SOLUTIONS

Natixis Risk-Efficient Model Portfolios

Quarterly Update – 3/31/2025

First Quarter 2025 Review

After a mixed fourth quarter for both equities and fixed income, domestic equities took a hit as market volatility continued due to growing uncertainty around policy and tariff announcements. Initial US market reaction up to Trump's inauguration was strong, reaching new all-time highs in mid-February, but fizzled out after a slew of executive orders commenced and tariff rumors began to ring out.. Further worries about these inflationary policies drove Treasurys higher, which led to domestic equities wiping out their entire post-election gains in March. Retreats from US allocations within equity moved into international plays, where both equity and fixed income exposures outperformed. Even with the retreat in US equities and a hot print on January CPI data, guidance from the US Federal Reserve around rates remained unchanged for the quarter, staying in their planned "hawkish" approach. Heading into the second quarter, this will be a focal point as probabilities for more cuts moved further out of favor, given mixed economic numbers and a decline in consumer confidence in the first quarter. A firmer-than-expected stance by Trump on tariffs could also see these recent trends continue, along with the potential to prolong inflationary impacts.

- The S&P 500® Index was down in the first quarter, returning -4.27%. Small-cap stocks (as measured by the Russell 2000 Index) were negative, down -9.48%.
- Internationally, the MSCI EAFE Index and MSCI Emerging Markets Index returned 6.86% and 2.93%, respectively.
- Interest rates fell during the quarter, with the 10-Year US Treasury yield moving -36 basis points, from 4.59% to 4.23%.
- The Bloomberg US Aggregate Bond Index finished in positive territory, up 2.78% for the quarter, while the Bloomberg US Corporate Investment Grade Index returned 2.31%.
- Return-seeking fixed income was slightly positive with the Bloomberg US Corporate High Yield Index returning 1.00% for the quarter.
- Global fixed income was positive as the Bloomberg Global Aggregate Bond Index increased 2.64% for the quarter.
- In liquid alternatives, the Wilshire Liquid Alternatives Index was up 0.76% for the quarter.

Performance Review

- For the first quarter of 2025, the Growth, Moderate and Conservative portfolios underperformed their benchmarks.
- Style and manager selection were the main detractors from excess returns across Growth, Moderate and Conservative.
- Asset allocation was neutral where underweights to US investment grade offset losses impacted by an overweight to US equity and underweights to international developed equity.
- Style selection hurt due to short maturity US Treasury and Japanese equity exposures.
- Manager selection was negative where underperforming selections in liquid alternatives, namely Virtus Managed Futures and Gateway funds, detracted the most from relative returns

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Trade Review

- The Conservative through Growth models performed four sets of trades in the quarter.
  - On February 6, the models liquidated their Transportation holdings, along with their Europe and Emerging Markets Asia equity allocations. They also reduced their overall equity exposure, shifting to a slight overweight position relative to the benchmark in equity.
  - On February 25, the models performed their strategic rebalance, moving all ETFs and mutual funds closer in line with their annual targets. The models also moved to an underweight equity position.
  - On March 4, the models liquidated their Latin America equity exposure, while also moving further underweight equity.
  - On March 24, the models took on a tactical position in high-beta US equity, while also decreasing their underweight to equity.

Current Positioning

- The models are underweight total equity, relative to the benchmark, while keeping an overweight to domestic large-cap equity. Domestic small-/mid-cap equity is neutral to the benchmark, while international developed and emerging markets equity is underweight.
- In fixed income, the models are overweight US investment-grade fixed income and emerging markets USD debt. Within the US investment-grade fixed income sleeve, there is an overweight to US Treasurys.
- The models are slightly overweight duration at the portfolio level, with tactical exposure concentrated in intermediate- and short-maturity US Treasuries.
- While growth is slowly moderating, it is doing so from a high level while consumption is showing signs of retreating. Employment remained stabilized through the quarter, yielding slightly positive trends in forecasts for the remainder of the year.
- Inflation data was mixed as a hot print in January put a small damper on a disinflationary trend in Q4 2024. Further tariff implementations from the Trump administration run the risk of prolonging an inflationary cycle.
- The models are positioned for global bearish trends that are forming around tariffs and the potential for a domestic inflationary environment to continue. Opportunities could continue to present themselves if negative sentiments become oversold or priced in.
- With high yield and investment-grade corporate spreads near cycle tights, the models are positioned in US Treasurys to capture relative value and maintain high quality.

