INVESTMENT OUTLOOK

JANUARY 2022

RISKS AND UNCERTAINTY ARE CURRENTLY ON THE RISE. ANOTHER GLOBAL WAVE OF COVID-19 IS UPON US. CENTRAL BANKS APPEAR TO BE TURNING HAWKISH IN THE FACE OF PERSISTENT INFLATION PRESSURE. BUT WE STILL SEE REASON TO BELIEVE THE GLOBAL EXPANSION WILL STAY ON TRACK.

Consumer demand remains healthy. Corporate health appears strong and we anticipate solid fundamentals and profit growth in 2022. Wage growth will likely draw participants back into the workforce, improving labor market health. On balance, we think risk assets could offer opportunity in 2022 as long as investors can stomach potential volatility.

MACRO & MARKET COMMENTARY

INFLATION SPOTLIGHT

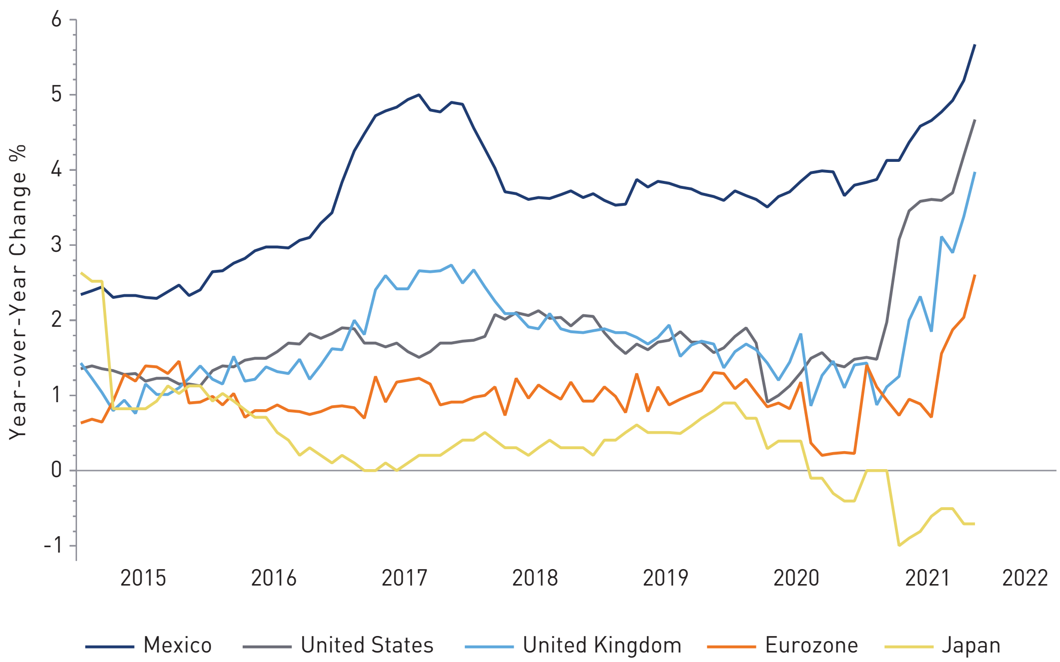
Inflation will likely govern the magnitude of central bank tightening next year.

- We believe cyclical forces and COVID-19-related distortions will help keep inflation elevated through the next four quarters while employment indicators continue to improve.
- In our view, supply chain disruptions are largely a function of demand for goods exceeding supply. We expect supply and demand to balance out later in 2022, which should lead to a moderation in goods prices.
- Companies will likely keep hiring and ramping up production to build back depleted inventories. We think demand for labor will remain elevated and we expect wage growth to run near 4.0%, hotter than the levels seen after the global financial crisis.
- Rising wages can lead to increased demand for goods, which can become a self-perpetuating cycle. However, we feel that relationship is unlikely to gain traction near term because wage growth in real terms is still negative. In other words, nominal wage gains have not kept pace with consumer price inflation.
- When supply chain disruptions clear, we would expect core PCE[1] to find a range between 2.0% and 2.5%.

CORE INFLATION

Source: Refinitiv Datastream, National Sources, latest monthly data available at 31 December 2021.

IF SUPPLY CHAIN DISRUPTIONS CLEAR IN 2022,
CORE INFLATION SHOULD MODERATE FROM VERY ELEVATED LEVELS



[1] *PCE: Personal Consumption Expenditures Price Index, a measure of inflation.*

MACRO DRIVERS

The global expansion is likely to remain on track.

