MARKETING
COMMUNICATION

NATIXIS PORTFOLIO CLARITY

Latin America & US Offshore Advisors Portfolio Barometer

Midyear portfolio trends: Resilience amid uncertainty

Geopolitical tension and heightened market volatility characterized the first half of 2026. This year's Portfolio Barometer aimed to uncover how advisors coped with these pressures. How, for example, did advisors reposition moderate portfolios? Which allocation and implementation choices held up through the first-quarter decline and subsequent recovery? And what specific strategies helped to produce stronger risk-adjusted outcomes versus portfolios with weaker results?

In what follows, we explore these questions across 53 moderate model portfolios managed by Latin American and US Offshore financial advisors and wealth management firms in the first half of 2026. The analysis considers how moderate portfolios, as characterized by advisors themselves, were positioned, how widely their risk and return outcomes differed, and how portfolio construction influenced results.

Key observations

- Advisors increased equity exposure while reducing exposure to fixed income, allocation funds, alternatives, and cash.
- Equity and fixed income together represented 88.8% of the average portfolio, in line with what we have seen in previous years.
- Global equities, emerging markets, and sector equity allocations grew, while European equity recorded the largest decline.
- Fixed income declined modestly over the prior 12 months. Lower allocations to short-term funds, high yield, and other fixed income offset increases in global, corporate, government, and emerging market debt.

(Continued)

EXECUTIVE TAKEAWAY:

Advisors increased equity exposure while reducing fixed income, allocation funds, alternatives, and cash. Results varied widely beneath the shared moderate classification: Top-quartile portfolios* combined a smaller first-quarter loss with stronger participation in the recovery, supported by broader implementation and lower concentration.

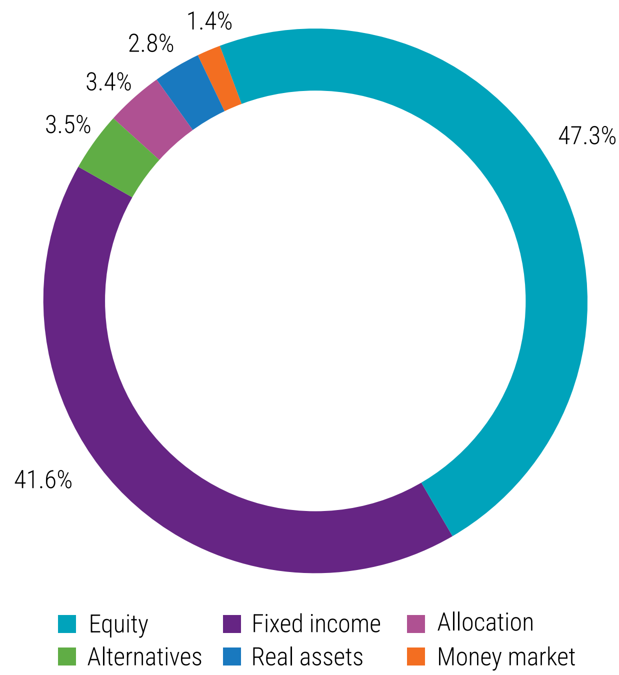
*Quartiles are based on three-year Sharpe ratios and are used to compare portfolio characteristics.
The relationships presented are descriptive and do not establish that any individual allocation or implementation choice caused the observed performance difference.
Individual bonds and stocks are consolidated as one line item at the portfolio level when measuring position concentration.

- Diversified and flexible strategies reached 59.4% of the average fixed-income sleeve. Flexible mandates represented 40.4%, with meaningful differences in duration and credit exposure.
- Real assets and alternatives were more prevalent in stronger-performing portfolios, with higher average allocations to both asset classes distinguishing top-quartile portfolios from their bottom-quartile peers, which were overweight fixed-income and allocation strategies.
- Results varied widely within the moderate portfolio classification: Top-quartile portfolios combined a smaller first-quarter loss with stronger participation in the second-quarter recovery, supported by broader implementation and lower concentration.
- Top-quartile portfolios also relied less on their largest positions with their three largest constituents having accounted for 40% of assets, compared with 53% for bottom-quartile portfolios.

