

MARKET REVIEW

Global Market Strategy, NIM Solutions

March 2024

Macroeconomic developments

According to the final estimates of Q4.23 US GDP growth, the economy performed stronger than earlier reported, coming 0.2 percentage points higher at a 3.4% annual rate. This upward revision was attributed primarily to strong personal consumption and improved corporate profits, particularly in nonfinancial sectors. Moreover, while still a bit above expectations, February's CPI report came in closer to consensus, as primary rents dropped after the large surprise in January. For its part, the labour market added 275,000 new jobs in February, and kept showing signs of coming better into balance with a combined reduction of 167,000 jobs to December and January's initial estimates that drove the unemployment higher to 3.9% from 3.7%. Lastly, Federal Reserve left its policy rates on hold at its March meeting while hinting at potential rate cuts later in 2024 to sustain economic momentum.

After a challenging 2023, Eurozone's economic indicators pointed to further stabilization. The services PMI improved to 51.1 from 50.2 in March while the manufacturing PMI fell to 46.1 from 46.5, with Germany still posting the lowest level. Nevertheless, national indicators point out that the economic environment is not as deteriorated as the manufacturing PMI indices suggest. The IFO business climate index in Germany rose to 87.8 in March, up from 85.7 the month before and above the consensus for 85.9, as both the expectations and the current assessment index advanced. The headline inflation rate in the Eurozone fell further in March to 2.4% year-over-year from 2.6% and core inflation dropped to 2.9% from 3.1% in February, supported by declining energy costs. The European Central Bank (ECB) left its policy rates unchanged at its March meeting and President Christine Lagarde suggested that the central bank is more likely to cut rates in June than in April, saying policymakers will have much more information in hand by then especially on the wage front. The central bank has decided lower the spread between its deposit rate and its main refinancing rate to 0.15% from 0.5% beginning on 18 September signalling a return to more conventional monetary policy practices. The deposit rate will thereby become the new official policy rate and reflect the intended policy stance. We also note that the Swiss National Bank (SNB) became the first developed market central bank to begin its cutting cycle, reducing its target rate by 0.25% to 1.5% and citing upside risks to the CHF due to weakening external growth dynamics.

China held its 2024 National People's Congress, where policy makers announced a 2024 GDP growth target of around 5%, but investors remained concerned on China's growth prospects in the absence of any meaningful fiscal stimulus. Furthermore, China's economic backdrop has been improving recently with retail sales and industrial production beating expectations in February. On a similar note, both manufacturing and services Caixin PMI surveys advanced further into expansionary territory in March, with activity in the manufacturing sector coming in at

its highest level for 13 months. Moreover, after four consecutive months in deflationary territory, the headline inflation rebounded to 0.7% year-over-year in February and the core figure jumped to 1.2% from 0.4% the month before. For its part, the People's Bank of China (PBoC) stepped up its supportive measures and cut its 5-year loan prime rate for the first time since June 2023.

Finally, the Bank of Japan (BoJ) raised interest rates for the first time in 17 years on the back of strong wage growth within Japanese labour unions and an inflation that has been running above target for over a year. The policy rate was brought to the [0.0% -0.1%] range, marking the last central bank to end its negative interest rate policy, which had been in place since 2016. The central bank also ceased its yield curve control policy and will gradually reduce its purchases of equity exchange traded funds (ETFs) and real estate investment trusts (REITs).

Market reaction

Global equities markets had their fifth-consecutive month of gains, with the MSCI World Index surging 3.2% in March and with indices like the S&P 500, Euro Stoxx 50, and Nikkei 225 again hitting new all-time highs. Markets looked through the signs suggesting stickier inflation, and instead preferred to focus on expectations for continued growth in corporate profits, especially in the US, and on the broader dovish tone from central banks. Sector performance in March was broad based with every sector posting a positive return led by energy and materials stocks, while consumer discretionary and staples sectors lagged. Moreover, emerging markets lagged, with the MSCI EM Index up 2.5%, led by Taiwan and South Korean stocks but held back by those of Brazil.