- Global growth forecasts (and US growth forecasts) could soften if COVID-19-related disruptions escalate during the winter season.
- It appears vaccines will remain effective in preventing hospitalizations and deaths due to the omicron variant. The variant's spread appears likely to alter consumer behavior, but we don't anticipate material "demand destruction."
- Demand for goods and services remains robust despite higher price levels. Companies have been able to effectively pass through higher input costs to end users. We expect this trend to continue, which should help support corporate profit margins.
- Our aggregate credit market outlook is bright. We expect more credit rating upgrades than downgrades.
- We believe central banks are unlikely to overtighten policy, which would keep financial conditions from becoming too restrictive. The global economy could remain in the expansion phase of the credit cycle for a few years in such a regime.

MACROECONOMIC INDICATORS: BASE CASE EXPECTATIONS

Source: Loomis Sayles, as of 31 December 2021.

	EXPANSION (Base Case)
GLOBAL GROWTH	Not synchronized
SUPPLY/DEMAND IMBALANCE	Gradually reaches Fed's 2% target
REACH FULL EMPLOYMENT	End 2022/Improving participation
FED LIFTOFF	Q2 2022
YIELDS	Rise gradually
RISK APPETITE	Remains healthy
US DOLLAR VIEW	Range-bound

GOVERNMENT POLICY

Monetary policy will likely become less accommodative, but remain far from restrictive.

- Many economies have begun the transition from pandemic to endemic conditions. In our view, fiscal stimulus will not be an economic growth driver in 2022. In many countries, less fiscal stimulus could represent a drag on 2022 growth rates.

- The global economy has made rapid progress through the current credit cycle. In our view, central banks are likely to follow suit, with a faster timeline for rate hikes compared to the last cycle.

- Now that inflation has surpassed the Fed's inflation target, we think the Fed will deliver three 25-basis-point rate hikes in 2022, starting in the second quarter. The tapering of asset purchases should conclude in March, before the Fed's anticipated liftoff.

- We do not currently expect market dislocations due to Fed action because the central bank's communication has been targeted and clear.

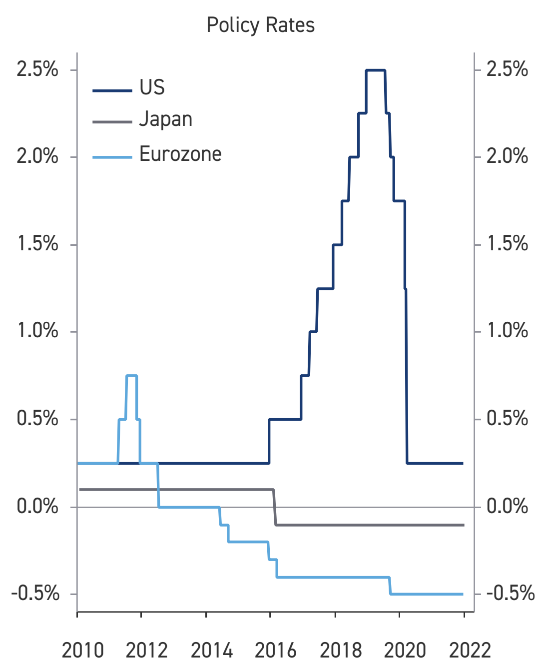
- We believe the Bank of England will continue raising rates at a modest clip throughout the year. The European Central Bank may commence a rate-hiking cycle in 2023. We have much less conviction in the Bank of Japan's ability to lift off and begin hiking its policy rate.

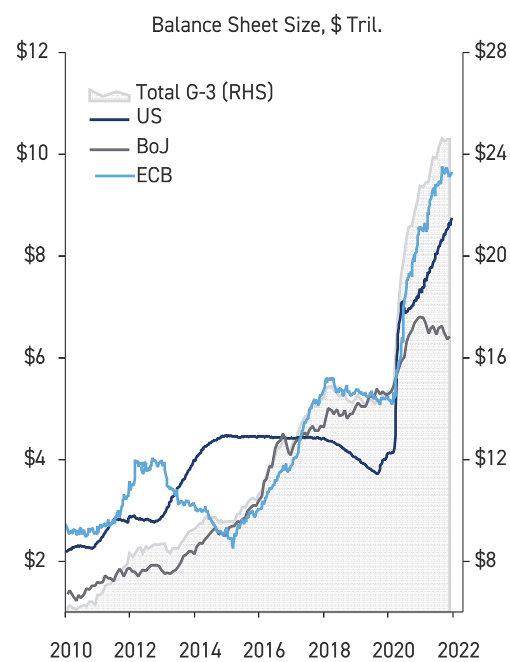
- Several emerging market central banks have already hiked policy rates to fight inflation. We believe the emerging market tightening cycle may be closer to the end than the beginning.