Equity gained share as fixed income and diversifiers declined

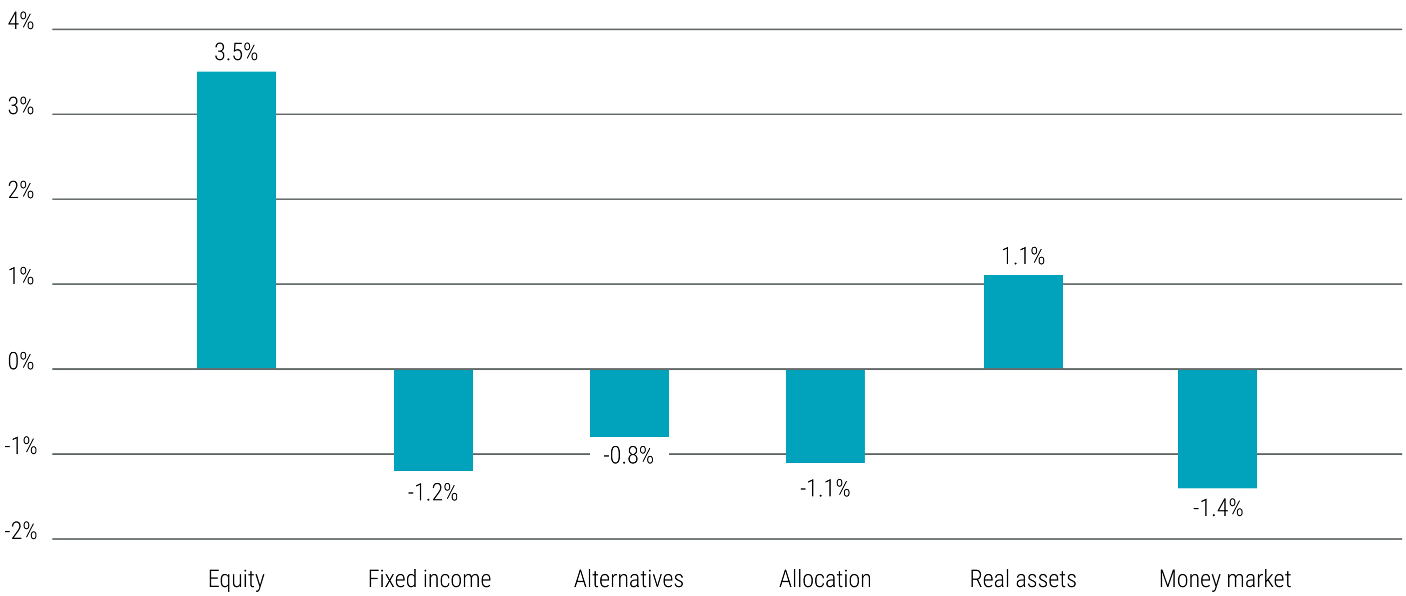
Equity exposure increased to 47.3% of the average portfolio, up 3.5 percentage points from the 1H25 study. Fixed income declined 1.2 percentage points to 41.6%, while allocation funds and alternatives fell 1.1 and 0.8 percentage points, respectively. Real assets increased 1.1 percentage points, and money market exposure declined 1.4 percentage points. The changes produced a more equity-focused portfolio and reduced the aggregate allocation to several traditional or packaged diversifiers. How those exposures were implemented, however, varied considerably across portfolios.

FIGURE 1: Average allocation in Latin American and US offshore moderate model portfolios, first half of 2026



Source: Natixis Investment Managers Client Solutions Group. There were 53 moderate portfolios included in the analysis during 1H26. Portfolio data from January 1, 2026, to June 30, 2026. Asset classes are based on Morningstar categories. Real assets include commodities and property.

FIGURE 2: Changes in moderate model portfolio allocations, first half of 2026 versus first half of 2025

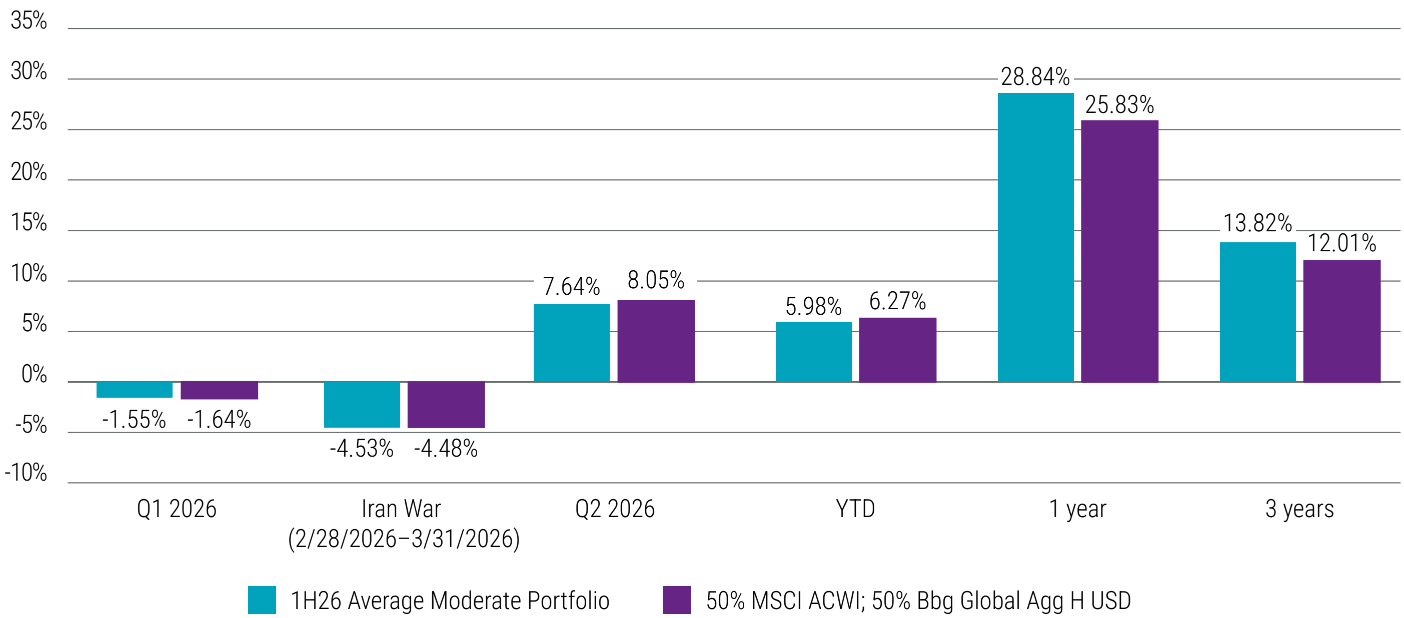


The comparison shows a shift toward equity and real assets, funded mainly by fixed income, allocation funds, alternatives, and money markets. Source: Natixis Investment Managers Client Solutions Group. Portfolio data from January 1, 2025, to June 30, 2025, and January 1, 2026, to June 30, 2026. Asset classes are based on Morningstar categories. Real assets include commodities and property. Performance data shown represents past performance and is no guarantee of future results.

