

WCM Focused Small Cap Fund

A high active share, concentrated small cap equity fund

Portfolio highlights

- An active small cap growth fund built on a strong bottom-up fundamental research framework.
- Three part investment focus seeks companies with durable competitive advantages, stakeholder-friendly management, all while trading at a discount to intrinsic value.
- Primary goal is to generate long-term, sustainable excess returns for clients through a culture of innovation, close alignment of employee incentives, and a flat power structure that fosters meritocracy and debate.

Portfolio applications

For investors seeking a high active share, concentrated small cap equity fund.

As an alpha generating small cap position based on strong bottom-up fundamental analysis.

For investors looking to add a seasoned management team with the ability to capture not only upside market potential but also protect on the downside.



ABOUT THE FUND

Objective

Seeks long-term capital appreciation

Portfolio managers

Jon Detter
Pat McGee
Anthony Glickhouse

Inception date

10/30/19

Share classes

Institutional	WCMFX
Investor	WCMJX

Benchmark¹

Russell 2000[®] Index

Expense ratios (gross/net)²

WCMFX	1.64%	1.25%
WCMJX	1.89%	1.50%

¹ Russell 2000[®] Index is an unmanaged index that measures the performance of the small-cap segment of the US equity universe.

² 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 8/31/21. When an expense cap has not been exceeded, the gross and net expense ratios and/or yields may be the same.

Philosophy, process, and risk management

WCM uses a bottom-up approach that seeks to identify small cap companies with strong barriers to entry and attractive fundamentals. The managers seek to partner with smart capital allocators (company management) who create strong cultures, and protect/prolong the period of competitive advantage. Above-average returns can only be achieved by structuring portfolios distinct from market indices. As a result, the fund typically holds between 25-40 companies, concentrated around the managers' best ideas. Initial position size will range from 1-2% and full position size will range from 3-6% with weightings based on assessment of valuation and quality.

Buy Discipline – A stock will be bought if:

- Competitive advantages are derived from strong barriers to entry:
 - Economies of scale, customer captivity, production-related (e.g. location, process, technology), and regulatory (e.g. patents, trade secrets, zoning)
- Partner with strong, stakeholder-friendly management teams that make smart capital allocation decisions and create healthy organizations and cultures
- Strong results in businesses can be categorized by:
 - Sustained high ROIC's¹, consistent growth in FCF², stable to growing market share
- The team seeks to buy at ~75% and sell at ~125% of intrinsic value estimate
- Unanimous consent amongst portfolio managers

Sell Discipline – A stock will be sold if:

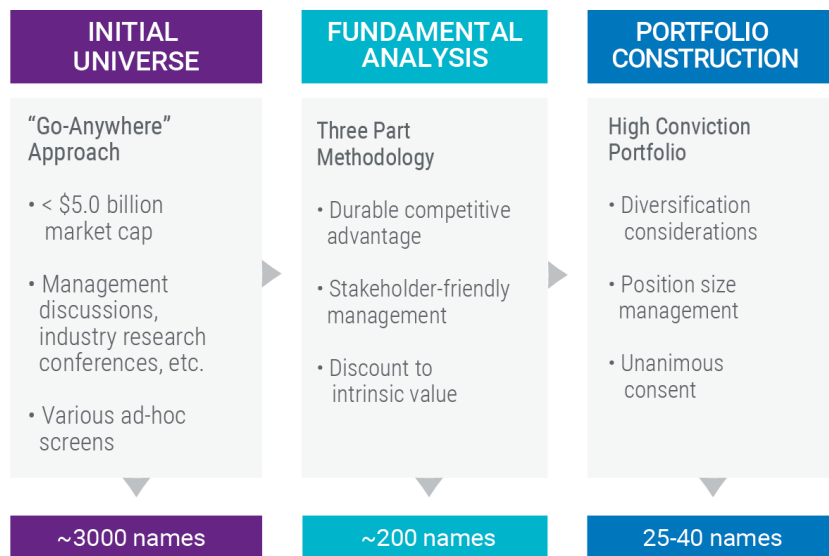
- Based on the team's fundamental framework, should any of the original fundamental arguments change, this would be cause for concern, trimming, or full removal
- A more attractive risk/adjusted growth opportunity presents itself

Risk Management

- Risk control is systematic and built into every aspect of the WCM process with a focus on high-quality, small cap businesses exhibiting improving competitive advantages and trading at reasonable valuations and well-defined sell discipline.



WCM Investment Management is a global growth equity specialist that focuses on competitive advantages and culture to seek long-term excess returns and try to mitigate downside risk.



1 Return on Invested Capital (ROIC) is a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.
 2 Free Cash Flow (FCF) represents the cash a company generates after cash outflows to support operations and maintain its capital assets.

RISKS: **Smaller company** investments can be more volatile than those of larger companies. **Equity securities** are volatile and can decline significantly in response to broad market and economic conditions. **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.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Visit www.wcminvestfunds.com, 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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