

INTERNATIONAL SMALL CAP STRATEGY

PERFORMANCE (%)

	YTD	1 Year	3 Years	5 Years	Since 11/30/13
Portfolio (Gross)	-1.42	12.03	4.12	8.79	6.01
Portfolio (Net)	-2.43	10.54	2.73	7.36	4.62
MSCI EAFE Small Cap Index	-4.20	6.84	1.40	7.37	5.31

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

MANAGER COMMENTARY

Market Overview

The recovery in financial markets continued in the third quarter with the MSCI EAFE Small Cap rising by 10.25% during the quarter. The economic environment in our geographies showed a steady improvement from the bottom in terms of activity, which took place at the beginning of the second quarter. Continued level of support for employment programs has so far reduced the impact in most of our geographies. Fiscal and monetary policy are better coordinated in our markets than the situation in the US. In spite of significant political risks (U.S. election, final Brexit negotiation, geopolitical tension with China, incipient second wave of COVID) in our geographies the leading fundamental indicators we follow indicate a tentative positive direction for economic activity in most industries.

During the September Federal Reserve meeting, Chairman Powell reiterated the Federal Reserve's commitment to maintaining easy monetary conditions until inflation is sustainably above 2%. Chairman Powell also encouraged an increase in fiscal stimulus. After decades of reliance on monetary stimulus, the U.S. economy and capital markets suffer from excess leverage, malinvestment and structural imbalances that hamper the effectiveness of monetary tools. Post the election, regardless of the outcome, we expect fiscal policy in close coordination with the Federal Reserve to take center stage in driving economic growth.

The last bout of loose fiscal policy was combined with tight monetary policy, which sustained U.S. Dollar strength. The next round of loose fiscal policy will likely be combined with loose monetary policy, which will pressure the U.S. Dollar. Should such economic policy be pursued, and successfully increase nominal GDP growth, it will represent a fundamental shift in the underlying economic conditions that have not been witnessed in years. Such a shift in the economic environment will likely lead to increased market volatility and broad changes in market leadership.

Portfolio Positioning

As a result of buys and sells and market action, our weightings in France, Netherlands, and the United Kingdom increased during the quarter. The portfolio's weighting in Australia, Germany, Japan, and Sweden decreased during the quarter. From a sector perspective, our weightings in Consumer Discretionary, Industrials, Information Technology, and Real Estate increased during the quarter. The portfolio's weighting in Consumer Staples, Financials, Health Care, and Materials decreased during the period.

Contributors to Performance

During the quarter, the portfolio experienced strong absolute performance and outperformed the MSCI EAFE Small Cap benchmark. The fund returned 11.62% during the third quarter compared to the MSCI EAFE Small Cap Index's increase of 10.25%. This was driven by both stock selection and allocation effect. The best performing countries (total effect) were the United Kingdom, France, Germany, and Netherlands. The portfolio underperformed in Australia, Finland, Norway, and Switzerland. The portfolio continues to be overweight information technology and industrials while underweight to consumer discretionary, real estate, financials, and utilities.

Outlook

We have added eight new companies and fully exited seven during the quarter, which is in line with a normal turnover range, after a very active first quarter and a subdued second one. We continue to see a level of opportunities within our asset class that is exciting and almost unprecedented. Under those circumstances, the hardest decision in terms of portfolio management is not what to buy but what to sell. While we have experienced a V-shaped recovery in financial assets through the summer from the March lows, we still see a slow and gradual recovery as imbalances and unintended consequences are addressed.