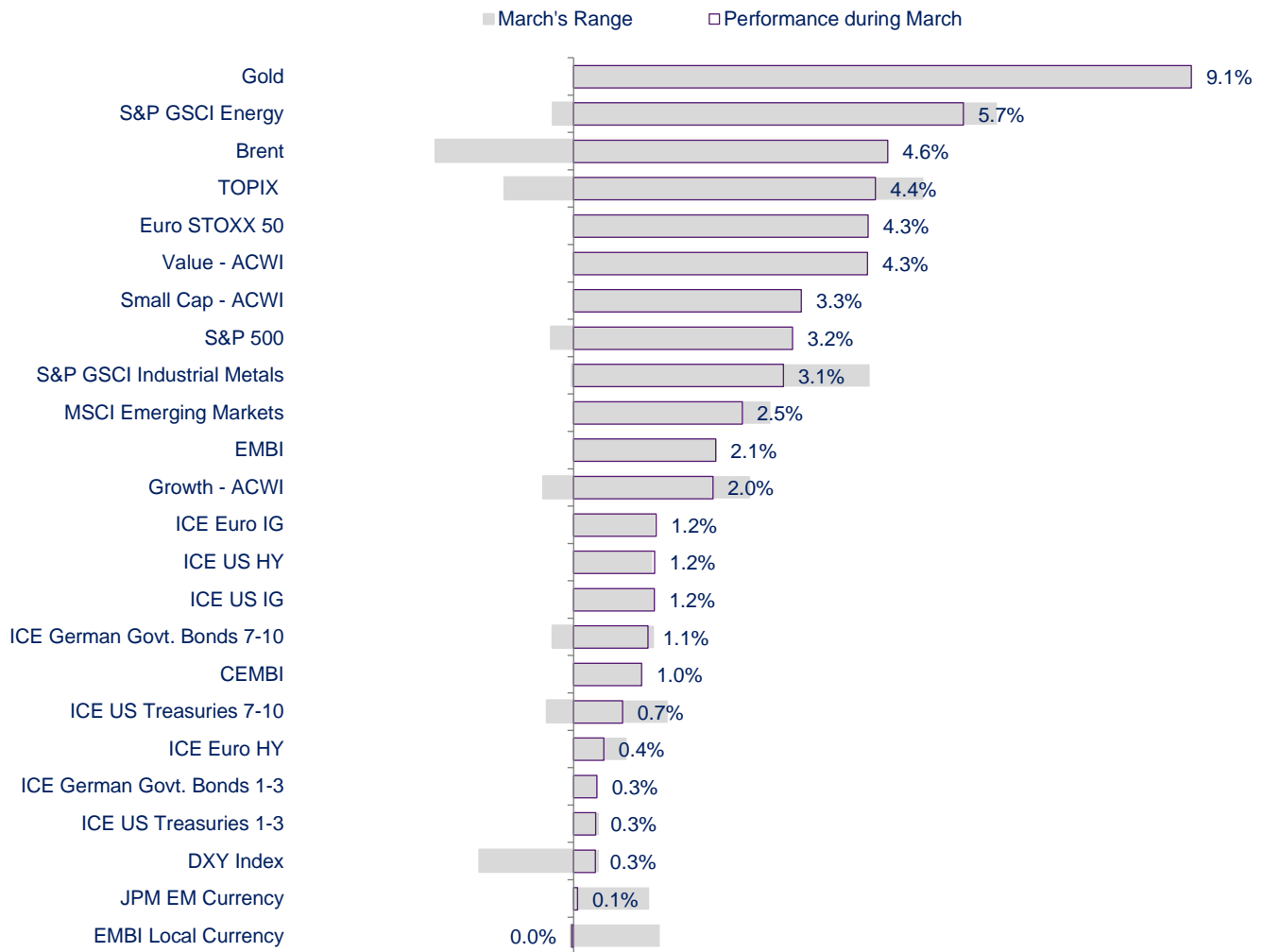
Following their increase in February when investors pushed out rate cut expectations, global sovereign yields ticked downwards in March. The Bloomberg Global Aggregate Index increased 0.3%, with Treasuries up 0.3% as the US 10-year yield fell 5bps to 4.20%, Bunds up 0.3% as yields fell 11bps to 2.30%. We note that the 10-year yields in Italian BTPs and UK Gilts fell the most, dropping 16bps (to 3.68%) and 19bps (to 3.93%), respectively. Moreover, credit spreads tightened across regions and qualities in March, except that of EU high yield. Conversely, Euro investment grade performance lead the space, followed by US high yield. We note EM hard currency debt solid performance in a month where the US dollar showed no particular strength against EM currencies.