Performance recovered after the March decline

The first half of the year provided two different tests of portfolio construction. Top-quartile portfolios lost 0.8% in the first quarter, compared with 1.5% for the average portfolio and 1.8% for the bottom quartile. In the second quarter, they gained 9.4%, ahead of the 7.6% average and 5.3% bottom-quartile return. The pattern indicates that stronger portfolios did not depend solely on downside protection. They combined modest protection during the decline with substantially greater participation in the recovery, producing an 8.5% first-half return, compared with 6.0% for the average portfolio and 3.4% for the bottom quartile. The benchmark followed a similar path, finishing the first half at 6.27%. The average moderate portfolio trailed the benchmark modestly in the first half but outperformed by approximately 3.0 percentage points over a one-year period and 1.8 percentage points annualized over three years.

FIGURE 3: Performance of moderate portfolios, trailing periods ending June 30, 2026



Source: Natixis Investment Managers Client Solutions Group. Portfolio data from January 1, 2026, to June 30, 2026. Performance data from July 1, 2023, to June 30, 2026. Benchmark: 50% MSCI ACWI and 50% Bloomberg Global Aggregate Bond Index, hedged to the US dollar.

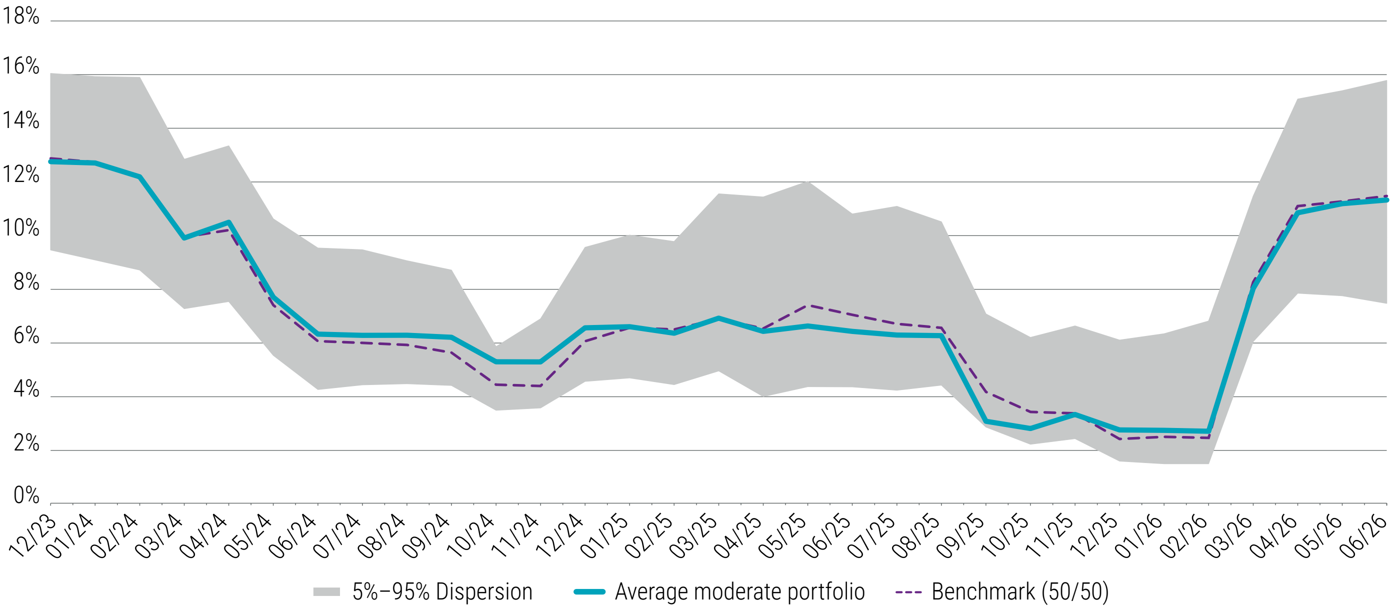
Portfolio group	Q1 2026	Q2 2026	First half 2026
Top quartile	-0.8%	9.4%	8.5%
Average moderate portfolio	-1.5%	7.6%	6.0%
Bottom quartile	-1.8%	5.3%	3.4%

Performance data shown represents past performance and is no guarantee of future results.

Implementation drove differences in realized volatility

Six-month rolling volatility increased during the first half of 2026. By April, volatility for the average moderate portfolio had risen to 11.1%, slightly above the benchmark's 10.9%. Dispersion across portfolios was wider: By June, portfolio volatility ranged from approximately 7.5% to 15.8%. The wide range of realized volatility shows that portfolios with the same moderate classification produced materially different risk outcomes, reflecting differences in allocation, concentration, and implementation.