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

3Q20 INTERNATIONAL SMALL CAP PORTFOLIO

MODEL PORTFOLIO ATTRIBUTION (GROSS RETURNS)

S&P GICS SECTOR	Portfolio			MSCI EAFE Small Cap 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	Allocation Effect	Selection + Interaction	Total Effect
Communication Services	5.56	17.35	0.92	4.75	20.35	0.90	0.80	-3.01	0.02	0.08	-0.14	-0.06
Consumer Discretionary	5.53	19.48	1.06	12.59	14.64	1.77	-7.06	4.84	-0.71	-0.26	0.26	-0.00
Consumer Staples	9.91	7.86	0.80	6.73	8.73	0.58	3.17	-0.87	0.22	-0.05	-0.06	-0.11
Energy	0.70	-8.79	-0.06	1.62	0.35	0.02	-0.92	-9.13	-0.08	0.09	-0.06	0.03
Financials	7.16	-2.52	-0.15	10.39	5.42	0.64	-3.23	-7.94	-0.79	0.14	-0.59	-0.44
Health Care	6.42	11.45	0.77	7.94	12.08	0.95	-1.52	-0.63	-0.18	-0.04	-0.08	-0.11
Industrials	29.14	13.75	3.86	21.98	10.36	2.28	7.16	3.39	1.59	0.02	0.88	0.89
Information Technology	19.02	13.15	2.49	10.84	11.46	1.23	8.18	1.69	1.26	0.11	0.32	0.43
Materials	6.08	12.14	0.69	8.17	8.84	0.73	-2.09	3.31	-0.04	0.04	0.11	0.15
Real Estate	7.70	16.62	1.23	12.23	7.56	0.93	-4.53	9.06	0.30	0.14	0.64	0.78
Utilities	--	--	--	2.74	7.65	0.22	-2.74	-7.65	-0.22	0.07	--	0.07
[Cash]	2.78	-0.11	-0.01	--	--	--	2.78	-0.11	-0.01	-0.27	--	-0.27
Total	100.00	11.62	11.62	100.00	10.25	10.25	--	1.36	1.36	0.10	1.27	1.36

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 CHARACTERISTICS¹

	Portfolio	MSCI EAFE Small Cap Index
No. of Holdings	81	2,315
Wtd. Avg. Mkt. Cap (\$B)	2.3	2.6
Price/Book	1.83	1.30
Price/Cash Flow	9.96	7.76
P/E NTM	15.27	17.06
ROA (%)	6.38	5.61
ROE (%)	12.70	10.94
Dividend Yield (%)	2.43	2.63
Net Debt/Equity	0.06	0.34
Beta*	0.96	1.00
Sharpe Ratio*	0.14	-0.01
Information Ratio*	0.77	N/A
R-Square*	0.96	1.00
Std. Deviation*	17.87%	18.32%

¹ This information is provided as supplemental information to the International Small Cap compliant presentation. Data as of 10/9/20 for 9/30/20.

* Annualized 3-year ending 9/30/20.

TOP TEN HOLDINGS

	Country	Sector	% of Total Portfolio*
Marlowe Plc	United Kingdom	Industrials	2.56
TAG Immobilien	Germany	Real Estate	2.18
Atea ASA	Norway	Information Technology	2.17
Ship Healthcare Holdings	Japan	Health Care	2.04
Ebro Foods SA	Spain	Consumer Staples	1.82
PATRIZIA AG	Germany	Real Estate	1.72
Zenkoku Hoshō	Japan	Financials	1.71
Befesa SA	Germany	Industrials	1.67
Fullcast Holdings	Japan	Industrials	1.62
Smurfit Kappa Group	United Kingdom	Materials	1.60

This information is provided as supplemental to the GIPS compliant presentation. * Excludes 4.04% cash.

PORTFOLIO SECTOR WEIGHTINGS (%)^{*1}

	Portfolio	MSCI EAFE Small Cap Index
Industrials	30.65	22.09
Technology	20.31	11.00
Consumer Staples	10.00	6.80
Real Estate	8.85	12.27
Financials	7.26	9.85
Consumer Discretionary	6.05	13.09
Materials	5.81	8.09
Communication Services	5.52	4.90
Health Care	4.90	7.71
Energy	0.65	1.50
Utilities	--	2.70

* Excludes 4.04% cash.

¹ This information is provided as supplemental information to the International Small Cap compliant presentation.