Natixis Risk-Efficient Portfolios – Composite Performance Overview

Average Annualized Total Returns†% (as of 3/31/2025)	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*
Conservative Portfolio (Gross)	0.61	0.61	3.94	2.80	5.31	3.02	4.32
Conservative Portfolio (Net)	-0.14	-0.14	0.88	-0.24	2.21	-0.02	1.24
Benchmark	1.10	1.10	5.27	3.01	5.69	4.62	5.39
Moderate Portfolio (Gross)	-0.23	-0.23	3.56	3.99	8.22	4.91	6.29
Moderate Portfolio (Net)	-0.98	-0.98	0.50	0.92	5.04	1.81	3.16
Benchmark	0.40	0.40	5.67	4.11	8.54	6.01	7.03
Growth Portfolio (Gross)	-0.79	-0.79	3.03	4.40	9.83	5.76	7.38
Growth Portfolio (Net)	-1.54	-1.54	-0.02	1.32	6.60	2.64	4.22
Benchmark	0.05	0.05	5.86	4.65	10.71	7.01	8.36

*Since inception performance for the Conservative, Moderate, and Growth composites is based on the portfolio's first full month of performance beginning 01/01/2012 and the inception date is 12/15/2011.

Performance data shown represents past performance and is not guarantee of future results. Returns annualized for periods greater than one year. The net performance is net of the expenses of underlying mutual fund and ETF holdings as well as a maximum annual fee of 3% that is applied prorated at month end. The Gross performance is net of the expenses of underlying mutual fund and ETF holdings and does not include advisory, overlay, platform, investment management fees, investment advisory fees, custody fees or deductions for income taxes. The composite performance results shown for each model represent the performance of one fully discretionary, unconstrained, proprietary separate account managed by Natixis Advisors, LLC in accordance with the model. This account originally funded the model portfolios and is being used to maintain the performance track record. Performance reflects the reinvestment of dividends and other earnings. The returns shown include reinvestment of dividends, capital gains, income and/or earnings distributed from the underlying holdings.

Natixis established seed accounts and the accounts were charged commissions for certain trades, thus lowering portfolio returns compared to calculating performance based on an asset-based (bundled) fee that is charged for Risk-Efficient model portfolios which impacted the Growth and Moderate sleeves. The higher commission trading fees for seed accounts has been replaced with an asset-based (bundled) fee arrangement when calculating pure gross returns, and net-of-fee returns are reduced by the model bundled fee 3%.

† Performance for periods less than one year is cumulative, not annualized. Returns are considered to be composite and are subject to change.

The allocations are approximate and may not total 100 percent. For information on benchmark compositions pleaser refer to the disclosure at the end of this presentation.

Individual client portfolio results managed by third party advisors may differ depending on a number of factors including, but not limited to, fees assessed by the third party advisor, advisor's discretion in implementing the investment strategy, timing of cash flows, and account level investment restrictions.

The returns for the portfolio were obtained during a period of fluctuating interest rates, bond prices, and stock prices, and should not be considered representative of the returns you could expect to realize from any future investment in the portfolio. The underlying holdings contained in, or the investment strategies followed with respect to the portfolio may have changed materially during the time period portrayed and may not relate to the type of securities or advisory services currently offered. As market conditions can fluctuate suddenly and frequently the portfolio holdings and investment mix may change which can result in an investor's performance deviating from the performance portrayed.

It is not possible to invest directly in an index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

Source: Natixis Investment Managers Solutions and FactSet.

Additional Information

As of 3/3/25, the equity portion of the Natixis Risk Efficient Model Portfolios blended benchmark changed from the MSCI All Country World® Index to the MSCI All Country World Model IMI® Index. The fixed income portion's benchmark, the Bloomberg U.S. Aggregate Bond® Index remains unchanged.

The holdings, characteristics and performance of individual client portfolios may be different from the holdings, characteristics and performance information presented in this report. As the portfolio is actively managed, its portfolio holdings are subject to change. At any date any particular account may include securities not held in the model portfolio. The individual client portfolios account performance is likely to differ from the performance shown for a variety of reasons, including but not limited to: the client's investment manager, and not Natixis Advisors, LLC, is responsible for implementing trades in Program accounts; differences in market conditions; client-imposed investment restrictions; the timing of client investments and withdrawals; fees payable by Risk-Efficient Portfolios accounts; and/or other factors.

The views and opinions expressed may change based on market and other conditions. This material is for informational purposes only. It does not provide individually tailored investment advice and should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It has been prepared without regard to the individual financial circumstances and objectives of a specific investor, and the strategies discussed herein are not appropriate for all investors. It is the responsibility of each Financial Advisor to make recommendations that they believe are in the best interest of each of their clients, based on his/her investment objectives, financial situation, risk tolerance and investment time horizon.