FIGURE 4: Six-month rolling volatility through June 30, 2026



Source: Natixis Investment Managers Client Solutions Group. Portfolio data from January 1, 2026, to June 30, 2026. Performance data from July 1, 2023, to June 30, 2026. Benchmark: 50% MSCI ACWI and 50% Bloomberg Global Aggregate Bond Index, hedged to the US dollar. Performance data shown represents past performance and is no guarantee of future results.

Moderate in name, widely dispersed in outcome

The increase in short-term volatility was only part of the story. Over three years, portfolios carrying the same moderate classification also produced a wide range of risk and return outcomes.The dispersion among individual portfolios shows that a moderate classification alone says relatively little about the investor experience. Asset allocation, concentration, manager selection, and implementation ultimately determined how much risk each portfolio assumed and how effectively that risk was rewarded. Annualized returns ranged from 8.2% to 24.0%, while annualized volatility extended from 4.3% to 14.5%, indicating that the same risk label encompassed materially different portfolio experiences. The average moderate portfolio was much more closely aligned with the benchmark, recording 7.8% volatility compared with 7.7%, but generated a higher annualized return of 13.8% versus 12.8%. It therefore outperformed on an absolute basis and produced more return per unit of risk (as measured by the Sharpe ratio), approximately 1.15 times versus 1.04 times for the benchmark.

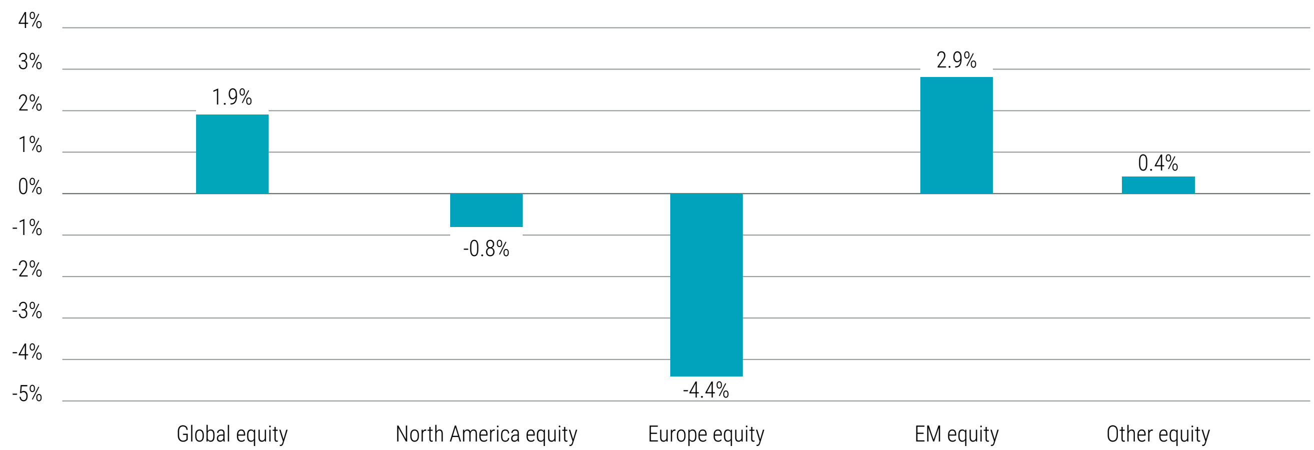
FIGURE 5: Three-year risk/return dispersion in 1H2026 LatAm and US offshore moderate portfolios

Source: Natixis Investment Managers Client Solutions Group. Portfolio data from January 1, 2026, to June 30, 2026. Performance data from July 1, 2023, to June 30, 2026.

Global and emerging market equity gained share

Within the equity sleeve, North American strategies remained the largest allocation at 45.7%, down from 46.4% in the first half of 2025. Global equity increased to 25.2% from 23.4%, while emerging market equity rose to 9.9% from 7.0%. European equity declined to 3.7% from 8.0%. Other equity* was stable at 15.5%, although that result masked an increase in sector equity, driven mainly by technology, at the expense of Japanese equity.

FIGURE 6: Changes in equity allocations, first half of 2026 versus first half of 2025

