

# Natixis/Mirova Global Sustainable Equity ADR Strategy



Q2 | June 30, 2024

## Manager Overview

Mirova<sup>3</sup> is an investment manager dedicated to sustainable investing through a conviction-driven approach. The firm’s goal is to combine value creation over the long term with sustainable development. Mirova is a pioneer in sustainable finance and dedicated to developing impactful solutions for its clients.

**Founded: 2012**

AUM: \$33.3 billion<sup>3</sup> (as of 03/31/24)

**Portfolio team:**

**Jens Peers, CFA®** Chief Executive Officer and Chief Investment Officer for Mirova US; Began investment career in 1997; M.A. University of Antwerp. Joined Mirova in 2013.

**Hua Cheng, PhD, CFA®** Portfolio Manager and Analyst; Began investment career in 2005; PhD, University of Paris Dauphine. Joined Mirova in 2014.

**Soliane Varlet, Portfolio Manager;** Began investment career in 2000; Joined Mirova in 2005.

## Strategy Overview – Investment Philosophy

The managers believe that equity markets systematically underestimate:

- Growth opportunities supported by the long-term trends shaping our economy
- Risks related to poor Environmental, Social, and Governance (ESG) practices

The process below aims to take advantage of these inefficiencies to construct a portfolio of companies that can outperform the broad market with greater sustainability impact.



## The Natixis approach

Natixis Advisors, LLC ("Natixis Advisors") manages portfolios based on the specific models and recommendations of Mirova, the strategy’s model portfolio provider. Mirova continually adjusts these recommendations based on changing market conditions. Our goal is to mirror these recommendations in portfolios that can be customized to address the tax and cash flow considerations of each investor.

Natixis Advisors is one of the independent affiliated managers comprising Natixis Investment Managers. Natixis Advisors provides discretionary advisory services through its division Natixis Investment Managers Solutions.

Natixis Investment Managers’ multi-affiliate approach connects you to the independent thinking and focused expertise of more than 20 active managers. We deliver a diverse range of solutions across asset classes, styles, and vehicles. We’re dedicated to advancing sustainable finance and developing innovative ESG products. We consult and partner with our clients, and continually evaluate markets and assumptions to ensure their strategy delivers on long-term goals. Natixis ranks among the world’s largest asset management firms<sup>1</sup> (\$1,321.9 billion AUM).<sup>2</sup>

<sup>1</sup> Cerulli Quantitative Update: Global Markets 2023 ranked Natixis Investment Managers as the 17th largest asset manager in the world based on assets under management as of December 31, 2022.

<sup>2</sup> Assets as of March 31, 2024. Assets under management (“AUM”), as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

<sup>3</sup> Operated in the U.S. through Mirova U.S., LLC (Mirova US). Mirova US had \$11.6B AUM as of March 31, 2024.

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PERFORMANCE OVERVIEW (AS OF 06/30/24)

Natixis/Mirova Global Sustainable Equity ADR wrap composite<sup>1</sup>

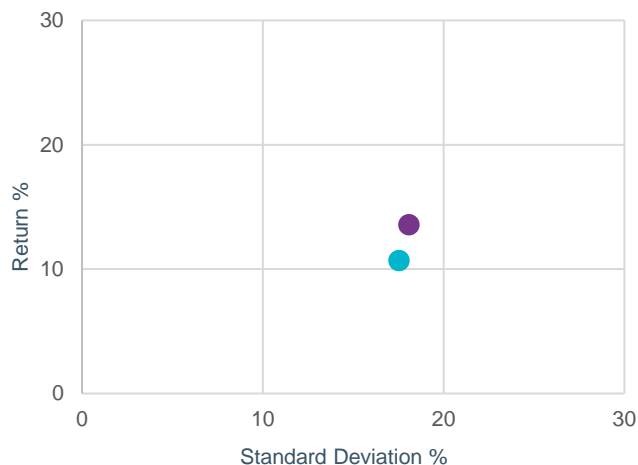
Annualized returns<sup>2</sup> %

	3 months	YTD	1 year	3 years	5 years	Since inception (6/2018)
Gross of fees	2.88	14.32	19.09	5.44	13.76	13.58
Net of fees <sup>3</sup>	2.12	12.66	15.61	2.33	10.43	10.25
MSCI World Index (Net)	2.63	11.75	20.19	6.86	11.78	10.68

Calendar year returns<sup>2</sup> %

	2018 <sup>4</sup>	2019	2020	2021	2022	2023
Gross of fees	-7.25	34.25	34.70	20.23	-21.20	19.46
Net of fees <sup>3</sup>	-8.88	30.37	30.80	16.72	-23.59	15.98
MSCI World Index (Net)	-9.15	27.67	15.90	21.82	-18.14	23.79

Since inception (6/2018) annualized standard deviation and return



- Natixis/Mirova Global Sustainable Equity ADR composite (gross)
- MSCI World Index (Net)

Hypothetical growth of \$100,000 investment (since inception)



**Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results.** Returns shown are considered to be preliminary and are subject to change. Gross performance does not take into account transaction costs, investment advisory fees, custody fees, or other expenses that were charged to clients' accounts, or deductions for income taxes. Such fees will reduce investment performance over time. Standard deviation measures the risk of a portfolio or market. Indexes are not investments and do not incur fees and expenses and are not professionally managed. It is not possible to invest directly in an index.