The DXY Index advanced 0.3% in March, strengthening the most against the CHF on the back of SNB' first rate cut. Commodity prices rose sharply, with gold up 9.1%, silver up 10.1%, Brent oil up 4.6% and TTF natural gas up 9.2%. Lastly, Bitcoin's price advanced 15.3% as pent-up demand drove large inflows into the SEC's newly approved spot ETFs.



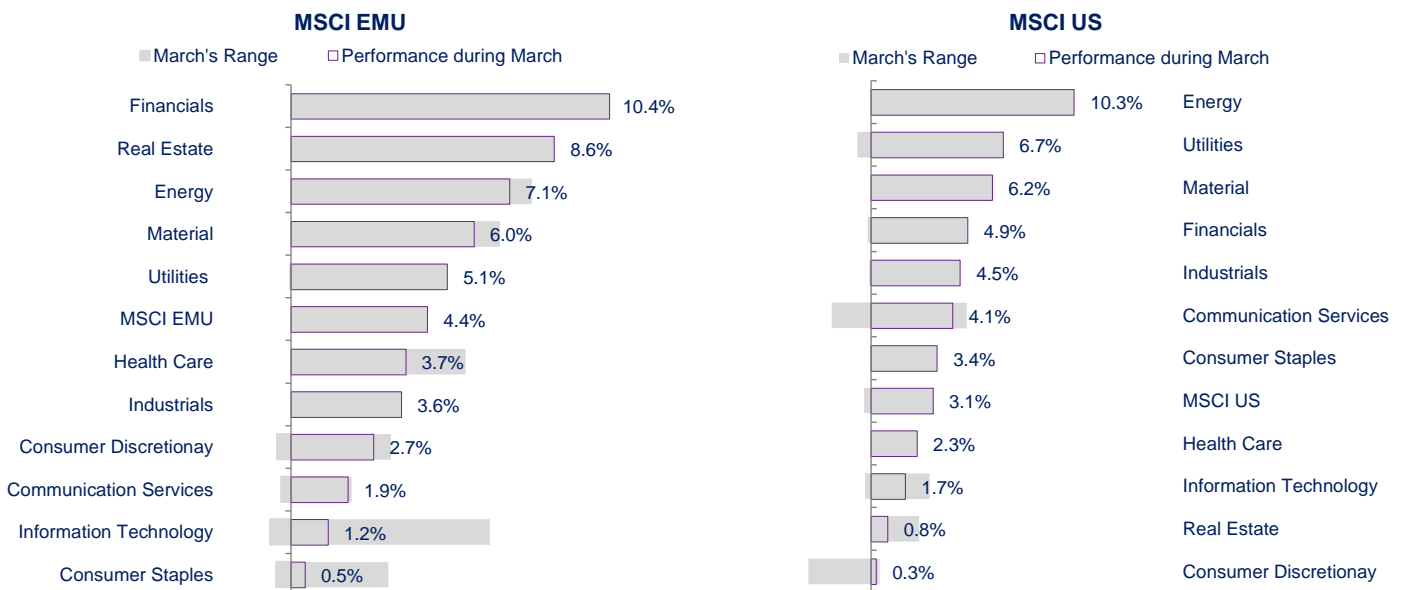
Cross Asset Total Performance in Local Currency

Past performance information presented is not indicative of future performance.



Sector Total Performance in Local Currency

Past performance information presented is not indicative of future performance.