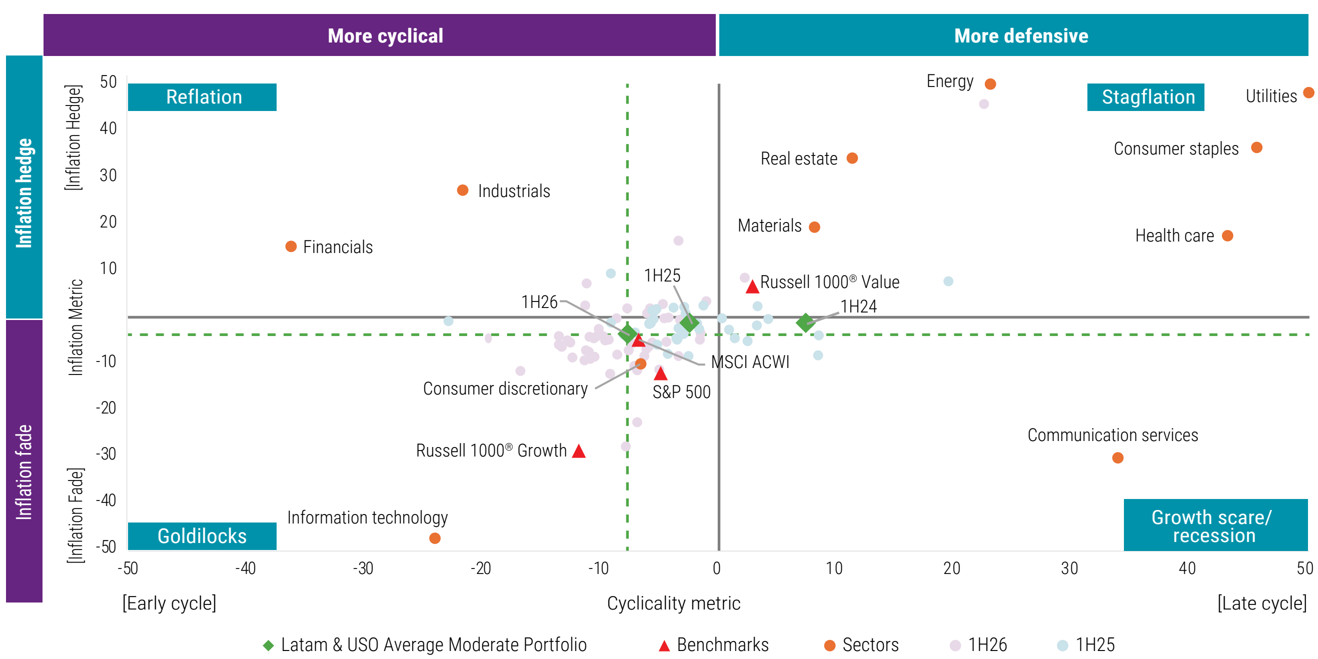


Source: Natixis Investment Managers Client Solutions Group. Portfolio data from January 1, 2025, to June 30, 2025, and January 1, 2026, to June 30, 2026.
*The other equity category consists of Asia, Japan, and sector-/region-specific funds.

Renewed growth expectations shaped equity positioning

In aggregate, the 1H26 average moderate portfolio leaned toward a Goldilocks scenario, reflecting the anticipation of higher-than-expected growth and lower-than-expected inflation. The average portfolio gradually demonstrated a more cyclical orientation between the first half of 2024 and the first half of 2026. Increased exposure to growth-sensitive and technology-related segments was consistent with expectations for resilient growth and continued artificial intelligence–related capital spending.

FIGURE 7: Cyclicality and inflation analysis, first half of 2026



Source: Natixis Investment Managers Client Solutions Group and Morningstar. Portfolio data from January 1 to June 30 in 2024, 2025, and 2026.

Methodology: Cyclicality and inflation. Each GICS industry is assigned a cyclicality and inflation score between -50 and +50, based on historical performance in different growth and inflation regimes. Products are then plotted based on their allocations to these industries. For example, if a product is equally allocated to semiconductors (-50, -50) and leisure products (0, +50), its score would be the weighted average, resulting in -25, 0.

Breadth mattered more than the active-passive split

The average equity sleeve was active-led, but active exposure was similar across the top and bottom quartiles. Breadth and concentration provided a clearer distinction: Top-quartile portfolios held a median of seven equity positions, compared with four for bottom-quartile portfolios, and allocated less of the sleeve to their largest positions.

	Top quartile	Bottom quartile
Equity allocation at the portfolio level	49.6%	42.4%
Median number of equity holdings*	7	4
Largest equity position	31.8%	44.6%
Top-three equity positions	66.1%	77.2%
Active share of equity portfolio	68.6%	66.6%
Passive share of equity portfolio	21.6%	25.7%

Source: Natixis Investment Managers Client Solutions Group. Quartiles are based on three-year Sharpe ratios. Portfolio data from January 1, 2026, to June 30, 2026. All measures are average calculations, except the median number of equity holdings.

*Individual stock holdings within each portfolio were aggregated as one line item.

