

3Q20 PORTFOLIO FACT SHEET

SELECT STRATEGY

PERFORMANCE (%)

	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since 6/30/09
Portfolio (Gross)	7.38	14.48	12.46	14.15	13.15	15.26	16.49
Portfolio (Net)	6.57	13.34	11.34	13.01	12.03	14.11	15.34
Russell 3000® Index	5.41	15.00	11.65	13.69	12.11	13.48	14.47
S&P 500 Index	5.57	15.15	12.28	14.15	12.68	13.74	14.56

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

MANAGER COMMENTARY
Market Overview

While the markets continued to improve in the third quarter, the rate of the recovery in the economy has started to slow. With a delay in additional stimulus for households and the poor results of the Treasury's Main Street Lending Program, the recovery in the services sector of the economy has started to moderate. Conversely, the industrial recovery remains strong boosted by the need to rebuild inventories and strong demand for housing that has left the supply of homes at record low levels. Without additional shocks to the economy, we expect the inventory rebuilding process to last several months and hopefully jumpstart a broader self-reinforcing recovery. The strength in the housing market is very encouraging; however, we need a rapid supply response of new homes to prevent home price appreciation from slowing or reversing the housing recovery.

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 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.

Current Portfolio Positioning

As a result of buys and sells and market action, the largest sector over weights are Materials, Communication Services and Technology. Financials, Consumer Staples, REITs, and Utilities continue to be the most underweight sectors.

Contributors to Performance

During the quarter, the portfolio experienced positive absolute and negative relative performance. Positive relative contributions from Materials and Health Care were offset by negative relative contribution in Consumer Discretionary, Communication Services, and Energy.

3Q20 SELECT PORTFOLIO

MODEL PORTFOLIO ATTRIBUTION (GROSS RETURNS)

S&P GICS SECTOR	Portfolio			Russell 3000®			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	12.94	2.67	0.42	9.96	9.26	0.92	2.98	-6.59	-0.50	0.01	-0.81	-0.80
Consumer Discretionary	14.25	10.86	1.63	11.91	19.05	2.13	2.34	-8.19	-0.49	0.24	-1.01	-0.77
Consumer Staples	1.74	5.60	0.04	6.29	10.21	0.63	-4.56	-4.61	-0.59	-0.05	-0.10	-0.15
Energy	3.28	-21.32	-0.98	2.31	-18.65	-0.45	0.96	-2.67	-0.53	-0.36	-0.21	-0.58
Financials	5.58	-3.54	-0.11	10.22	3.42	0.35	-4.64	-6.97	-0.46	0.29	-0.47	-0.18
Health Care	13.23	11.57	1.62	14.60	6.22	0.96	-1.37	5.35	0.65	0.05	0.65	0.70
Industrials	12.42	6.53	0.86	8.94	11.93	1.01	3.48	-5.40	-0.15	0.11	-0.58	-0.47
Information Technology	24.09	12.04	2.76	26.68	11.84	3.13	-2.60	0.21	-0.38	-0.06	0.03	-0.03
Materials	9.95	17.25	1.55	2.76	11.94	0.31	7.20	5.31	1.24	0.13	0.49	0.62
Real Estate	--	--	--	3.43	1.36	0.05	-3.43	-1.36	-0.05	0.25	--	0.25
Utilities	--	--	--	2.89	5.03	0.16	-2.89	-5.03	-0.16	0.10	--	0.10
[Cash]	2.52	0.03	0.00	--	--	--	2.52	0.03	0.00	-0.12	--	-0.12
Total	100.00	7.79	7.79	100.00	9.21	9.21	--	-1.42	-1.42	0.58	-2.00	-1.42