PORTFOLIO GEOGRAPHIC WEIGHTINGS (%)^{*1}

	Portfolio	MSCI EAFE Small Cap Index
Japan	31.19	31.03
Europe - ex. UK & Nordic	27.90	24.16
United Kingdom	22.72	16.31
Nordic	13.96	12.98
Asia/Pacific ex. Japan	4.23	14.94
Other	0.00	0.58

* Excludes 4.04% cash.

¹ This information is provided as supplemental information to the International Small Cap compliant presentation.

VAUGHAN NELSON EQUITY TEAM

PORTFOLIO MANAGERS



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

- Began his financial and investment career in 2001
- Joined Vaughan Nelson in 2019
- MBA, The University of Chicago-Graduate School of Business, 2005
- LLM, 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

- 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

RESEARCH



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

- 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, 2001
- MS, University of Alabama at Birmingham, 2005

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: \$12.4 Billion*
- Domestic equity, international equity, and fixed income strategies
- 44 employees
- 18 investment team professionals
- 11 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 \$1.2 billion as of September 30, 2020.

VAUGHAN NELSON EQUITY STRATEGIES

Small Cap Value

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

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

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.

INTERNATIONAL SMALL CAP COMPOSITE RETURNS (11/30/13 - 9/30/20)

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 2020	-1.42%	-2.43%	-4.20%	5 or fewer	N/A	30	11,170	12,369	17.87%	18.32%
2019	25.39%	23.76	24.96%	5 or fewer	N/A	27	11,346	13,064	12.48%	11.89%
2018	-14.86%	-16.01%	-17.89%	5 or fewer	N/A	28	N/A	N/A	12.48%	12.86%
2017	32.02%	30.31%	33.01%	5 or fewer	N/A	36	N/A	N/A	10.89%	11.60%
2016	6.54%	5.15%	2.18%	5 or fewer	N/A	486	N/A	N/A	11.28%	12.12%
2015	0.19%	-1.14%	9.59%	5 or fewer	N/A	672	N/A	N/A	N/A	N/A
2014	-1.28%	-2.57%	-4.95%	5 or fewer	N/A	481	N/A	N/A	N/A	N/A
2013**	1.81%	1.71%	2.34%	5 or fewer	N/A	476	N/A	N/A	N/A	N/A

* 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 \$1.2 billion as of September 30, 2020. This information is supplemental to the International Small Cap compliant presentation.

** Partial year.

† Total firm assets and entity assets are shown as N/A as the strategy was previously managed at Advisory Research, Inc. These disclosures for the predecessor firm would not be meaningful and, the strategy did not contribute to Vaughan Nelson's assets historically.

NOTES AND DISCLOSURES

NOTES

COMPOSITE DESCRIPTION. Effective 10/1/2019, this composite is comprised of all fee-paying, discretionary International Small Capitalization portfolios in excess of \$1 million under management. Prior to 10/1/19, the composite consisted of all non-restricted, fully discretionary, taxable and tax-exempt accounts which were managed in accordance with the International Small Capitalization Value strategy at Advisory Research, Inc. Effective 10/1/19, the strategy name was changed to International Small Capitalization in order to appropriately reflect the characteristics of the strategy. The International Small Capitalization strategy primarily invests in non-U.S. equities and principally in developed markets with a market capitalization generally within the range of the MSCI EAFE Small Cap Index (Europe, Australasia, Far East). The index is a free-float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding U.S. and Canada. 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 date is 11/30/13.

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. International Small Capitalization Fee Schedule: 1.00% on the first \$25 million, .85% on the next \$75 million, .80% on the remainder.

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. Inception date is 11/30/13. 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. 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 Marco Priani and Kevin Ross from 11/30/13. Performance prior to 10/1/19 was generated by Messrs. Priani and Ross while employed by Advisory Research Inc.

COMPOSITE NOTES. Effective 10/1/19, 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 complete list and descriptions of composites 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 compliant presentations are available upon request.

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 6/30/20. 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 International Small Capitalization composite has been examined for the periods 11/30/13 to 12/31/19. The verification and performance examination reports are available upon request.