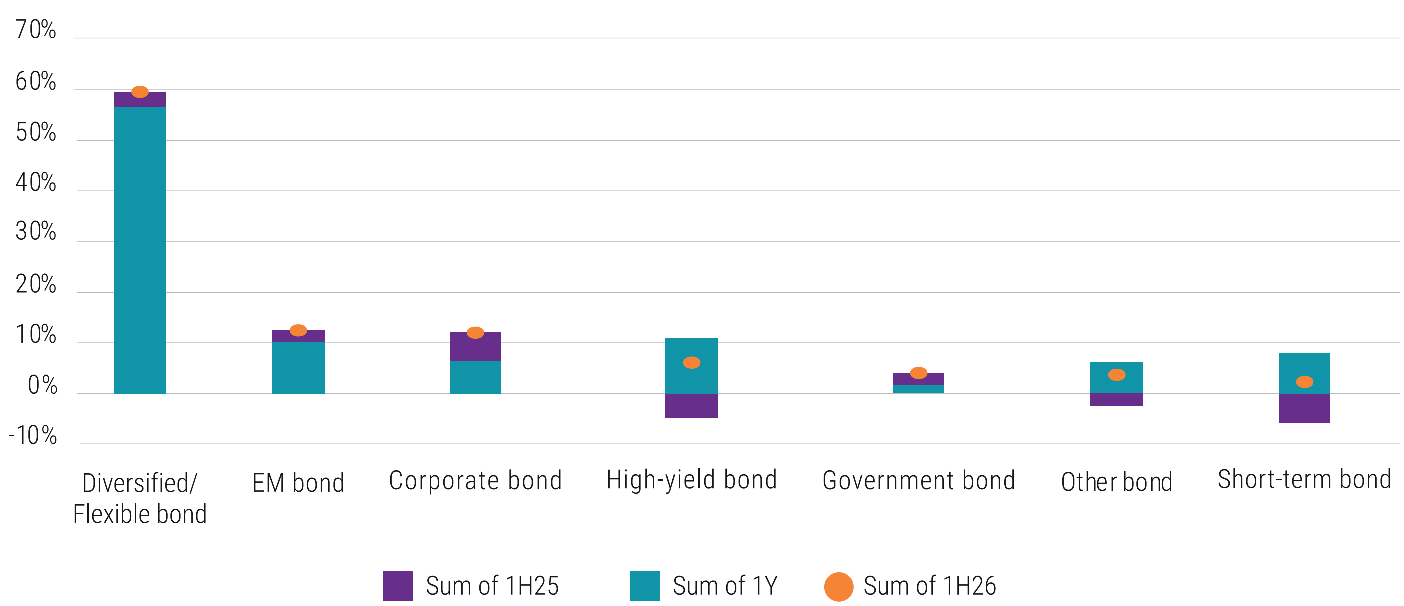
Fixed income returned to 41.6% of the portfolio

Within the fixed-income sleeve, global strategies rose to 44.0% compared to 42.4% in the first half of 2025. Emerging market debt recorded the largest increase, rising 2.2 percentage points to 12.4%. North American fixed income declined 2.3 percentage points to approximately 40.0%. Other fixed income declined to 2.9% from 4.0%, while European fixed income was little changed at 0.8% of the sleeve.

Diversified and flexible strategies reached nearly 60% of fixed income

Diversified and flexible bond strategies together represented 59.4% of the average fixed-income sleeve, up from 56.6% in the first half of 2025 and 50.8% in the first half of 2024. The combined category represented approximately 24.7% of the total average portfolio. Within the sleeve, flexible strategies accounted for 40.4%, and diversified strategies accounted for 19.0%. The average portfolio held seven fixed-income constituents.

FIGURE 8: Fixed-income sleeve composition



Source: Natixis Investment Managers Client Solutions Group and Morningstar. Portfolio data from January 1, 2025, to June 30, 2025, and January 1, 2026, to June 30, 2026. The figure compares the fixed-income sleeve by strategy type and period.

Flexible strategies as a core fixed-income allocation

Among the stronger portfolios observed, fixed-income allocations generally ranged from 30% to 40%, often including two to three complementary flexible funds representing approximately 15% of the total portfolio. Similar flexible-bond exposure in the top and bottom quartiles suggests that the results depended less on the category weight than on how managers combined duration, credit, and sources of return. Targeted allocations to corporate, emerging market, and short-duration bonds provided differentiated sources of return and diversification.

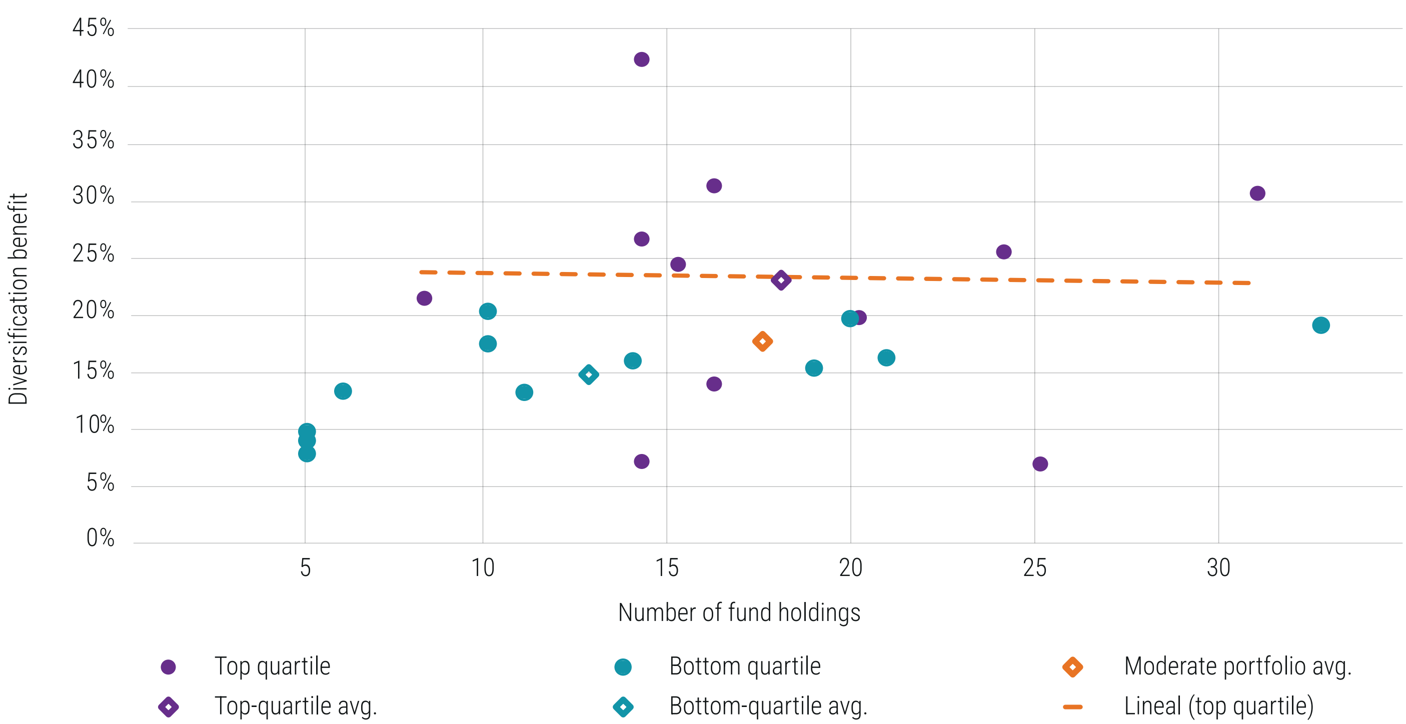
	Top quartile	Bottom quartile
Fixed-income allocation at the portfolio level	35.9%	49.1%
Median number of fixed-income holdings	6	5
Largest fixed-income position	11.6%	19.9%
Top-three fixed-income positions	70.1%	76.5%
Flexible share of fixed-income portfolio	35.9%	37.4%
Diversified share of fixed-income portfolio	1.6%	23.3%