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 CHARACTERISTICS

	Portfolio	Russell 3000® Index	S&P 500 Index
No. of Holdings	30	3,034	505
Wtd. Avg. Mkt. Cap (\$B)	319.3	384.3	453.0
Price/Book	4.25	3.36	3.57
Est. 3-5 Yr. EPS Growth	11.78	12.88	12.08
P/E NTM	23.48	21.39	21.31
ROA (%)	13.02	8.69	10.41
ROE (%)	26.12	22.19	25.89
Dividend Yield (%)	1.38	1.67	1.75
Beta*	0.91	0.95	0.91
Sharpe Ratio*	0.84	0.82	0.88
Information Ratio*	1.09	1.54	1.51
R-Squared*	0.85	0.93	0.92
Standard Deviation* (%)	15.50%	15.34%	14.76%

* Annualized 5-year ending 9/30/20 vs. Russell 3000® Value.

PORTFOLIO SECTOR WEIGHTINGS (%)¹

	Portfolio	Russell 3000® Index	S&P 500 Index
Technology	29.65	27.21	28.15
Health Care	13.03	14.59	14.23
Communication Services	12.89	9.81	10.80
Consumer Discretionary	12.87	12.26	11.46
Materials	10.83	2.76	2.62
Industrials	8.80	9.08	8.38
Financials	6.54	9.89	9.67
Energy	3.10	1.94	2.06
Staples	2.29	6.30	7.02
Real Estate	0.00	3.32	2.64
Utilities	0.00	2.84	2.97

* Excludes 2.10% cash.

¹ This information is provided as supplemental to the GIPS compliant presentation.

TOP TEN HOLDINGS^{*1}

	% of Total Portfolio
Microsoft	6.22
Facebook Class A	5.98
Amazon.com	5.78
Electronic Arts	5.32
Union Pacific	5.30
Sherwin-Williams	5.24
Texas Instruments	5.07
Home Depot	4.83
UnitedHealth Group	4.83
Mastercard Class A	4.66

* Excludes 2.10% cash.

¹ This information is provided as supplemental to the GIPS compliant presentation.

ADDITIONS TO PORTFOLIO

	Category
Aon	UA
Motorola Solutions	UG
Morgan Stanley	UA
Chevron	UA
Entegris	UG

Key

UG - undervalued growth • UD - undervalued dividend • UA - undervalued asset

DELETIONS FROM PORTFOLIO

	Category
Charles Schwab	BO
Pool Corporation	V
Qualcomm	V
Ares Capital	BO
AbbVie	BO

Key

V - valuation • F - fundamental • A - acquisition • MC - market cap • BO - better opportunity

VAUGHAN NELSON EQUITY TEAM

PORTFOLIO MANAGERS



Scott Weber, CFA
Lead Senior Portfolio Manager

- Began his financial and investment career in 1996
- Joined Vaughan Nelson in 2003
- MBA, Tulane University of the South, 1994
- BS, The University of the South, 1994



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

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

RESEARCH TEAM



Benjamin Carrier, CFA
Equity Analyst

- Began financial and investment career in 2014
- Joined Vaughan Nelson in 2016
- BBA, Baylor University, 2014, *cum laude*



Tyler Fry, CFA
Equity Analyst

- Began investment career in 2014
- Joined Vaughan Nelson in 2016
- BBA, Southern Methodist University, 2014
- BS, Southern Methodist University, 2014



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Sundeep Khanna, CFA
Vice President - Equity Investments

- Began investment career in 2004
- Joined Vaughan Nelson in 2020
- BS, The University of Texas, 2005



Adam Rich, CFA
Vice President - Equity Investments

- Began investment career in 2010
- Joined Vaughan Nelson in 2016
- BS, Brigham Young University, 2010

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.

