

Vaughan Nelson Value Opportunity Fund

High active share strategy targeting alpha through undervalued investments

Portfolio highlights

- A mid-cap focused, concentrated equity strategy benchmarked to the Russell Midcap[®] Value Index² that seeks targeted returns through a disciplined investment process.
- High active share⁴ portfolio, constructed using bottom-up fundamental analysis with security selection acting as the largest source of alpha.⁵
- Utilizes three primary return drivers to generate alpha⁵ throughout the full business cycle.
 - **Undervalued Growth:** companies with a competitive advantage, stable to improving return on capital and future growth that is not properly reflected in the market price.
 - **Undervalued Assets:** companies priced at a discount to asset value with an identifiable catalyst to close the valuation gap.
 - **Undervalued Dividend:** stocks with a high, secure dividend yield (typically 10% or higher) and minimal perceived downside risk.
- Integrates a robust proprietary risk management model with portfolio management to maintain a diversified exposure to risk factors similar to that of the Russell Midcap[®] Value Index.²

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)¹

Chad D. Fargason, PhD
 Scott J. Weber, CFA[®]
 Dennis G. Alff, CFA[®]
 Chris D. Wallis, CFA[®]

Inception date

10/31/2008

Share classes

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

Benchmark²

Russell Midcap[®] Value Index

Expense ratios (gross/net)³

VNVAX	1.45%	1.45%
VNVYX	1.20%	1.20%
VNVNX	1.09%	1.09%
VNVCX	2.19%	2.19%

¹ CFA[®] and Chartered Financial Analyst[®] are registered trademarks owned by the CFA Institute. ² 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. ³ 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 4/30/20. When an expense cap has not been exceeded, the gross and net expense ratios and/or yields may be the same. ⁴ 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. ⁵ 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.

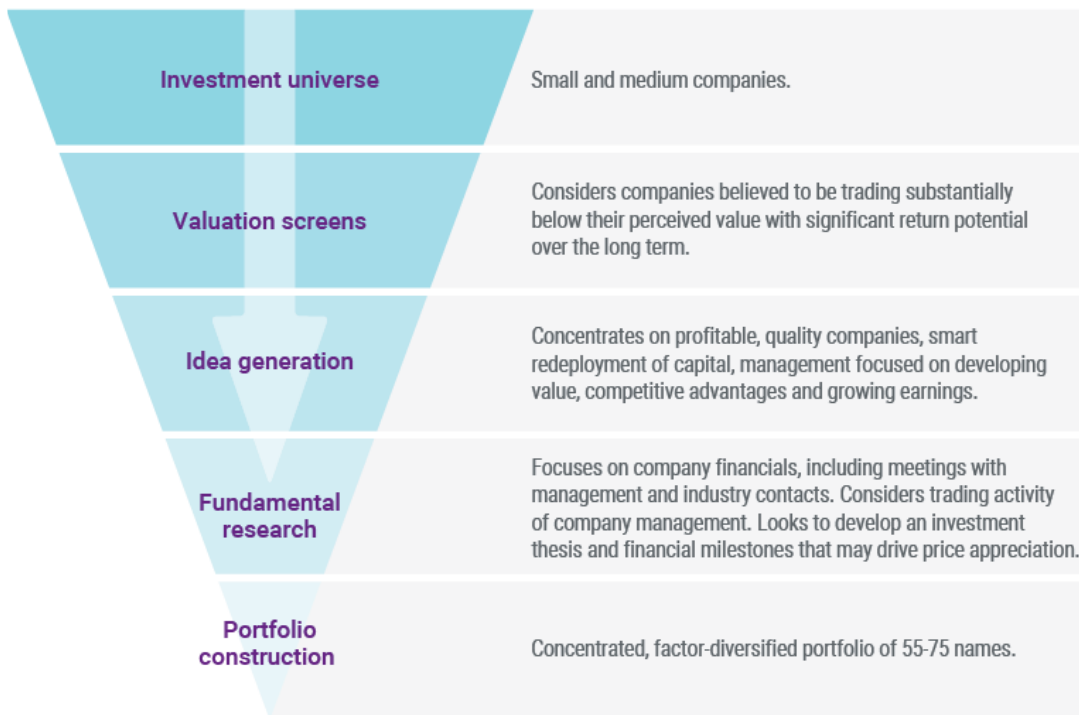
The investment team does intensive financial analysis with an emphasis on balance sheets and cash flow metrics to determine intrinsic value and mispriced securities. Portfolio construction is driven by bottom-up fundamental analysis, but each investment is considered in the context of the broader macroeconomic 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 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.

Disciplined investment process



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 or call 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.

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