Source: Natixis Investment Managers Client Solutions Group. Quartiles are based on three-year Sharpe ratios. Portfolio data from January 1, 2026, to June 30, 2026. All measures are calculated as averages, except the median number of fixed-income holdings. These are descriptions of the sample rather than a recommended allocation.

Top-quartile portfolios combined risk assets with liquidity

As in the first-half 2025 Portfolio Barometer, fund count alone did not explain the diversification benefit. Top-quartile portfolios averaged more fund holdings, but the key distinction was how those holdings interacted. These portfolios combined lower concentration with a broader set of return drivers, including real assets, selected alternatives, and liquidity. Nearly half of top-quartile portfolios held alternatives, compared with less than one-third of bottom-quartile portfolios. Top-quartile portfolios also held materially more real assets. Together with lower reliance on the largest positions, this more varied exposure mix was associated with an average diversification benefit of 23.0%, compared with 14.7% for the bottom quartile. The evidence suggests that breadth improved outcomes when it introduced differentiated exposures, not when it simply increased the number of funds.

FIGURE 9: Diversification benefit* and number of fund holdings in top- and bottom-quartile portfolios, first half of 2026



Source: Natixis Investment Managers Client Solutions Group. Portfolio data from January 1, 2026, to June 30, 2026.
*Diversification benefit measures the extent to which lower correlation among asset classes may reduce overall portfolio risk.

