

THIRD QUARTER - 9/30/2020

VAUGHAN NELSON INTERNATIONAL SMALL CAP FUND

FUND HIGHLIGHTS

- ▶ Seeks to achieve long-term capital appreciation through investments in international small capitalization companies with a focus on a targeted return
- ▶ Companies within the market capitalization range of the MSCI EAFE Small Cap Index at time of purchase
- ▶ Companies earning a positive return on capital, valued at a discount to their asset value or with an attractive dividend yield

AVERAGE ANNUALIZED TOTAL RETURNS[†] (%)

	QTR	YTD	1 Year	3 Years	5 Years	10 Years
Institutional Class	10.82	-2.12	10.62	3.02	7.46	6.88
Investor Class	10.76	-2.26	10.35	2.76	7.19	6.60
MSCI EAFE Small Cap Index - ND	10.25	-4.20	6.84	1.40	7.37	7.33

FUND FACTS

Objective

Seeks long-term capital appreciation

Share Class	Ticker	Cusip
Institutional	ADV LX	46141P412
Investor	ADV JX	46143U609
Total net assets		\$18.4 million
Inception date		3/31/10
Number of holdings		82
Turnover as of 9/30/20		54%
Distribution frequency		Annual
Gross expense ratio (L/J)		2.68% / 2.93%
Net expense ratio (L/J)*		1.15% / 1.40%

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. Total return and value will vary, and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. The performance figures for Institutional Class shares include the performance for the Advisor Class shares for the period prior to December 31, 2013. The performance figures for Investor Class shares include the performance for the Institutional Class shares for the period prior to December 2, 2019, adjusted for Investor Class shares' expenses, which are higher than the expenses of Institutional Class shares. For most recent month-end performance, visit www.vaughannelson.com or im.natixis.com.

*As of the most recent prospectus, the investment adviser has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense cap of the Fund has been exceeded. This arrangement is set to expire on 02/28/21.

Performance for other share classes will be greater or less than shown based on differences in fees and sales charges. You may not invest directly in an index.

† Performance for periods less than one year is cumulative, not annualized. Returns reflect changes in share price and reinvestment of dividends and capital gains, if any.

Not all share classes are available for purchase by all investors. Institutional Class shares are available to institutional investors with a minimum initial investment of \$100,000 and through certain wrap-fee programs, retirement plans and investment advisory accounts with no minimum. See the prospectus for more details.

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PORTFOLIO OVERVIEW

Sector Breakdown ^{2,10}	% of Portfolio
Industrials	30.65
Technology	20.31
Consumer Staples	10.00
Real Estate	8.85
Financials	7.26
Consumer Discretionary	6.05
Materials	5.81
Communication Services	5.52
Health Care	4.90
Energy	0.65
Utilities	0.00
TOTAL	100.00

Geographic Breakdown ¹⁰	% of Portfolio
Japan	31.19
Europe - ex. United Kingdom	27.90
United Kingdom	22.72
Nordic	13.96
Asia/Pacific ex. Japan	4.23
Other	0.00
TOTAL	100.00

Fund Statistics

Beta vs. MSCI EAFE Small Cap ^{1,3}	0.96
R-Squared vs. MSCI EAFE Small Cap ^{1,4}	0.96
Annualized Standard Deviation (%) ⁵	17.87
Active Share ⁶	96%
P/E (NTM) Ratio ⁷	15.27
P/B Ratio ⁸	1.83
Weighted Average Mkt Cap (MM) ⁹	\$2,297

Top Ten Equity Holdings¹⁰

Company	% of Portfolio
Marlowe Plc	2.56
TAG Immobilien AG	2.18
Atea ASA	2.17
Ship Healthcare Holdings	2.04
Ebro Foods SA	1.82
PATRIZIA AG	1.72
Zenkoku Hosho	1.71
Befesa SA	1.67
Fullcast Holdings	1.62
Smurfit Kappa Group	1.60
TOTAL	19.09

MANAGER OVERVIEW

Investment Manager

Vaughan Nelson Investment Management specializes in equities with a focus on targeted return. The firm employs a bottom-up, fundamental research process to capitalize on temporary information and liquidity inefficiencies in equities markets. The firm's long-term consistent approach draws on in-depth research and consistent process across all market capitalizations.

Headquarters: Houston, TX

Founded: 1970

Assets under management:
\$12.4 billion (as of 9/30/20)¹¹

Portfolio Managers¹²

Marco Priani, CFA, CPA
Kevin Ross, CFA



Risks

Foreign and emerging market securities may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than US securities, due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Smaller company investments** can be more volatile than those of larger companies. **Concentrated investments** in a particular region, sector, or industry may be more vulnerable to adverse changes in that industry or the market as a whole.

1 MSCI EAFE Small Cap Index is an unmanaged index that measures the performance of the small cap segment of developed market countries, excluding the U.S. and Canada. **2** Source: GICS Sectors via FactSet Research Systems Inc. 1.50% cash and unassigned allocations are not included. **3** Beta is calculated for the three-year period and represents the risk associated with the fund relative to market risks. For example, the market has a beta of 1.00, so if a fund has a beta of 0.85, it can be expected to be 15% less volatile than the overall market. Conversely, if a fund has a beta of 1.08, it can be expected to be 8% more volatile than the overall market. **4** R-squared is calculated for the three-year period and represents the percentage of the fund's movements that can be explained by the movements of the market. For example, index funds will tend to have R-squared values very close to 100. **5** Standard deviation measures the risk of a portfolio or market. Beta, R-squared and standard deviation are calculated on a monthly basis for the three-year annualized period as of the most recent quarter-end. **6** Active share indicates the proportion of a portfolio's holdings that are different from the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio. **7** P/E (NTM) Ratio is the weighted harmonic average of the price-to-earnings (P/E) ratios of all the stocks in the portfolio. P/E ratio is the ratio of a stock's price to its earnings per share for the next twelve months. Does not include options. This excludes negative earnings. **8** P/B Ratio is the weighted harmonic average of the price-to-book (P/B) ratios of all the stocks in the portfolio. P/B ratio is the ratio of a stock's price to its book value per share. This excludes negative earnings. **9** Weighted average market cap provides a measure of the market capitalization value of all the stocks in the portfolio. Market capitalization reflects the total market value of a company, as calculated by multiplying the current share price by the number of outstanding shares. **10** Excludes 4.04% cash. The portfolio is actively managed and holdings are subject to change. References to specific securities or industries should not be considered a recommendation. For current holdings, please visit our website. **11** Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets and other types of non-regulatory AUM. **12** CFA® and Chartered Financial Analyst® are registered trademarks owned by the CFA Institute.

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Before investing, consider the fund's investment objectives, risks, charges, and expenses. Visit www.vaughanelson.com, im.natixis.com or call 800-862-4863 for a prospectus or a summary prospectus containing this and other information. Read it carefully.

Natixis Distribution, L.P. is located at 888 Boylston Street, Suite 800, Boston, MA 02199-8197 • 800-225-5478 • im.natixis.com • Member FINRA | SIPC

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