<sup>1</sup> Please see the back page for important disclosures and performance information about the Natixis/Mirova Global Sustainable Equity ADR wrap composite.

<sup>2</sup> Performance for less than one year is not annualized.

<sup>3</sup> Net-of-fees performance reflects deduction of a 3% annual fee, the highest separate account wrap program fee applicable to a client account.

<sup>4</sup> Represents partial period starting 6/1/2018 and ending 12/31/2018.

## PORTFOLIO HOLDINGS AND CHARACTERISTICS (AS OF 06/30/24)

### Natixis/Mirova Global Sustainable Equity ADR Strategy

#### Model portfolio top ten holdings

Security Description	Percentage of total portfolio (%)
NVIDIA Corporation	6.28
Novo Nordisk A/S Sponsored ADR Class B	5.11
Microsoft Corporation	4.99
Mastercard Incorporated Class A	4.52
Eli Lilly and Company	4.46
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	4.38
eBay Inc.	4.32
Ecolab Inc.	3.90
Thermo Fisher Scientific Inc.	3.70
Roper Technologies, Inc.	3.23

#### Model portfolio top ten countries

Country	Percentage of total portfolio (%)
United States	64.21
Denmark	7.15
Taiwan	4.38
United Kingdom	3.95
Netherlands	3.88
Germany	3.82
France	3.35
Spain	2.85
Canada	2.69
Japan	1.58

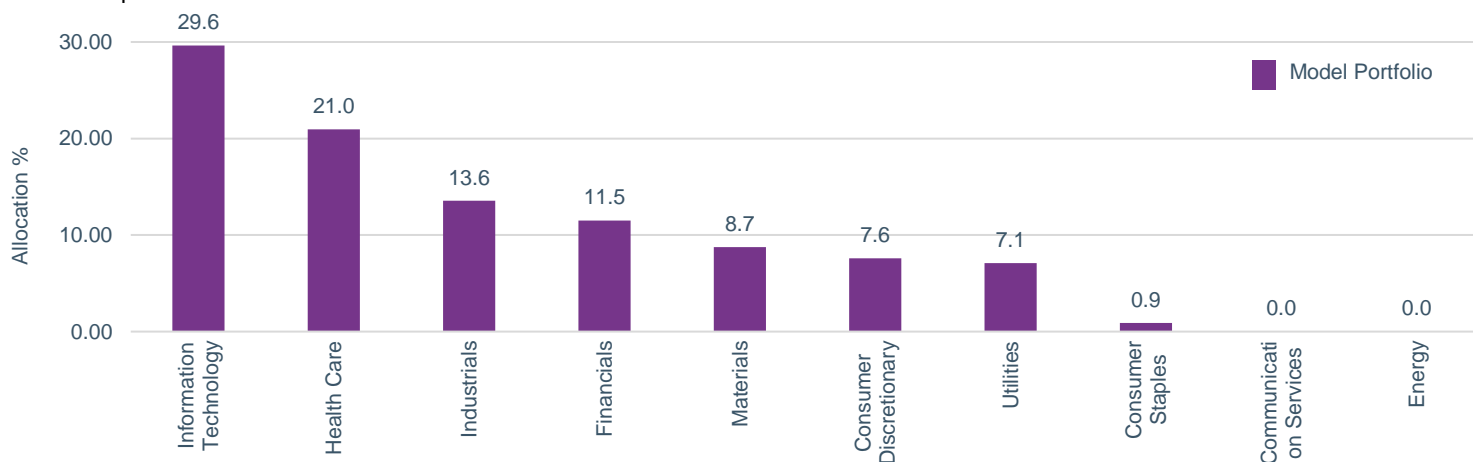
#### Model portfolio characteristics

Characteristic	Model Portfolio
Number of holdings (excluding cash)	45
Weighted average market cap (\$ billions)	556.88
Price/earnings ratio (forward 12 months)	24.62
Price/book ratio	5.43
Average dividend yield %	0.86
EPS growth rate (3-5 year estimate) %	22.84
Turnover (2023)	14.69

#### Model portfolio geographic region breakdown

Region	Percentage of total portfolio (%)
United States	64.21
Europe Ex Uk	21.87
Emerging Markets	4.38
United Kingdom	3.95
North America Ex Us	2.69
Japan	1.58
Asia Ex Japan	1.33

#### Model portfolio sector allocations %



Source: Factset

The above information is for the Natixis/Mirova Global Sustainable Equity ADR model portfolio and excludes cash. The model portfolio represents the investment recommendations of the portfolio team as of the date indicated. The holdings, characteristics and performance of your portfolio may be different from the holdings, characteristics and performance information presented in this report. As the portfolio is actively managed, its holdings are subject to change. At any date any particular account may include securities not held in the model portfolio. 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. This information should not be considered a recommendation or solicitation by Natixis Advisors or the model portfolio provider to buy or sell any security shown. Investors should not assume that any of the holdings were or will be profitable. Recommendations over the last year are available on request. Indexes do not incur expenses and are not available for direct investment. The characteristics shown are for illustrative purposes only. The projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.