SELECT PORTFOLIO COMPOSITE RETURNS (6/30/09 - 9/30/20)

Year	Composite (Gross)	Composite (Net)	Primry Bnchmrk*	Scndry Bnchmrk	No. of Portfolios	Disp. 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 Anlzd)	Std Dev. Primry Bnchmrk (3-Yr Anlzd)	Std Dev. Scndry Bnchmrk (3-Yr Anlzd)
YTD 2020	7.38%	6.57%	5.41%	5.57%	82	N/A	1,725	11,170	12,369	18.66%	18.18%	17.49%
2019	29.21%	27.94%	31.02%	31.49%	83	0.22%	1,617	11,346	13,064	12.46%	12.21%	11.93%
2018	-3.56%	-4.53%	-5.24%	-4.38%	80	0.24%	1,187	10,078	11,425	11.42%	11.18%	10.80%
2017	25.94%	24.69%	21.13%	21.83%	69	0.48%	997	11,675	13,172	10.54%	10.09%	9.92%
2016	7.99%	6.91%	12.74%	11.96%	53	0.23%	679	11,572	12,912	11.30%	10.88%	10.59%
2015	4.02%	2.97%	0.48%	1.38%	42	0.22%	448	11,316	12,469	11.81%	10.58%	10.47%
2014	12.04%	10.93%	12.56%	13.69%	41	0.11%	585	9,943	11,057	9.50%	9.29%	8.97%
2013	44.11%	42.73%	33.55%	32.39%	37	0.33%	410	9,243	10,258	12.24%	12.53%	11.94%
2012	10.91%	9.81%	16.42%	16.00%	27	0.29%	194	7,273	8,071	15.57%	15.73%	15.09%
2011	4.85%	3.84%	1.03%	2.11%	17	N/A	124	6,876	7,667	N/A	N/A	N/A
2010	31.28%	30.06%	24.75%	15.06%	Fewer than 5	N/A	26	7,050	7,965	N/A	N/A	N/A
2009**	19.37%	18.80%	30.05%	22.59%	Fewer than 5	N/A	23	6,757	7,690	N/A	N/A	N/A

* Effective 1/1/11, the composite benchmark changed from the Russell Midcap Value Index to the Russell 3000 Index to reflect the change in the management style of the strategy.

** Partial year return. Inception date of June 30, 2009.

*** Number includes assets where Vaughan \$1.2 billion as of September 30, 2020. This information is supplemental to the Select compliant presentation.

NOTES AND DISCLOSURES

NOTES

COMPOSITE DESCRIPTION. This composite is comprised of all fee paying, discretionary Select portfolios of at least \$1 million under management. Select portfolios are managed in a tactical manner predominately investing in 20-40 equity securities within the market capitalization range of the Russell 3000® Index at the time of purchase and may contain non-equity and non-U.S. positions. The primary benchmark is the Russell 3000® Index. The Russell 3000® Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The secondary benchmark is the S&P 500® Index. Frank Russell Company ("Russell") is the source and owner of Russell Index data contained herein. Any further dissemination of the data is strictly prohibited. Russell is not responsible for any inaccuracy in this presentation. The composite creation date is June 2009.

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. Select Fee Schedule: 1.00% on the first \$25 million, .85% on the next \$25 million, .75% on the remainder.

OTHER NOTES. 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 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.

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 Scott Weber and Chris Wallis from 12/31/18; Scott Weber, Chris Wallis, Dennis Alff and Chad Fargason from 9/30/13; and Scott Weber, Chris Wallis and Dennis Alff from inception.

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 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.

DISCLOSURES (cont.)

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. No composite accounts hold foreign denominated securities. 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 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 Select composite has been examined for the periods 7/1/09 to 12/31/19. The verification and performance examination reports are available upon request.

Model year-end portfolio totals were as follows: 2019 - \$1.7 billion, 2018 - \$1.3 billion; 2017 - \$1.5 billion; 2016 - \$1.3 billion, 2015 - \$1.2 billion, 2014 - \$1.1 billion, 2013 - \$1.0 billion, 2012 - \$798 million, 2011 - \$791 million, 2010 - \$915 million, 2009 - \$933 million.



**VAUGHAN
NELSON**

600 Travis, Suite 3800
Houston, TX 77002-2928
Main: (713) 224-2545
Fax: (713) 247-9534
www.vaughannelson.com