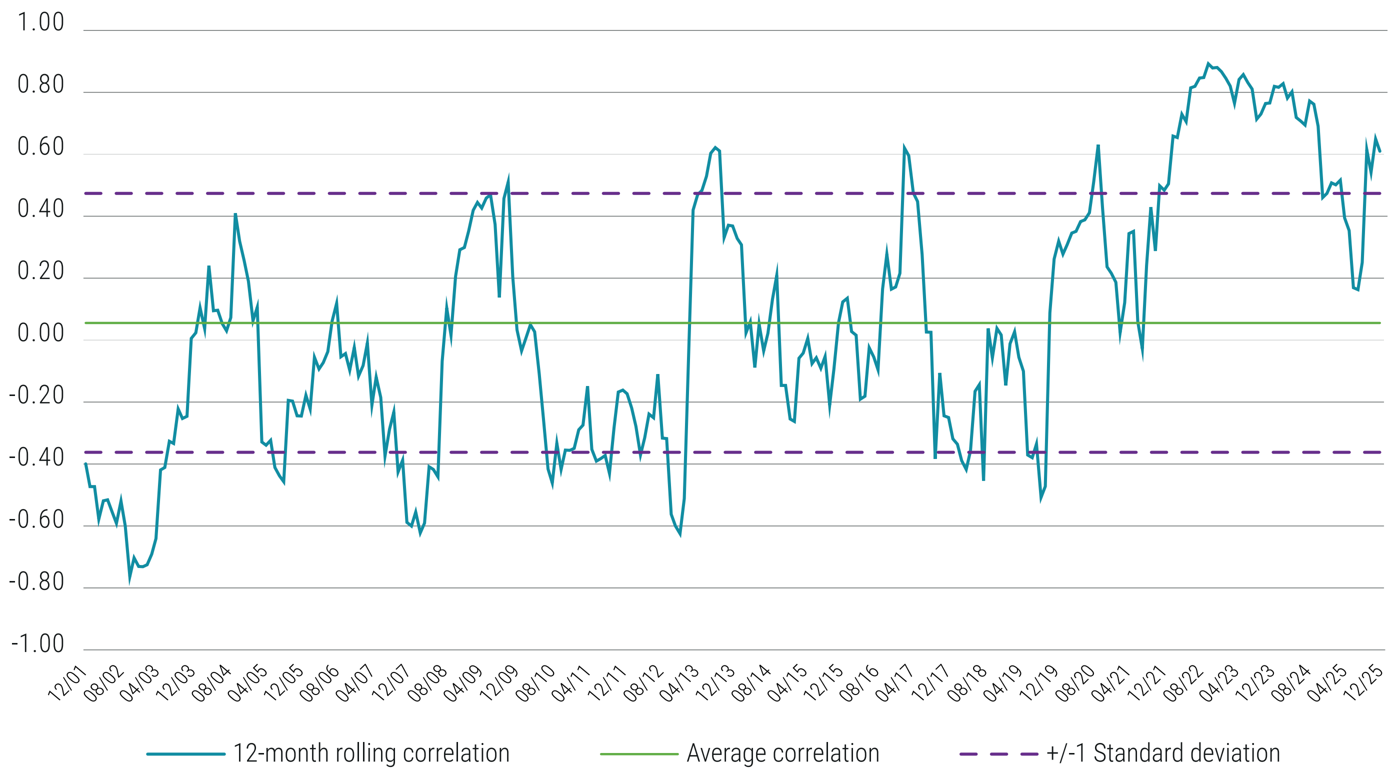
The type of investment breadth mattered

Breadth was most effective when it introduced differentiated return drivers. Lower concentration and more favorable correlations among underlying holdings were associated with stronger diversification benefits and risk-adjusted outcomes.

Rising stock-bond correlations challenged traditional diversification

Correlations between equities and fixed income returned to historically elevated levels, reducing the diversification benefit traditionally associated with a balanced portfolio. When stocks and bonds respond similarly to inflation, interest-rate changes, geopolitical tension, and market sentiment, fixed income may provide less protection during equity drawdowns. Advisors may need a broader mix of return drivers, including real assets, alternatives, and differentiated fixed-income strategies, to improve portfolio resilience.

FIGURE 10: Historical cross-asset correlations



Source: Natixis Investment Managers Client Solutions Group and Morningstar. Correlation between the MSCI ACWI Net Return Index and the Bloomberg Global Aggregate Bond Index, hedged to the US dollar from December 31, 2001, to June 30, 2026.

Bottom line

The strongest portfolios were not simply more risk-on; they used risk more effectively. Top-quartile portfolios combined modest protection in the first-quarter decline with fuller participation in the second-quarter recovery, returning 8.5% for the first half, compared with 6.0% for the average portfolio and 3.4% for the bottom quartile. They paired higher equity exposure with real assets, selected alternatives, liquidity, broader implementation, and lower concentration, while bottom-quartile portfolios relied more heavily on fixed-income and allocation funds. Asset allocation set the direction, but breadth, concentration, and implementation determined how effectively risk was rewarded.

Portfolio analysis and consulting

The past years have shown how quickly the investment environment can change and how challenging it can be to account for market risk and potential rewards in portfolio allocation. If you would like to have your model portfolio reviewed by our team of portfolio consultants to identify sources of return, diversification, and risk, please contact your Natixis Investment Managers sales representative, or visit https://www.im.natixis.com/latam/contact-us (LATAM) or https://www.im.natixis.com/en-us-offshore/about/contact-us (US Offshore).

METHODOLOGY

All figures, unless otherwise stated, are derived from detailed analysis conducted by the portfolio consultants at Natixis Investment Managers.

This edition of the Portfolio Barometer highlights trends and observations uncovered by analysis of 53 model risk-rated portfolios managed by Latin American & US Offshore financial advisors and wealth management firms in the six months ending June 30, 2026, as well as 39 risk-rated model portfolios managed by Latin American & US Offshore financial advisors and wealth management firms in the six months ending June 30, 2025, and 41 model portfolios in the six months ending June 30, 2024. The model portfolios under review were defined as Moderate Risk by the firms submitting them. All statistics in this report are based on returns of advisors' current model portfolios over the three years ending June 30, 2026. These statistics are therefore representative rather than actual historical figures. The dedicated consulting team collects portfolio data and aggregates it in accordance with the peer group portfolio category that is assigned to an individual portfolio by the investment professionals. When professionals request a report, they categorize the portfolios as belonging to one of the following categories: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, or Conservative. The categorization of individual portfolios is not determined by Natixis, as our role is solely as an aggregator of the precategorized portfolios. A benchmark composed of 50% MSCI All Country World Index, 50% Bloomberg Global Aggregate Bond Index (Hedged USD) is used as the benchmark for the Latin American & US Offshore moderate peer group average due to its similar risk profile and broad asset allocation. Please note that risk attributes of portfolios will change over time due to movements in the capital markets. Portfolio allocations provided to Natixis are static in nature, and subsequent changes in an investment professional's portfolio allocations may not be reflected in the current data.

*The Inflation/Cyclicality Framework focuses on historical monthly observations classified into macroeconomic regimes using Citigroup Economic and Inflation Surprise Indices. The framework evaluates the outperformance/underperformance of S&P 1500® industries and subindustries during each regime. It highlights strategy and portfolio tilts that can provide headwinds or tailwinds in future investment regimes.

Past performance is no guarantee of future results.

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ABOUT NATIXIS INVESTMENT MANAGERS SOLUTIONS

Natixis Investment Managers Solutions provides design, development and execution of portfolio strategies tailored to specific investment objectives and unique portfolio constraints. Fully integrated services combine investment expertise with portfolio analysis and construction capabilities to deliver a wide range of customized solutions.

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ADDITIONAL NOTES

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