PREPARE FOR FED LIFTOFF AND BALANCE SHEET STABILIZATION

G-3 CENTRAL BANK MONETARY POLICY

Source: Refinitiv Datastream, data as of 28 December 2021.





CREDIT

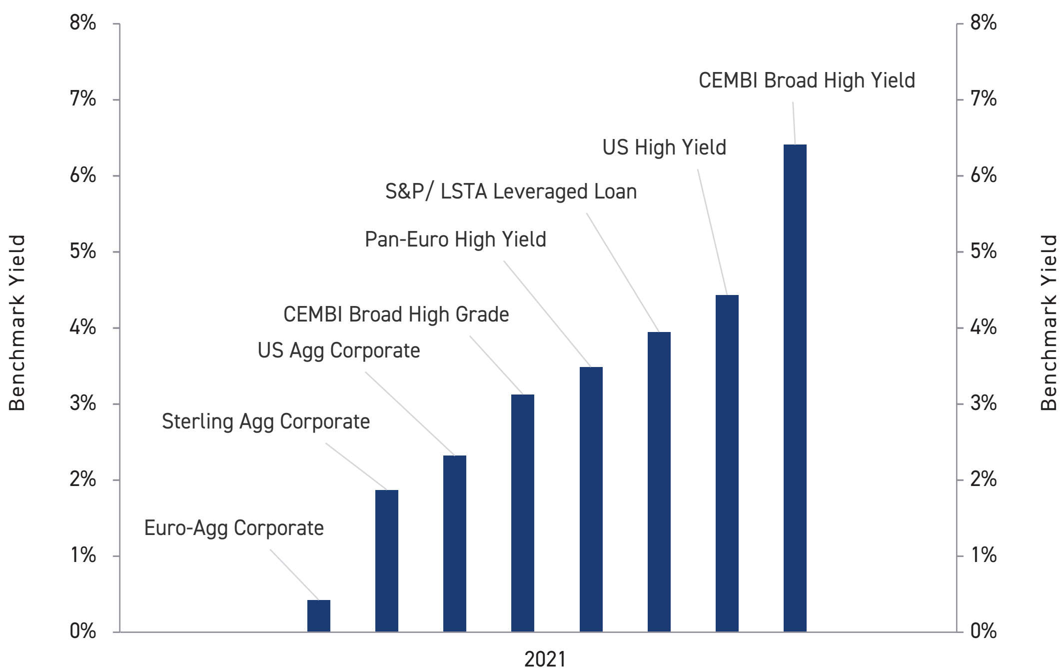
Credit investors can seek to harvest carry in this environment, though long-duration assets may face headwinds.

- We expect US and global credit to help deliver positive excess return potential over like-duration government bonds in 2022.
- With its long-duration profile, investment grade credit may struggle to produce positive total returns in a rising rate environment. However, we see scope for modest spread tightening once COVID-19-related risk aversion fades.
- We believe high yield credit can offer value given the sector's current nominal yield and shorter-duration profile relative to investment grade. In our view, defaults and downgrades should detract little from potential returns.
- Floating-rate high yield bank loans could benefit from rising rates in 2022. We believe the credit market continues to offer solid credit quality.
- Emerging market credit valuations have improved relative to other asset classes. However, we have less confidence in emerging market corporate health relative to the US and Europe due to political instability.
- We would view sporadic corrections in US and euro zone credit opportunistically, as we expect macroeconomic conditions and bottom-up fundamentals to remain supportive of credit markets.

WE PREFER HIGH-YIELDING DEVELOPED MARKET SECTORS

GLOBAL CREDIT BENCHMARK YIELDS

Source: Refinitiv Datastream, Bloomberg Barclays, JP Morgan, data as of 28 December 2021.



Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Past market performance is no guarantee of future results.

