

Investment Committee Overview



The Natixis Investment Managers Solutions Investment Committee was established in 2015 to provide asset allocation guidance for our portfolio consultation clients. The Committee also develops capital market views and allocation recommendations for the firm's tactical model portfolios, and uses its assumptions to manage the proprietary Clarity Partners Global Moderate Portfolio.

The 10 members of the Investment Committee average 15 years of investment industry experience. They have wide-ranging expertise in multi-asset allocation and hold a variety of financial credentials including CFA®, CAIA, CIPM and FRM®. Many are consultants and analysts whose opinions may reflect insights gained from their interactions with financial advisors. Others bring experience with institutional and high net worth clients as well as investment strategy research and portfolio management.

The Committee's diversity of backgrounds assures lively and well-informed discussions related to the economic, market, and corporate environment. Members review data from multiple angles, gleaning various insights and challenging consensus views. Equity and Fixed Income subcommittees meet weekly, evaluating macro, fundamental, and valuation data to establish their recommended allocations. The full Committee meets weekly and votes monthly, with the highest conviction views submitted to the model portfolio management teams.

Active allocation recommendations

The Investment Committee's objective is to produce stronger risk-adjusted returns than the average professionally managed moderate risk profile portfolio, over both strategic and tactical time horizons. Strategic assumptions cover a 12–18 month horizon and form the foundation of our hybrid model portfolio series. Shorter-term tactical recommendations use a three- to six-month outlook reflected in the portfolios' tactical tilts.

Natixis Investment Managers Solutions

Provides design, development, and execution of portfolio strategies tailored to specific investment objectives and unique portfolio constraints. Multi-Asset Portfolio offerings include core, completion, and thematic model portfolios, multi-asset mandates capabilities, and target date funds.

More than 20 years of multi-asset portfolio experience

\$58 billion in multi-asset portfolio assets under administration¹

Themes and examples: tactical tilt

In model portfolios with a tactical tilt component, Investment Committee views are generally implemented using ETFs. This example from December 2022 focuses on actions taken as inflation moderated and equities formed a bottom.

| Example of tactical tilt analysis and action | |
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| Macro backdrop | <ul style="list-style-type: none"> • An inflation surge in 2022 prompted aggressive US Federal Reserve interest rate hikes. • As the Federal Reserve hiked, interest rates exploded higher across the curve and equities sold off. • After a series of large interest rate hikes, inflation peaked and equities formed a bottom in late 2022. |
| Investment implications | <ul style="list-style-type: none"> • Cyclical areas of the market tied to economic growth and interest rates sold off aggressively in 2022. • These beaten down areas of the market could provide strong upside as inflation and interest rate headwinds ebbed. • Consumer demand remained strong, providing support for cyclical equities and pushing recession forecasts further out. |
| Risks to this view | <ul style="list-style-type: none"> • Inflation picks up again and the Federal Reserve is forced to resume hiking rates aggressively. • Economic growth begins to slow considerably and recession fears increase. |
| Action | <ul style="list-style-type: none"> • To take advantage of this asymmetric risk/reward opportunity, position the portfolio toward higher beta, cyclical sectors. |
| Outcome | <ul style="list-style-type: none"> • As subsequent inflation releases undershot estimates, interest rate volatility declined and the equity rally kicked into gear. • Beaten down cyclical sectors rallied strongly as tail risks of sticky inflation and low growth subsided. |

In the context of portfolio construction, the Investment Committee’s tactical asset class views complement the suite of Natixis active managers. The portfolio management team prefers high conviction active managers with strong fundamental investment processes. Tactical portfolio views are expressed through the use of ETFs, while strategic views are expressed through active managers. This combination gives Natixis model portfolios the opportunity to outperform over both short and long time horizons through tactical positioning and fundamental security selection.

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1 Assets under Administration may include assets for which non-Regulatory AUM services are provided. Non-Regulatory AUM includes assets which do not fall within the SEC’s definition of Regulatory AUM in Form ADV, Part 1. As of September 30, 2023.

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

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