Natixis/Mirova Global Sustainable Equity ADR wrap composite (as of calendar year end)

Year	Total return (gross of fees) %	Total return (net of fees) %	MSCI World Index (Net) %	Number of portfolios in composite	Total composite assets at end of period (\$ mm)	Standard deviation of account returns %	Percentage of total firm assets %
2023	19.46	15.98	23.79	302	75.8	0.62	0.12
2022	-21.20	-23.59	-18.14	289	62.2	0.83	0.13
2021	20.23	16.72	21.82	73	21.2	0.70	0.05
2020	34.70	30.80	15.90	11	4.0	0.12	0.01
2019	34.25	30.37	27.67	4	1.4	0.14	0.00
2018 <sup>1</sup>	-7.25	-8.88	-9.15	2	0.3	N/A	0.00

Returns shown are preliminary and are subject to change. Performance for periods of less than one year is not annualized. The composite was created in June 2018. **The Natixis/Mirova Global Sustainable Equity ADR wrap composite includes all fully discretionary separate account wrap portfolios managed in the Mirova Global Equity style.** Natixis Advisors, LLC defines fully discretionary accounts as accounts in which Natixis Advisors has the unrestricted ability to create and maintain an investment program for each account in a manner consistent with the client investment objectives. Accounts are included in the composite in the first full calendar month after management begins. Closed accounts remain in the composite through the last full month under management. The composite includes all discretionary separately managed accounts (i.e., wrap or non-commission-paying accounts) managed in the Natixis/Mirova Global Sustainable Equity ADR strategy and subadvised by Mirova. All accounts are included regardless of size, tax status, or client-imposed restrictions. Performance is expressed in U.S. dollars. Returns are calculated on a total-return basis (appreciation and income), include cash equivalents, and are time weighted using average capital base monthly valuations. Quarterly returns are calculated by linking monthly composite returns through compound multiplication, and annual returns are calculated by linking quarterly returns. Leverage is not used in the composite. Gross performance does not take into account transaction costs, investment advisory fees, custody fees, or other expenses that were charged to clients' accounts or deductions for income taxes. Such fees will reduce investment performance over time. Net returns reflect the deduction of a 3% annual fee, which is the highest wrap program fee applicable to a client account. Standard deviation measures the consistency of the composite's performance results with respect to the individual portfolio returns within the composite. Only portfolios that have been managed for the full year are included in the standard deviation calculation. A complete list and description of the firm's composites are available upon request.

**Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results.** Performance of the Natixis/Mirova Global Sustainable Equity ADR wrap composite and the MSCI World Index (Net) reflects the reinvestment of dividends and other earnings. The securities holdings of the composite may differ materially from those of the index used for comparative purposes. The MSCI World Index (Net) is an unmanaged index that is designed to measure the equity market performance of developed markets. It is composed of common stocks of companies representative of the market structure of developed market countries in North America, Europe, and the Asia/Pacific Region. The index is calculated without dividends, with net or with gross dividends reinvested, in both US dollars and local currencies. The securities holdings of the composite may differ materially from those of the index used for comparative purposes. Indexes are not investments and do not incur fees and expenses and are not professionally managed. It is not possible to invest directly in an index. The information presented in this report has been developed internally and/or obtained from sources believed to be reliable; however, neither the model portfolio provider or Natixis Advisors guarantees the accuracy, adequacy or completeness of such information nor do we guarantee the appropriateness of any strategy referred to in this report for any particular investor. This report is provided for informational purposes only and is not to be construed as advice or a recommendation for the purchase or sale of any security. Natixis Advisors will combine the investment recommendations from the model portfolio provider with the ability to customize individual portfolios to meet clients' specific needs, such as cash flows, tax issues and other considerations. Natixis Advisors will combine the investment recommendations from the model portfolio provider with the ability to customize individual portfolios to meet clients' specific needs, such as cash flows, tax issues and other considerations. In most cases, Natixis Advisors expects to invest substantially in line with the recommendations provided by the model portfolio provider 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.

It is important to note that under the agreement between the model portfolio provider and Natixis Advisors, pursuant to which model portfolio provider supplies the model portfolio, model portfolio provider's role is limited to assembling the model portfolio and under certain circumstances, trading certain securities. 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 transactions of the model portfolio provider's other clients when feasible, in an effort to seek best overall execution. All other investment tasks are the responsibility of Natixis Advisors, the investment advisor, including the discretion of what portion of client accounts will be invested using the model portfolio. Accordingly, the information shown may not be representative of the performance of client accounts managed by Natixis Advisors. For more information, please see Part 2 of Natixis Advisors' most recent Form ADV.

**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 presentation may be subject to certain additional risks. The views and opinions expressed may change based on market and other conditions. This material is provided for informational purposes only and should not be construed as investment advice. There can be no assurance that developments will transpire as forecasted. Actual results may vary. 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.

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 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, S.A.

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](http://im.natixis.com).