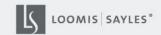


Natixis/Loomis Sayles Intermediate Duration Fixed Income Strategy



QUARTERLY PORTFOLIO COMMENTARY

Q4 | December 31, 2023

Fixed income markets performed positively in the fourth quarter, as the Fed confirmed a pause in rate rises, inflation continued to moderate, and the US economy hit its longest streak of unemployment below 4% since the Vietnam war. As a potential soft landing came into focus, investor optimism buoyed risk assets across equity and fixed income. Annual US inflation declined to 3.1% in November from 3.7% in August. Unemployment remained steady at 3.7% in December, up slightly from September levels. United States GDP rose by an annual rate of 4.9% in the third quarter of 2023, up significantly from 2.1% in the second quarter of 2023.

Fixed income markets experienced a very slight steepening of the US Treasury yield curve, with the 10-year rate falling 69 basis points versus the 30-year falling 67 basis points during the quarter. The Bloomberg US Aggregate Index rose by +6.8% during the quarter, lifted up by longer-term bonds and investment grade credit. The 10+ year group rose by +11.9%, compared to an increase of +2.7% in the 1–3 year group. Investment grade credit rose by +8.5%, compared to +5.7% for US Treasuries. Overall, securitized assets rose by +7.3%, with US MBS up +7.5% and ABS increasing +3.5%. Lower quality credit tended to outperform; BBB rose +8.8%, compared to a +4.7% return for AAA.

The Natixis/Loomis Intermediate Duration Fixed Income Strategy rose in value and slightly underperformed the Bloomberg Intermediate US Government Credit Index gross and net of fees. Relative underperformance was driven by security selection, while sector allocation was positive. Securities held in investment grade credit were the largest detractors. An overweight to investment grade credit was the most significant contributor.

Year to date, the strategy rose in value and slightly underperformed the benchmark gross and net of fees. Relative underperformance was driven by negative security selection that was almost entirely offset by positive sector allocation. Investments selected in investment grade credit were the largest detractor during the year. From a sector allocation perspective, an overweight to investment grade credit and an underweight to US Treasuries were the most notable contributors to relative performance.

Investors remain focused on monetary policy and the trajectory of economic growth. While economic data and investor sentiment has improved significantly, recessionary risks remain. Geopolitical and macroeconomic risks may continue to drive market volatility and dispersion as multiple active wars, election years, and other potential conflicts play out over 2024. We continue to believe that active fundamental research combined with investment discipline provides an attractive way to navigate an uncertain and reactionary market environment.



Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future

results. The commentary reflects the opinions of the commentators as of the date indicated. This commentary is a service provided to customers of Natixis Advisors, LLC ("Natixis Advisors") for informational purposes. We believe the information contained in this commentary is reliable, but do not guarantee its accuracy. This economic overview is provided for informational purposes only and is not meant as investment advice. Reference to specific securities or industries should not be considered recommendations or advice for individual investors. The reader should not assume that an investment in these securities was or will be profitable. A complete list of all past recommendations made within the immediately preceding 12-month period is available upon request. There is no assurance that any predictions or projections will occur. This material is dated as indicated, and opinions and viewpoints may change as economic conditions change.

Investment Risks: All securities are subject to risk, including possible loss of principal. Please read the risks associated with each investment prior to investing. Detailed discussions of each investment's risks are included in Part 2A of each firm's respective Form ADV. The investments highlighted in this commentary may be subject to certain additional risks.

Definitions

The S&P 500® Index is an unmanaged index of US common stocks frequently used as a measure of stock market performance. The Bloomberg US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. The Bloomberg US Aggregate Bond Index rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the US Universal Index, which includes high yield and emerging markets debt. The Bloomberg US Aggregate Bond Index was created in 1986, with index history backfilled to January 1, 1976. The Bloomberg Intermediate Government/Credit Index includes securities in the intermediate maturity range within the Government and Credit Indices. The Government Index includes Treasuries (i.e., public obligations of the US Treasury that have remaining maturities of more than one year) and Agencies (i.e., publicly issued debt of US government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the US government). The Credit Index includes publicly issued US corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. Indexes are referred to for comparative purposes only and are not necessarily intended to parallel the risk or investment approach of the accounts included in the composites or the accounts managed by Natixis Advisors. Indexes are unmanaged and not available for direct investment.

This document may contain references to third party copyrights, indexes, and trademarks, each of which is the property of its respective owner. Such owner is not affiliated with Natixis Investment Managers or any of its related or affiliated companies (collectively "Natixis") and does not sponsor, endorse or participate in the provision of any Natixis services, funds or other financial products.

The index information contained herein is derived from third parties and is provided on an "as is" basis. The user of this information assumes the entire risk of use of this information. Each of the third party entities involved in compiling, computing or creating index information disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to such information.

Actual holdings in client accounts may vary from the model portfolio. Natixis Advisors will combine the investment recommendations from the subadvisor with the ability to customize and tailor individual portfolios to meet clients' specific needs, such as cash flows, tax issues and other needs. These recommendations will typically mirror those implemented by the subadvisor for its discretionary client portfolios, subject to differences relating to client guidelines, account size, tax needs and other factors. Portfolio transactions will be effected either by Natixis Advisors or the model portfolio provider. When effected by the model portfolio provider, transactions will be aggregated with those of its other clients, in an effort to seek best overall execution. Significant dispersion may occur among the holdings and performance of the model portfolio, the client accounts managed by Natixis Advisors using the model portfolio, and the accounts managed by the model portfolio provider on a discretionary basis included in the institutional composite for a variety of reasons. Such reasons include differing account sizes, differing cash flows, the timing and terms of execution of trades, individual client needs, and differing tax situations. The holdings, characteristics and performance of your portfolio may be different from the holdings, characteristics and performance information presented here in this report. For more complete information, please see Part II of Natixis Advisors' Form ADV.

Natixis Advisors, LLC provides discretionary advisory services through its division Natixis Investment Managers Solutions. Discretionary advisory services are generally provided with the assistance of model portfolio providers, some of which are affiliates of Natixis Investment Managers, LLC.

Natixis Distribution, LLC is a limited purpose broker-dealer and the distributor of various registered investment companies for which advisory services are provided by affiliates of Natixis Investment Managers. Natixis Distribution, LLC and Loomis, Sayles & Company, L.P. are affiliated.

Natixis Distribution, LLC and Natixis Advisors, LLC are located at 888 Boylston Street, Suite 800, Boston, MA 02199-8197. 800-862-4863. im.natixis.com

1325805.34.1 Exp. 5/15/24 P-NLSID03-1223