Benchmark Compositions: The Conservative Benchmark is composed of 34% MSCI All Country World Model IMI® Index / 51% Bloomberg U.S. Aggregate Bond® Index / 15% Wilshire Liquid Index. The Moderate Benchmark is composed of 51% MSCI All Country World Model IMI® Index / 34% Bloomberg U.S. Aggregate Bond® Index / 15% Wilshire Liquid Index. The Growth Benchmark is composed of 59.5% MSCI All Country World Model IMI® Index / 25.5% Bloomberg U.S. Aggregate Bond® Index / 15% Wilshire Liquid Index. Index returns are presented as a general indicator of market performance during the periods depicted. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. The index composition may not reflect the manner in which the portfolio is constructed and portfolio characteristics including volatility, risk and return features may deviate from those of the benchmark.

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Definitions: The **MSCI All Country World Model IMI® Index (ACWI IMI)** is an international stock index that tracks the performance of companies from developed and emerging markets worldwide. **The Bloomberg U.S. Aggregate Bond® Index** is a broad-based index that covers the U.S.-dollar-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, government-related, corporate, mortgage-backed securities, asset-backed securities, and collateralized mortgage-backed securities sectors. The **Wilshire Liquid Alternative Index** measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. The Wilshire Liquid Alternative® Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index (WLIQAEH), Wilshire Liquid Alternative Global Macro Index (WLIQAGM), Wilshire Liquid Alternative Relative Value Index (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index(WLIQAMS), and Wilshire Liquid Alternative Event Driven Index (WLIQAED). The **FTSE 3-Month Treasury Bill Index** performance is an average of the last 3-Month Treasury Bill issues. 3-Month U.S. Treasury Bills are guaranteed by the U.S. government and provide a fixed rate of return when held to maturity. The Russell 3000® Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. You may not invest directly in an index.

Additional Information

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 the prospectus or offering document, which can be obtained from the fund family's website. There is no assurance that any investment will meet its performance objectives or that losses will be avoided. Diversification and asset allocation strategies do not guarantee a profit or protect against a loss. There is no guarantee that an underlying fund will distribute dividends.

The investments highlighted in this document may be subject to certain additional risks, including but not limited to: **Exchange-Traded Funds (ETFs)** trade like stocks, are subject to investment risk, and will fluctuate in market value. Unlike mutual funds, ETF shares are not individually redeemable directly with the Fund, and are bought and sold on the secondary market at market price, which may be higher or lower than the ETF's net asset value (NAV). Transactions in shares of ETFs will result in brokerage commissions, which will reduce returns. **Equity securities** are volatile and can decline significantly in response to broad market and economic conditions. **Leverage** can increase market exposure and magnify investment risk. **Futures and forward contracts**, like other derivatives, can involve a high degree of risk and may result in unlimited losses. Because they depend on the performance of an underlying asset, they can be highly volatile and are subject to market, credit, and counterparty risks. **Short exposures** using derivatives may present various risks. If the value of the asset, asset class or index on which the portfolio holds short investment exposure increases, the portfolio will incur a loss. **Foreign and emerging market securities** may be subject to higher volatility than US securities, due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Commodity-related investments**, including derivatives, may be affected by a number of factors including commodity prices, world events, import controls, and economic conditions and therefore may involve substantial risk of loss. **Currency exchange rates** between the US dollar and foreign currencies may cause the value of the portfolio's investments to decline. **Interest rate risk** is a major risk to all bondholders. As rates rise, existing bonds that offer a lower rate of return decline in value because newly issued bonds that pay higher rates are more attractive to investors. **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. **Investments in small and midsize companies** can be more volatile than those of larger companies. **Value investing** carries the risk that a security can continue to be undervalued by the market for long periods of time. **Growth stocks** may be more sensitive to market conditions than other equities as their prices strongly reflect future expectations. **Fixed income securities** may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity. **Mortgage-related and asset-backed securities** are subject to the risks of the mortgages and assets underlying the securities. Other related risks include prepayment risk, potentially resulting in the reinvestment of the prepaid amounts into securities with lower yields. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Inflation protected securities** move with the rate of inflation and carry the risk that in deflationary conditions (when inflation is negative) the value of the bond may decrease. **Floating rate loans** are often lower-quality debt securities and may involve greater risk of price changes and greater risk of default on interest and principal payments. **Options** may be used for hedging purposes, but also entail risks related to liquidity, market conditions and credit that may increase volatility. **Alternative investments** involve unique risks that may be different than those associated with traditional investments, including illiquidity and the potential for amplified losses or gains Investors should fully understand the risks associated with any investment prior to investing. **REITs Risk**: Investments in the real estate industry, including REITs, are particularly sensitive to economic downturns and are sensitive to factors such as changes in real estate values, property taxes and tax laws, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use and rents and the management skill and creditworthiness of the issuer.

Natixis Advisors, LLC ("Natixis Advisors") will act as investment adviser for the Risk-Efficient Model Portfolios. The Portfolios' marketing and sales support agent is Natixis Advisors. Natixis Advisors is a wholly-owned subsidiary of Natixis Investment Managers, LLC.

Natixis Advisors 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.

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