

# GLOBAL EQUITY SMID FUND



## March 2025 Fact Sheet

This report is for the unlisted and quoted class of units in the Vaughan Nelson Global Equity SMID Fund ('Fund')

- Vaughan Nelson Global Equity SMID Fund is the unlisted class of units
- Vaughan Nelson Global Equity SMID Fund (Active ETF) is the quoted class of units (ASX: VNGS)

## Strategy Highlights

**Best ideas portfolio** - Based on deep fundamental research, our team has high conviction in the companies selected for this portfolio.

**Focus on targeted return** - Built on investments we have identified with the ability, in our view, to generate attractive returns over the longer-term.

**We trade time for value** - Exploits short-term volatility and poor short-term price discovery due to the fund's longer time horizon.

**SMID cap expertise** - Managed by a global team with deep research expertise and strong capital allocation track record.

## Objective

The Fund aims to outperform its MSCI ACWI SMID Cap Index benchmark (after fees and expenses and before taxes) on a rolling five-year basis.

## Global Equity SMID Fund Performance as at March 31, 2025

Total Return	1 month	3 month	6 month	1 Year	2 Year	Since inception <sup>1</sup>
Fund	-2.6%	-2.0%	4.8%	1.1%	9.6%	8.2%
Active ETF	-2.6%	-2.0%	4.7%	1.1%	9.5%	8.1%
MSCI ACWI SMID Cap Net Index	-3.1%	-2.3%	5.7%	6.5%	13.0%	10.9%

<sup>1</sup>Since inception returns calculated from 31 May 2022. Fund returns are calculated using the net asset value per unit at the start and end of the relevant period in AUD, net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not a reliable indicator of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments.

## Fund Facts

Assets	\$71 M
Investment Horizon	4-5 years
Distributions	Generally annually
Management fee*	1.12%
Performance fee	N/A
Inception date	1 June 2022

\*Inclusive of the net effect of GST

## Global Equity SMID Fund

APIR	IML1199AU
Application price	1.2519
Redemption price	1.2481

## Global Equity SMID Fund (Active ETF)

APIR	IML9286AU
ASX ticker	VNGS
NAV	3.1199

## Global Equity SMID Strategy Performance as at March 31, 2025

The investment strategy of the Fund has been designed to replicate that of the Vaughan Nelson Global SMID Strategy which is a separate investment vehicle offered to qualified investors by the Fund Manager, Vaughan Nelson Investment Management, L.P. Given the Fund is new, the table below summarises the recent performance of the Strategy, which may be a useful reference point for the Fund. However, you should be aware that the Fund itself is new and has limited performance history – the past performance information below is NOT the past performance of the Fund. Past performance is not a reliable indicator of future performance.

Total Return	1 month	3 months	6 months	1 year	2 years <sup>^</sup>	3 years <sup>^</sup>	4 years <sup>^</sup>	Since inception <sup>^1</sup>
Global SMID Strategy	-2.7%	-2.0%	4.9%	1.1%	9.8%	6.9%	7.3%	13.0%
MSCI ACWI SMID Cap Net Index	-3.1%	-2.3%	5.7%	6.5%	13.0%	9.1%	7.5%	11.7%

<sup>^</sup>% Performance per annum. <sup>1</sup>Since inception returns calculated from 30 June 2020. Fund returns are calculated using the net asset value per unit at the start and end of the relevant period in AUD, net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not a reliable indicator of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments.

Quarterly Manager Commentary

Market Overview

The portfolio produced an absolute return of -2.0% and outperformed the MSCI ACWI SMID Cap Index by 0.3% during the quarter. The performance of global equity markets diverged in the first quarter, with a selloff in U.S. markets, while equity markets outside the U.S. generally produced positive returns, with markets in Europe, Japan and South America showing the most strength. The U.S. market was pressured by declining global liquidity, outflows of capital being repatriated by foreign investors and negative sentiment around the U.S. administration’s focus on reducing federal spending and increasing revenues through tariffs. We see it as likely that capital controls and fiscal policy expansion outside of the U.S. will continue to drive foreign investors to repatriate capital away from the U.S. This dynamic should be a positive for liquidity outside the U.S., however, the impact on local equity prices within specific markets may vary widely. We expect U.S. markets to remain volatile until the back half of the year, when we have resolution around future U.S. tax rates and trade policies, which will provide the visibility needed for private sector investment to increase and for economic growth to improve.

Fund Commentary

During the quarter, through a combination of market action and trading, we decreased our portfolio weightings in Canada, the United States, Taiwan, Brazil, Norway, Denmark, Belgium, and Sweden, while increasing our weightings in Germany, Italy, Austria, Argentina, Mexico, Ireland, and Australia. At the sector level, weightings in Information Technology, Consumer Discretionary, Energy, Financials, and Materials decreased, while our weightings in Utilities, Communication Services, Industrials, Real Estate, and Consumer Staples increased. Consistent with our process, these country and sector level changes were the result of decisions made at the individual holding level, to shift capital to where we see the most attractive asymmetric payoff profiles. We continue to find attractive investment opportunities across global markets and have a portfolio that is well balanced across industries, currencies and geographies. During the quarter, we used the recent market volatility to selectively start new positions and add to existing positions we believe have a compelling long-term upside.