CURRENCIES

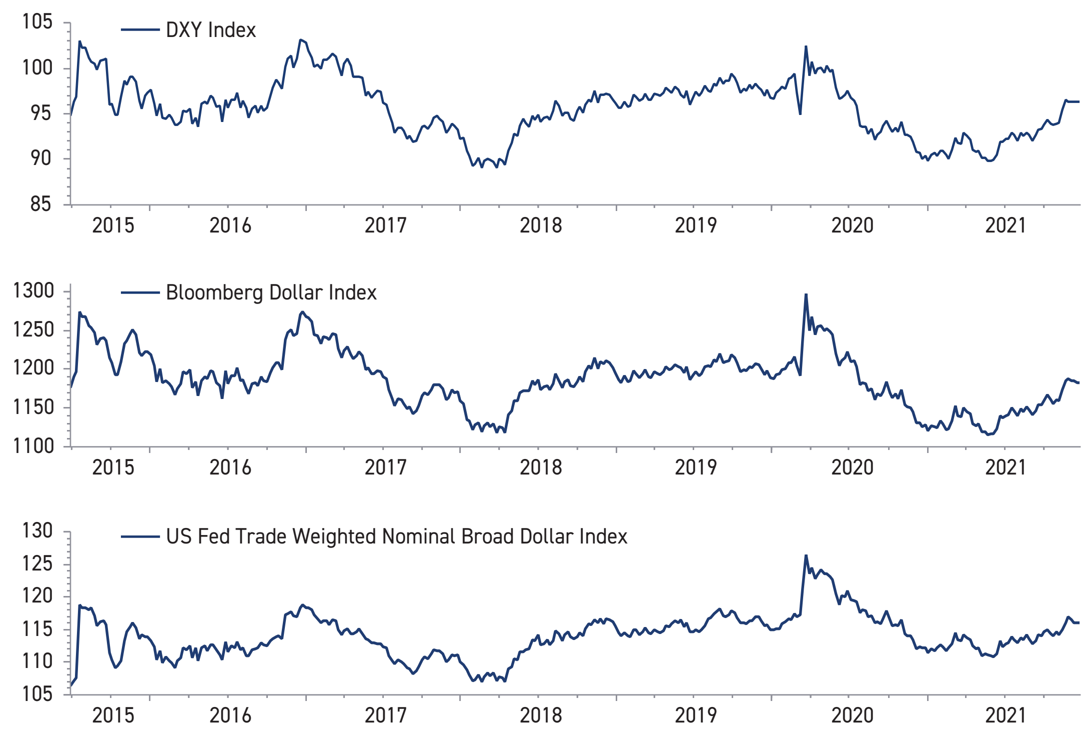
Non-US-dollar currencies may appear cheap, but risks remain.

- We anticipate uneven but positive growth in most major countries. We expect the broad dollar indices to trade in a range near term.
- We believe strong risk appetite and cyclical improvement in the global economy will eventually encourage investors to move into non-dollar assets and contribute to broad dollar weakness. For now, we are taking a selective approach to foreign currency exposure.
- We currently see opportunities to add non-dollar exposure in developed Europe and some emerging markets within Latin America and Asia.
- We believe country selection within emerging markets remains critical. The fundamental backdrop for each country will likely progress or decline at a different rate. In our view, political risk remains a key consideration for many emerging markets, but most notably for China.
- We think high-yielding non-dollar asset valuations have reached favorable levels in absolute and relative terms, but broad dollar weakness is needed for a sustainable rally.

IF MARKET EXPECTATIONS FOR FED RATE HIKES INCREASE, FURTHER NEAR-TERM DOLLAR GAINS ARE POSSIBLE

US DOLLAR INDEX LEVELS

Source: Bloomberg, Federal Reserve, JP Morgan, data as of 28 December 2021.



Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

EQUITIES

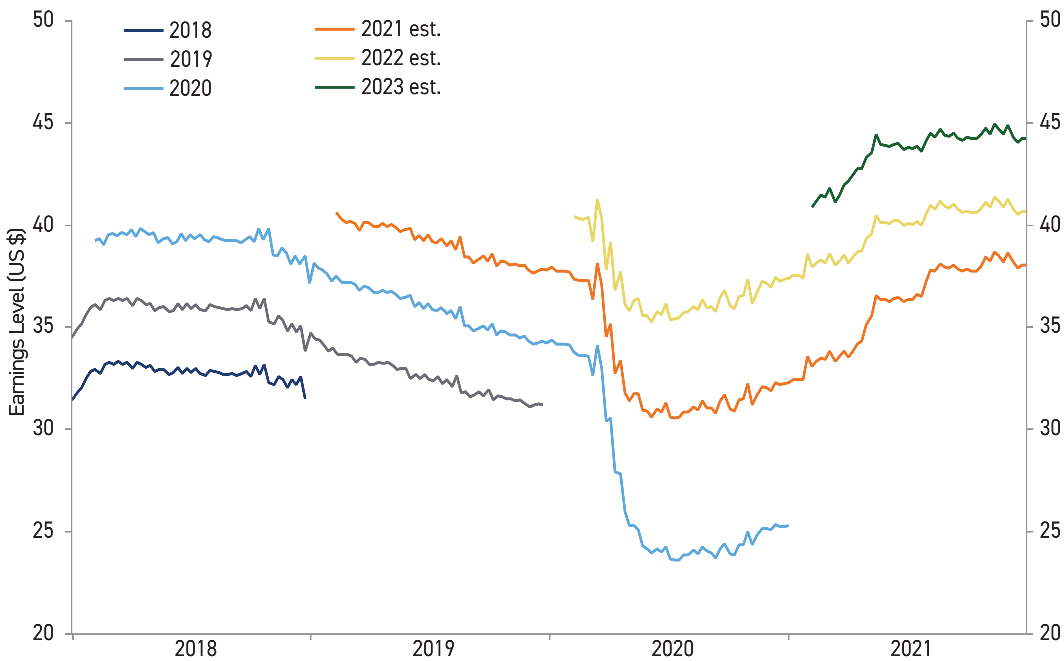
Earnings growth will likely propel global equity markets higher.

- We think US equity markets have upside potential based on earnings growth. Less accommodative monetary policy and higher discount rates will likely drive price-to-earnings multiple compression.
- Solid nominal GDP growth could help domestic large-cap earnings growth exceed 10% in 2022. In our view, consensus earnings growth expectations are probably too conservative and we expect upward revisions.
- Equity markets generally offer stronger absolute return potential than fixed income. A rising rate environment is not likely to derail this dynamic, especially versus long-duration fixed income assets.
- We expect high-growth equities that trade above price-to-earnings multiples to stay under pressure if interest rates rise. Growth and value styles may deliver similar returns after growth's multi-year stretch of outperformance.
- With a notable expansion underway, we currently prefer cyclical exposure in financials, industrials and energy over defensive sectors such as staples and utilities.

EARNINGS GROWTH COULD HELP DRIVE PERFORMANCE AS THE GLOBAL EXPANSION CONTINUES

CONSENSUS ESTIMATES FOR MSCI ALL COUNTRY WORLD EARNINGS PER SHARE BY CALENDAR YEAR

Source: Refinitiv Datastream, IBES, data as of 28 December 2021.

