

# Vaughan Nelson Mid Cap Fund

High active share strategy targeting alpha through undervalued investments

## Portfolio Strategy Highlights<sup>4</sup>

- A mid-cap value fund seeking to capitalize on temporary information and liquidity inefficiencies in the mid-cap universe to pursue strong risk-adjusted returns
- Follows a research-intensive investment process emphasizing company financials to help uncover value
- May be suitable for investors seeking exposure to value-oriented, mid-cap stocks

## Portfolio applications

For investors seeking a high active share, concentrated US equity portfolio in the mid-cap equity universe  
Potential alpha generating portfolio, based on bottom-up fundamental analysis and security selection  
A portfolio that seeks to source returns from multiple investment categories, allowing for the potential to generate alpha in different market environments  
Preference for a portfolio that targets companies seeking better earnings growth, quality of returns and lower earnings variability  
Diversification measured by granular factor exposures in addition to industry and sector risk factors



## ABOUT THE FUND

### Objective

Seeks long-term capital appreciation

### Portfolio manager(s)<sup>1</sup>

Chad D. Fargason, PhD  
Dennis G. Alff, CFA®  
Chris D. Wallis, CFA®, CPA®

### Inception date

10/31/2008

### Share classes

Class A	VNVAX
Class Y	VNVYX
Class N	VNVNX
Class C	VNVCX

### Benchmarks<sup>2</sup>

Russell Midcap® Value Index  
Russell 2500™ Value Index

### Expense ratios (gross/net)<sup>3</sup>

VNVAX	1.29%	1.20%
VNVYX	1.04%	0.95%
VNVNX	0.94%	0.90%
VNVCX	2.04%	1.95%

<sup>1</sup> CFA® and Chartered Financial Analyst® are registered trademarks owned by the CFA Institute. <sup>2</sup> Russell Midcap® Value Index is an unmanaged index that measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values. <sup>3</sup> As of the most recent prospectus, the investment advisor 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 4/30/2022. When an expense cap has not been exceeded, the gross and net expense ratios and/or yields may be the same. <sup>4</sup> Active share indicates the proportion of portfolio's holdings that are different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio. <sup>5</sup> Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of systematic market risk. A positive alpha indicates outperformance and negative alpha indicates underperformance relative to the portfolio's level of systematic risk.

## Philosophy, process, and risk management

Vaughan Nelson seeks to take advantage of temporary information and marketplace inefficiencies across the market capitalization range to find opportunities to invest in companies at valuations materially below their long-term intrinsic value.

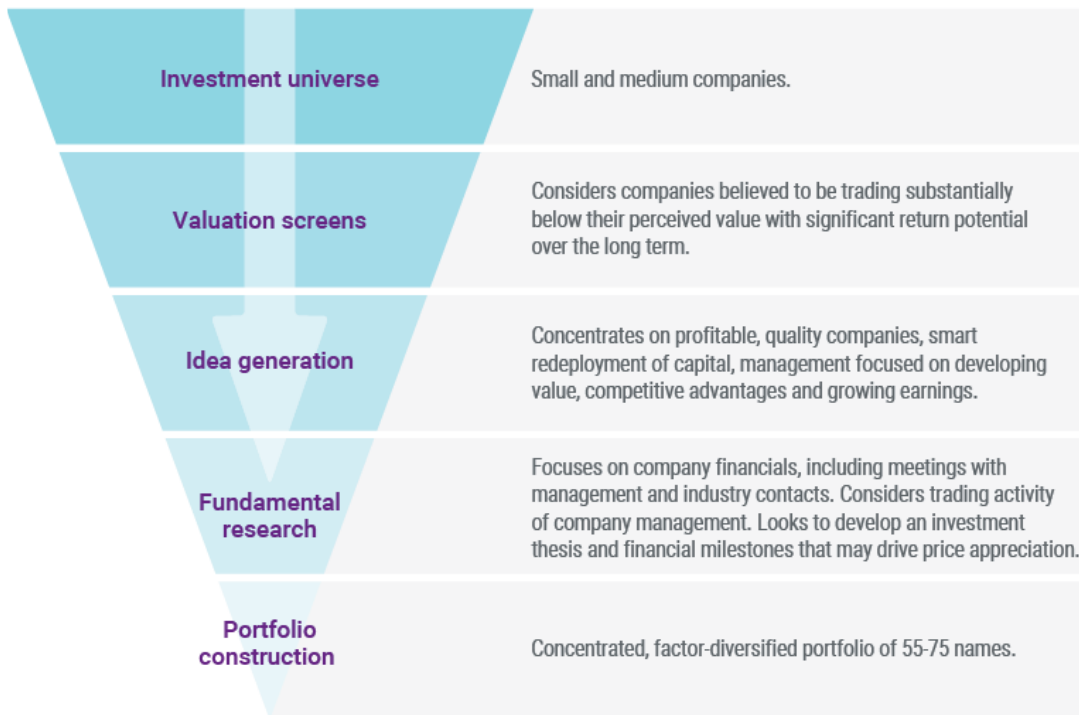
The investment team does intensive financial analysis with an emphasis on balance sheets and cash flow metrics to determine intrinsic value and mispriced securities. Portfolio construction is driven by bottom-up fundamental analysis, but each investment is considered in the context of the broader macroeconomic environment. All investments are further evaluated for their impact on the portfolio to ensure diversification across a number of risk variables.

Vaughan Nelson believes that sector allocation alone is insufficient in determining a portfolio's diversification and risk profile. Instead, the focus is on factor exposure, which provides a more granular view of a portfolio's positioning and biases. The factor-based risk analysis ensures that the high active share portfolio maintains a factor mosaic similar to the universe against which it competes.



Vaughan Nelson Investment Management specializes in US, international and emerging market 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 a similar investment process across all geographic regions and market capitalizations.

## Disciplined investment process



## Natixis Investment Managers

Our multi-affiliate approach connects you to the independent thinking and focused expertise of more than 20 active managers. Ranked<sup>1</sup> among the world's largest asset managers (\$1,354.8 billion in AUM)<sup>2</sup>, we deliver a diverse range of solutions across asset classes, styles, and vehicles. We're dedicated to advancing sustainable finance and developing innovative ESG products. We consult and partner with our clients, and continually evaluate markets and assumptions to ensure their strategy delivers on long-term goals.

1 Cerulli Quantitative Update: Global Markets 2021 ranked Natixis Investment Managers as the 15th largest asset manager in the world based on assets under management as of December 31, 2020.

2 Assets as of March 31, 2021. Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

**RISKS: Equity securities** are volatile and can decline significantly in response to broad market and economic conditions. **Investments in small and midsize companies** can be more volatile than those of larger companies. **Value investing** carries the risk that a security can continue to be undervalued by the market for long periods of time.

**Before investing, consider the fund's investment objectives, risks, charges, and expenses. Visit [im.natixis.com](http://im.natixis.com) or call 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.**

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