Fund Research & Ratings

Lonsec*	Recommended
Zenith	Recommended
Genium	Recommended
IIR (Active ETF only)	

\*Visit [lonsec.com.au/logo-disclosure](https://lonsec.com.au/logo-disclosure) for important information about this rating

Platform Access

AMP North | BT Panorama | Hub24 | Macquarie Wrap | Mason  
Stevens | Netwealth | Praemium

About Vaughan Nelson

Founded in 1970 with a Houston-based HQ, today we manage US \$17.8 billion, as at 31 December 2024, of equity and fixed income portfolios for non-profit, public and corporate plans and individuals. Our investment process focuses on targeted returns designed to help our clients meet their future obligations. Vaughan Nelson is an affiliate of global asset management company Natixis Investment Managers.

# GLOBAL EQUITY SMID FUND



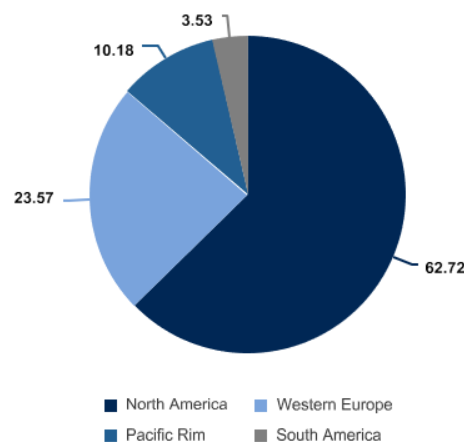
## Portfolio Data

as at March 31, 2025

Top 10 Holdings	Country	Sector	% of Portfolio
Brown & Brown Inc	United States	Financials	4.11
AutoZone Inc	United States	Consumer Discretionary	3.21
Element Solutions Inc	United States	Materials	3.15
Wise PLC	United Kingdom	Financials	2.75
MonotaRO Co Ltd	Japan	Industrials	2.55
Selective Insurance Group Inc	United States	Financials	2.49
Scout24 SE	Germany	Communication Services	2.40
Embraer SA	Brazil	Industrials	2.26
Internet Initiative Japan Inc	Japan	Communication Services	2.25
JTC PLC	Jersey	Financials	2.25

Excludes cash of 5.65%

## Fund Geographic Weightings (%)



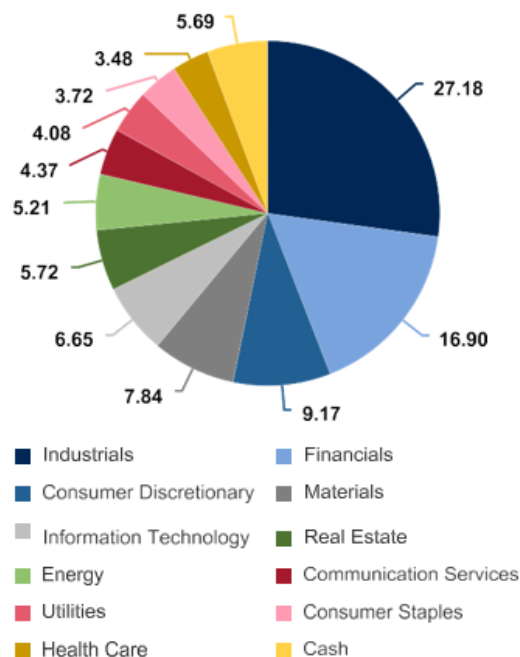
Excludes cash of 5.69%.

## Portfolio Changes\*

New Holdings	BWX Technologies, Inc., Deutsche Post AG, Erste Group Bank AG, GXO Logistics Inc, Gildan Activewear Inc., SEGRO plc, Scout24 SE, Snam S.p.A., Spire Inc., Tradeweb Markets, Inc. Class A, Westinghouse Air Brake Technologies Corporation, YPF SA sponsored ADR Class D
Exited Holdings	Accton Technology Corp., Aker BP ASA, Alamo Group Inc., Carnival Corporation, D'Ieteren Group SA/NV, Dometic Group AB, Fabrinet, Intermediate Capital Group plc, Nu Holdings Ltd. Class A, Oshkosh Corp, Saia, Inc., TFI International Inc.

\*30 day lag on portfolio changes

## Fund Sector Weightings (%)



Portfolio Characteristics	Fund	Index
Number of Holdings	57	7,343
Wtd. Avg. Mkt. Cap (\$B)	23.57	20.41
Price/Book	2.72	1.82
Price/Cash Flow	11.06	11.72
P/E NTM	16.83	14.26
ROA (%)	8.11	5.99
ROE (%)	17.89	13.25
Dividend Yield (%)	1.41	2.20
Net Debt/Equity	0.67	0.52



VaughanNelson.com.au



clientsupport@vaughannelson.com.au



1300 219 207

**Disclaimer:** This publication (the material) has been prepared and distributed by Natixis Investment Managers Australia Pty Limited AFSL 246830 for the Vaughan Nelson Global Equity SMID Fund (the "Fund") and may include information provided by third parties. The information in this report is provided for general information purposes only and does not take into account the investment objectives, financial situation or needs of any person. Investors Mutual Limited AFSL 229988 is the responsible entity of the unquoted and quoted class units of the Fund. Vaughan Nelson Investment Management, L.P. is the investment manager. This information should not be relied upon in determining whether to invest or continue to invest in the Fund and is not a recommendation to buy, sell or hold any financial product, security or other instrument. In deciding whether to acquire or continue to hold an investment in the Fund, an investor should consider the current PDS and Target Market Determination for the appropriate class of the Fund, available on the website [www.VaughanNelson.com.au](http://www.VaughanNelson.com.au) or by contacting us on 1300 219 207. Past performance is not a reliable indicator of future performance. There is no guarantee the performance of the Fund or any particular rate of return. It may not be reproduced, distributed or published, in whole or in part, without the prior written consent of Natixis Investment Managers Australia Pty Limited and IML.