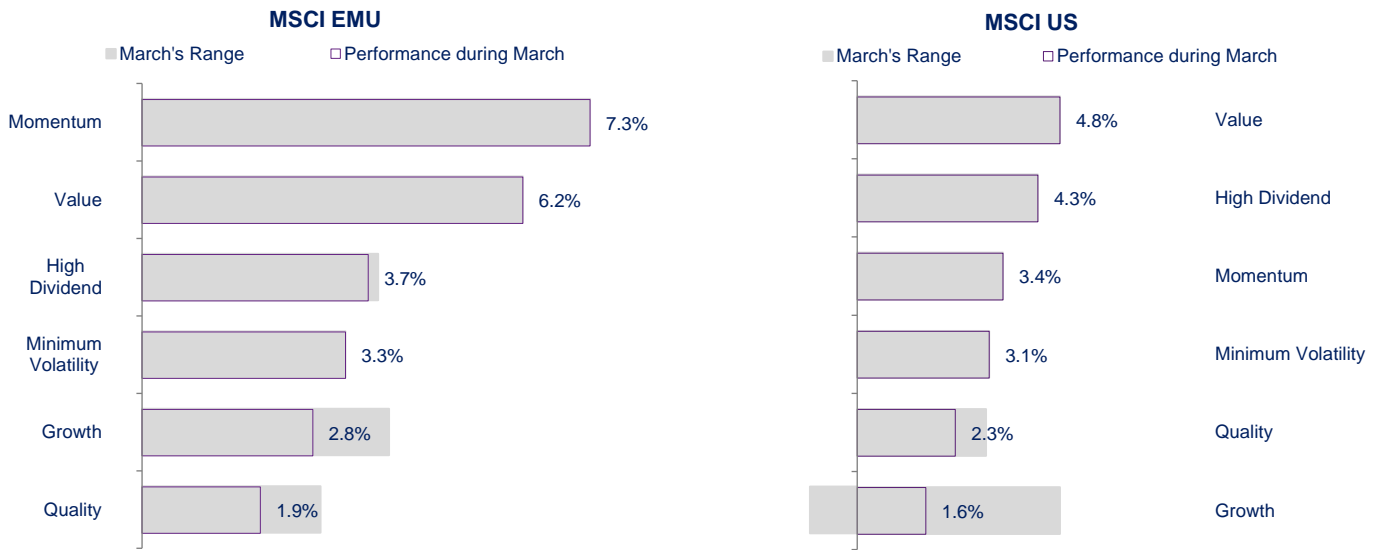


The analyses, opinions, and certain of the investment themes and processes referenced herein represent the views of the portfolio manager(s) as of the date indicated. These, as well as the portfolio holdings and characteristics shown, are subject to change. There can be no assurance that developments will transpire as may be forecasted in this material.



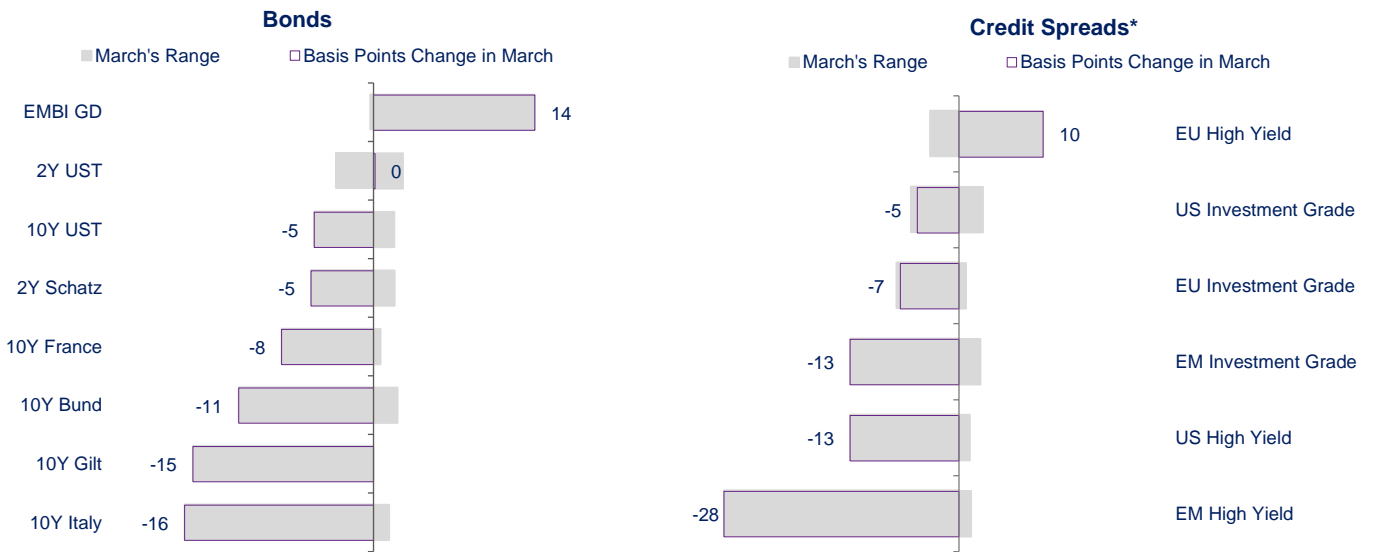
Style Total Performance in Local Currency

Past performance information presented is not indicative of future performance.



Net Yield Change

Past performance information presented is not indicative of future performance.



