

# WCM Small Cap Growth Fund

## An active small cap growth fund

### Portfolio highlights

- An active small cap growth fund built on a strong bottom-up fundamental research framework
- Managers believe that growth is an increase in a company's investment base, which generates cash flows and allows for reinvestment opportunities throughout the growth life cycle.
- A high conviction portfolio made up of 55-75 names diversified across the growth life cycle.
- 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 small cap growth equity fund.

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

Diversification factors include traditional sector and industry as well as across the different stages of the growth life cycle.



### ABOUT THE FUND

#### Objective

Seeks long-term capital appreciation

#### Portfolio managers

John Rackers  
Chad Hoffman

#### Inception date

10/30/19

#### Share classes

Institutional	WCMLX
Investor	WCMNX

#### Benchmark<sup>1</sup>

Russell 2000<sup>®</sup> Index

#### Expense ratios (gross/net)<sup>2</sup>

WCMLX	9.85%	1.25%
WCMNX	10.10%	1.50%

<sup>1</sup> Russell 2000<sup>®</sup> Index is an unmanaged index that measures the performance of the small-cap segment of the US equity universe. Indexes do not incur fees, and include reinvestment of dividends and interest income, if any. It is not possible to invest in an index.

<sup>2</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 8/31/30. 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

### Capital Allocators

- The team seeks to evaluate management's ability to allocate capital and expand the company's balance sheet, in addition to the reinvestment opportunities for the capital being produced

### Emerging or Expanding Moats

- Seek companies with emerging or expanding moats, as these moats improve cash flow return on invested capital (CFROI) and increase the spread over the cost of capital

### Growth Life Cycle

- The team diversifies the portfolio across all stages of the growth life cycle

Buy Discipline – A stock will be bought if:

- Inclusive screening that highlight companies with the desired attributes, within the above listed market cap range
- Create inclusive universe-screened heat map monitoring
- Fundamental analysis focuses on the balance sheet
- Healthy tailwind
- Attractive valuation

Sell Discipline – A stock will be sold if:

- Current holdings must meet the same standards as new buys
- Rigorous approach to balance sheet analysis and intrinsic value
- Original investment thesis breaks down
- Disruption to the competitive landscape
- Portfolio construction considerations

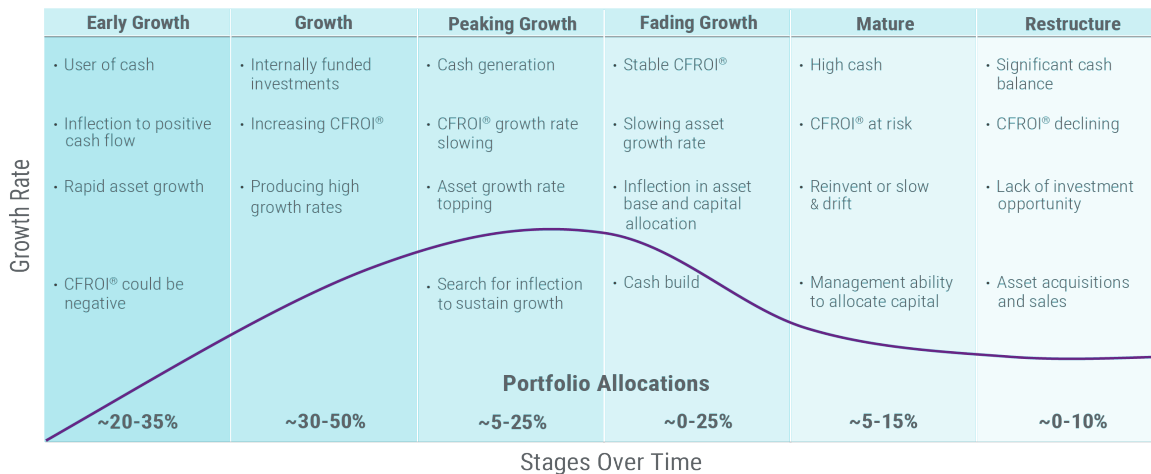
### Risk Management

- Margin of safety analysis, stress testing, and multiple levels of diversification to mitigate risk



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.

## Growth Life Cycle



**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.

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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1 Cash Flow Return on Investment (CFROI) is a valuation metric that acts as a proxy for a company's economic return.

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