

Natixis Tactical Allocation Portfolios

Quarterly Commentary — 09/30/2025

Third Quarter 2025 Review

The third quarter of 2025 was defined by strong market performance across major global asset classes, despite lingering geopolitical tensions and evolving policy dynamics. The quarter began with continued fallout from President Trump's "Liberation Day" tariffs, which had sparked volatility earlier in the year but saw reduced headline impact as trade negotiations progressed. The Federal Reserve cut interest rates by 25 basis points in September, citing a softening labor market and moderating inflation, while markets priced in additional easing before year-end. US equities surged, with the S&P 500® and Nasdaq reaching record highs, driven by robust corporate earnings and sustained enthusiasm around artificial intelligence (AI). International equities also posted solid gains, supported by a weaker US dollar and easing trade frictions, particularly in Asia where Chinese and Japanese tech stocks rallied sharply. Fixed income markets also ended the quarter higher, as Treasury yields declined and credit spreads remained at cycle tights. Investment-grade bonds and high-yield corporates both delivered positive returns, while emerging market debt benefited from improving sentiment and favorable currency dynamics. Overall, Q3 2025 highlighted the market's ability to rally amid policy shifts and macro uncertainty, with investors embracing risk as more economic indicators remained resilient than not and AI-driven optimism continued to fuel asset prices.

- The S&P 500® Index was up for the quarter, returning 8.12%. Small-cap stocks (as measured by the Russell 2000 Index) were positive, up 12.39%.
- Internationally, the MSCI EAFE Index and MSCI Emerging Markets Index returned 4.77% and 10.64%, respectively.
- Interest rates fell during the quarter, with the 10-Year US Treasury yield moving -9 basis points, from 4.25% to 4.16%.
- The Bloomberg US Aggregate Bond Index finished in positive territory, up 2.03% for the quarter, while the Bloomberg US Corporate Investment Grade Index returned 2.60%.
- Return-seeking fixed income was positive, with the Bloomberg US Corporate High Yield Index returning 2.54% for the quarter.
- Global fixed income was positive, as the Bloomberg Global Aggregate Bond Index increased 0.60% for the quarter.
- In liquid alternatives, the Wilshire Liquid Alternatives Index was up 2.94% for the quarter.

Performance Review

- For the third quarter of 2025, the All-Equity through Conservative benchmarks underperformed (gross and net) their benchmarks.
- Manager selection was the main contributor to excess returns across the models.
- Asset allocation was slightly positive, where underweights to US investment-grade fixed income was additive.
- Style selection was negative due to strategic tilts to US large-cap value and tactical exposures to US minimum volatility and India equities.
- Manager selection was negative, where strategic picks within US and international developed equity hurt the most.

Natixis Tactical Allocation Portfolios

Trade Review

- The All-Equity through Conservative models performed three sets of trades in the quarter.
 - On July 31, the models at LPL transitioned all Oakmark-related funds' allocations from Investor to Advisor share classes.
 - On August 21, the models liquidated their tactical US technology exposure, which funded US minimum volatility. A tactical exposure to India equities was also initiated, funded out of broad emerging market equity.
 - On September 18, the US minimum volatility exposure was downsized, which funded broad emerging markets equity, bringing the models overweight to the asset class and underweight US equities.

Current Positioning

- The models are in-line total equity, relative to the benchmark, while underweight domestic large-cap equity. Domestic small-/mid-cap equity is neutral to the benchmark, while international developed is underweight and emerging markets overweight.
- In fixed income, the models are underweight US investment-grade fixed income and overweight emerging markets USD debt. Within the US investment-grade fixed income sleeve, there is an overweight to US Treasury securities.
- The models are underweight the benchmark on duration at the portfolio level, with tactical exposure concentrated in intermediate US Treasury securities.
- The models are positioned for trends forming around expectations of slowing growth, with the potential for a persistent inflationary environment domestically.

Additional information

This material is for informational purposes only. It does not provide individually tailored investment advice. 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 Professional 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. Unlike passive investments, there are no indexes that an active investment attempts to track or replicate. Thus, the ability of an active investment to achieve its objectives will depend on the effectiveness of the investment manager.

No strategy assures success or protects against loss. • Rebalancing may involve tax consequences. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. Asset allocation does not ensure a profit or protect against loss.

The investment strategies described herein are those of Natixis Advisors, LLC. These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these Natixis Advisors, LLC materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Advisor.

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 offering 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. 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: **Equity securities** are volatile and can decline significantly in response to broad market and economic conditions. **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. **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. **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. **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. **Exchange-Traded Funds (ETFs)** trade like stocks, are subject to investment risk, and will fluctuate in market value. **Growth stocks** may be more sensitive to market conditions than other equities, as their prices strongly reflect future expectations.

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.

Natixis Advisors, LLC will act as investment adviser for the Tactical Allocation Model Portfolios. The Portfolios' marketing and sales support agent is Natixis Advisors, LLC ("Natixis Advisors") and the distributor of the underlying affiliated fund components of the Portfolio is Natixis Distribution, LLC ("Natixis Distribution"), both of which are located at 888 Boylston Street, Boston, Massachusetts. Natixis Advisors and Natixis Distribution are wholly-owned subsidiaries of Natixis Investment Managers, LLC.

Natixis Distribution, LLC is a marketing agent for the Oakmark Funds, 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 Advisors, LLC is not affiliated with Morgan Stanley Wealth Management.

Natixis Advisors and Distribution, LLC is located at 888 Boylston Street, Suite 800, Boston, MA 02199. • 800-862-4863 • im.natixis.com • Member FINRA|SIPC

Copyright © 2025 Natixis Distribution, LLC All rights reserved.

NIM-10232025-opwmup9q
Exp. 2/15/26
P-NTA03-0925