*Credit spreads are OAS and correspond to Bloomberg indices

The analyses, opinions, and certain of the investment themes and processes referenced herein represent the views of the portfolio manager(s) as of the date indicated. These, as well as the portfolio holdings and characteristics shown, are subject to change. There can be no assurance that developments will transpire as may be forecasted in this material.



This material has been provided for information purposes only to investment service providers or other Professional Clients, Qualified or Institutional Investors and, when required by local regulation, only at their written request. This material must not be used with Retail Investors.

To obtain a summary of investor rights in the official language of your jurisdiction, please consult the legal documentation section of the website (im.natixis.com/intl/intl-fund-documents)

In the E.U.: Provided by Natixis Investment Managers International or one of its branch offices listed below. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a public limited company (société anonyme) registered in the Paris Trade and Companies Register under no. 329 450 738. Registered office: 43 avenue Pierre Mendès France, 75013 Paris. Germany: Natixis Investment Managers International, Zweigniederlassung Deutschland (Registration number: HRB 129507): Senckenberganlage 21, 60325 Frankfurt am Main. Italy: Natixis Investment Managers International Succursale Italiana, Registered office: Via San Clemente 1, 20122 Milan, Italy. Netherlands: Natixis Investment Managers International, Nederlands (Registration number 000050438298). Registered office: Stadsplateau 7, 3521AZ Utrecht, the Netherlands. Spain: Natixis Investment Managers International S.A., Sucursal en España, Serrano nº90, 6th Floor, 28006 Madrid, Spain. Sweden: Natixis Investment Managers International, Nordics Filial (Registration number 516412-8372- Swedish Companies Registration Office). Registered office: Covendrum Stockholm City AB, Kungsgatan 9, 111 43 Stockholm, Box 2376, 103 18 Stockholm, Sweden. Or,

Provided by Natixis Investment Managers S.A. or one of its branch offices listed below. Natixis Investment Managers S.A. is a Luxembourg management company that is authorized by the Commission de Surveillance du Secteur Financier and is incorporated under Luxembourg laws and registered under n. B 115843. Registered office of Natixis Investment Managers S.A.: 2, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. Belgium: Natixis Investment Managers S.A., Belgian Branch, Gare Maritime, Rue Picard 7, Bte 100, 1000 Bruxelles, Belgium.

In Switzerland: Provided for information purposes only by Natixis Investment Managers, Switzerland Sàrl, Rue du Vieux Collège 10, 1204 Geneva, Switzerland or its representative office in Zurich, Schweizergasse 6, 8001 Zürich.

In the British Isles: Provided by Natixis Investment Managers UK Limited which is authorised and regulated by the UK Financial Conduct Authority (FCA firm reference no. 190258) - registered office: Natixis Investment Managers UK Limited, Level 4, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA. When permitted, the distribution of this material is intended to be made to persons as described as follows: in the United Kingdom: this material is intended to be communicated to and/or directed at investment professionals and professional investors only; in Ireland: this material is intended to be communicated to and/or directed at professional investors only; in Guernsey: this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Guernsey Financial Services Commission; in Jersey: this material is intended to be communicated to and/or directed at professional investors only; in the Isle of Man: this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Isle of Man Financial Services Authority or insurers authorised under section 8 of the Insurance Act 2008.

In the DIFC: Provided in and from the DIFC financial district by Natixis Investment Managers Middle East (DIFC Branch) which is regulated by the DFSA. Related financial products or services are only available to persons who have sufficient financial experience and understanding to participate in financial markets within the DIFC, and qualify as Professional Clients or Market Counterparties as defined by the DFSA. No other Person should act upon this material. Registered office: Unit L10-02, Level 10, ICD Brookfield Place, DIFC, PO Box 506752, Dubai, United Arab Emirates

In Taiwan: Provided by Natixis Investment Managers Securities Investment Consulting (Taipei) Co., Ltd., a Securities Investment Consulting Enterprise regulated by the Financial Supervisory Commission of the R.O.C. Registered address: 34F., No. 68, Sec. 5, Zhongxiao East Road, Xinyi Dist., Taipei City 11065, Taiwan (R.O.C.), license number 2020 FSC SICE No. 025, Tel. +886 2 8789 2788.

In Singapore: Provided by Natixis Investment Managers Singapore Limited (NIM Singapore) having office at 5 Shenton Way, #22-05/06, UIC Building, Singapore 068808 (Company Registration No. 199801044D) to distributors and qualified investors for information purpose only. NIM Singapore is regulated by the Monetary Authority of Singapore under a Capital Markets Services Licence to conduct fund management activities and is an exempt financial adviser. Mirova Division (Business Name Registration No.: 53431077W) and Ostrum Division (Business Name Registration No.: 53463468X) are part of NIM Singapore and are not separate legal entities. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

In Hong Kong: Provided by Natixis Investment Managers Hong Kong Limited to professional investors for information purpose only.

