfolio*
Brown & Brown	United States	Financials	3.14
Marlowe	United Kingdom	Industrials	3.04
Insight Enterprises	United States	Information Technology	2.99
Avantor	United States	Health Care	2.64
Atea ASA	Norway	Information Technology	2.47
Elanco Animal Health	United States	Health Care	2.45
Syneos Health	United States	Health Care	2.21
LPL Financial	United States	Financials	2.11
ExlService	United States	Information Technology	2.08
Jack Henry & Associates	United States	Information Technology	2.06

* Excludes 3.94% cash.

¹ Performance holdings subject to change. This information is provided as supplemental to the Global SMID Cap GIPS Report. Source: FactSet

PORTFOLIO GEOGRAPHIC WEIGHTINGS (%)¹

	Portfolio	MSCI ACWI SMID Cap Net Index
North America	53.45	55.57
Western Europe	30.34	19.24
Pacific Rim	14.66	20.07
Middle East	1.55	1.24
Africa	--	0.60
Central Asia	--	1.63
Eastern Europe	--	0.65
South America	--	1.00

* Excludes 3.94% cash. Due to rounding, totals may not equal 100%.

¹ This information is provided as supplemental information to the Global SMID Cap GIPS Report. Source: FactSet

VAUGHAN NELSON EQUITY TEAM

PORTFOLIO MANAGERS



James Eisenman, CFA, CPA
Lead Portfolio Manager - Global Equity Investments

- Began his financial and accounting career in 2002
- Joined Vaughan Nelson in 2005
- Masters in Accounting, Ohio State University, 2005
- BBA, Ohio State University, 2002, with Honors



Marco Priani, CFA, CPA, FRM
Senior Portfolio Manager - International Equity Investments

- Began his financial and investment career in 2001
- Joined Vaughan Nelson in 2019
- MBA, The University of Chicago-Graduate School of Business, 2005
- LL.M., Northwestern University School of Law, 2006
- MSF, Universidad Del CEMA, 1999
- JD, Universidad De Buenos Aires-School of Law, *magna cum laude*, 1987



Kevin Ross, CFA
Senior Portfolio Manager - International Equity Investments

- Began his financial and investment career in 2006
- Joined Vaughan Nelson in 2019
- MBA, The University of Chicago Booth School of Business, 2014
- BSBA, Washington University, 2006



Chris Wallis, CFA, CPA
CEO and CIO

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

RESEARCH



Masa Matsumura, Ph.D.
Senior Equity Analyst - International Equity Investments

- Began his financial and investment career in 2010
- Joined Vaughan Nelson in 2020
- MBA, The University of Chicago Booth School of Business, 2014
- Ph.D., University of Alabama at Birmingham, 2007
- MS, University of Alabama at Birmingham, 2005
- BS, University of Alabama at Birmingham, 2001

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: \$15.1 Billion*
- Domestic equity, international equity, and fixed income strategies
- 48 employees
- 20 investment team professionals
- 12 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 \$1.7 billion as of June 30, 2021.

VAUGHAN NELSON EQUITY STRATEGIES

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

Small Cap Value

- Benchmark against the Russell 2000® Value Index
- Generally 55 to 85 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.

GLOBAL SMID CAP COMPOSITE RETURNS (6/30/20 - 6/30/21)

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 Annlzd)	Std Dev. Benchmark (3-Yr Annlzd)
YTD 2021	17.83%	17.31%	13.87%	5 or fewer	N/A	11	13,410	15,114	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

* Partial year return. Inception date of June 30, 2020.

** 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 \$1.7 billion as of June 30, 2021. This information is supplemental to the Global SMID Cap GIPS Report.

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.

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) through Advent Software. 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.

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 3/31/21. 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 12/31/20. 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.