In Australia: Provided by Natixis Investment Managers Australia Pty Limited (ABN 60 088 786 289) (AFSL No. 246830) and is intended for the general information of financial advisers and wholesale clients only.

In New Zealand: This document is intended for the general information of New Zealand wholesale investors only and does not constitute financial advice. This is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 (FMCA) and is only available to New Zealand investors who have certified that they meet the requirements in the FMCA for wholesale investors. Natixis Investment Managers Australia Pty Limited is not a registered financial service provider in New Zealand.

In Colombia: Provided by Natixis Investment Managers International Oficina de Representación (Colombia) to professional clients for informational purposes only as permitted under Decree 2555 of 2010. Any products, services or investments referred to herein are rendered exclusively outside of Colombia. This material does not constitute a public offering in Colombia and is addressed to less than 100 specifically identified investors.

In Latin America: Provided by Natixis Investment Managers International.

In Chile: Esta oferta privada se inicia el día de la fecha de la presente comunicación. La presente oferta se acoge a la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros de Chile. La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización. Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

In Mexico: Provided by Natixis IM Mexico, S. de R.L. de C.V., which is not a regulated financial entity, securities intermediary, or an investment manager in terms of the Mexican Securities Market Law (Ley del Mercado de Valores) and is not registered with the Comisión Nacional Bancaria y de Valores (CNBV) or any other Mexican authority. Any products, services or investments referred to herein that require authorization or license are rendered exclusively outside of Mexico. While shares of certain ETFs may be listed in the Sistema Internacional de Cotizaciones (SIC), such listing does not represent a public offering of securities in Mexico, and therefore the accuracy of this information has not been confirmed by the CNBV. Natixis Investment Managers is an entity organized under the laws of France and is not authorized by or registered with the CNBV or any other Mexican authority. Any reference contained herein to "Investment Managers" is made to Natixis Investment Managers and/or any of its investment management subsidiaries, which are also not authorized by or registered with the CNBV or any other Mexican authority.

In Uruguay: Provided by Natixis Investment Managers Uruguay S.A., a duly registered investment advisor, authorised and supervised by the Central Bank of Uruguay. Office: San Lucar 1491, Montevideo, Uruguay, CP 11500. The sale or offer of any units of a fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627.

In Brazil: Provided to a specific identified investment professional for information purposes only by Natixis Investment Managers International. This communication cannot be distributed other than to the identified addressee. Further, this communication should not be construed as a public offer of any securities or any related financial instruments. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a public limited company (société anonyme) registered in the Paris Trade and Companies Register under no. 329 450 738. Registered office: 43 avenue Pierre Mendès France, 75013 Paris.

The above referenced entities are business development units of Natixis Investment Managers, the holding company of a diverse line-up of specialised investment management and distribution entities worldwide. The investment management subsidiaries of Natixis Investment Managers conduct any regulated activities only in and from the jurisdictions in which they are licensed or authorised. Their services and the products they manage are not available to all investors in all jurisdictions. It is the responsibility of each investment service provider to ensure that the offering or sale of fund shares or third party investment services to its clients complies with the relevant national law.

The provision of this material and/or reference to specific securities, sectors, or markets within this material does not constitute investment advice, or a recommendation or an offer to buy or to sell any security, or an offer of any regulated financial activity. Investors should consider the investment objectives, risks and expenses of any investment carefully before investing. The analyses, opinions, and certain of the investment themes and processes referenced herein represent the views of the portfolio manager(s) as of the date indicated. These, as well as the portfolio holdings and characteristics shown, are subject to change. There can be no assurance that developments will transpire as may be forecasted in this material. The analyses and opinions expressed by external third parties are independent and does not necessarily reflect those of Natixis Investment Managers. Although Natixis Investment Managers believes the information provided in this material to be reliable, including that from third party sources, it does not guarantee the accuracy, adequacy, or completeness of such information. May not be redistributed, published, or reproduced, in whole or in part.

Amounts shown are expressed in USD unless otherwise indicated.

Natixis Investment Managers may decide to terminate its marketing arrangements for this fund in accordance with the relevant legislation.