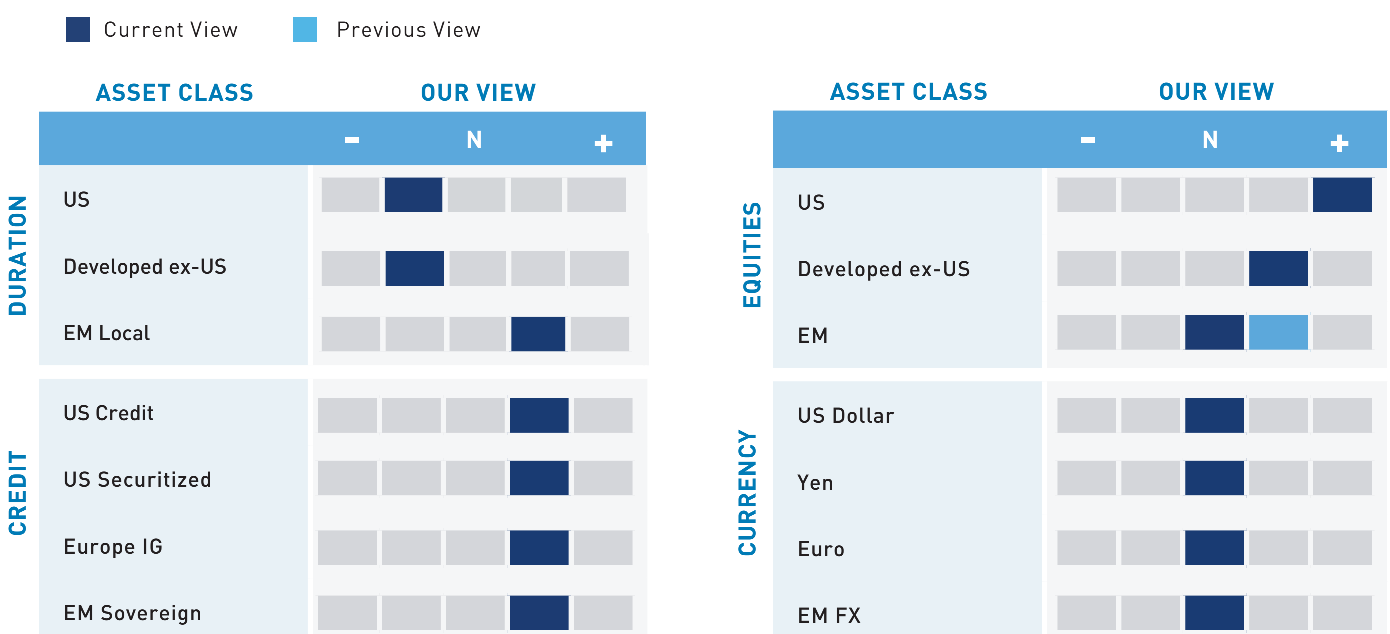


POTENTIAL RISKS

Ongoing COVID-19 spread, excessive inflation pressure and policy errors present increasing downside risks to growth and risk assets.

- Upticks in COVID-19 cases can dent consumer confidence and alter consumption patterns. We expect those critical growth drivers to remain on track, but new variants present a downside risk to the outlook if the spread and hospitalizations can't be contained.
- Inflation risk appears two-sided currently. On the one side, if supply chain disruptions subside and reduce inflation pressure, central banks could be hiking in a slowing economy. In that case, monetary policy could become too tight and put the expansion at risk. On the other hand, if supply chain disruptions subside and inflation does not ease toward central bank targets, central banks might tighten at a much faster pace than markets are currently expecting.
- We are watching for hawkish shifts in monetary policy or central bank rhetoric, which often lead to risk asset corrections as valuations adjust to tighter policy expectations.
- While most economies can function effectively if emergency policy measures are removed, we believe an aggressive pivot toward fiscal austerity in 2022 could derail the expansion.

ASSET CLASS OUTLOOK



AUTHOR

CRAIG BURELLE
VP, Senior Macro Strategies Analyst

Disclosure

This commentary is provided for informational purposes only and should not be construed as investment advice. Any opinions or forecasts contained herein reflect the subjective judgments and assumptions of the authors only and do not necessarily reflect the views of Loomis, Sayles & Company, L.P. Investment recommendations may be inconsistent with these opinions. There is no assurance that developments will transpire as forecasted and actual results will be different. Data and analysis do not represent the actual or expected future performance of any investment product. Information, including that obtained from outside sources, is believed to be correct, but Loomis Sayles cannot guarantee its accuracy. This information is subject to change at any time without notice.

Past performance is no guarantee of future results.

Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Investing involves risk including possible loss of principal.

Commodity, interest and derivative trading involves substantial risk of loss.

MALR028326

Additional Notes

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. 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. Sweden: Natixis Investment Managers International, Nordics Filial (Registration number 516412-8372- Swedish Companies Registration Office). Registered office: Kungsgatan 48 5tr, Stockholm 111 35, 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. Germany: Natixis Investment Managers S.A., Zweigniederlassung Deutschland (Registration number: HRB 88541). Registered office: Senckenberganlage 21, 60325 Frankfurt am Main. Belgium: Natixis Investment Managers S.A., Belgian Branch, Gare Maritime, Rue Picard 7, Bte 100, 1000 Bruxelles, Belgium. Spain: Natixis Investment Managers, Sucursal en España, Serrano n°90, 6th Floor, 28006 Madrid, Spain.

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 (register no. 190258) - registered office: Natixis Investment Managers UK Limited, One Carter Lane, London, EC4V 5ER. 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 Japan: Provided by Natixis Investment Managers Japan Co., Ltd. Registration No.: Director-General of the Kanto Local Financial Bureau (kinsho) No.425. Content of Business: The Company conducts investment management business, investment advisory and agency business and Type II Financial Instruments Business as a Financial Instruments Business Operator.

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 (company registration no. 199801044D) to distributors and qualified investors for information purpose only.

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 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 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 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 authorized. 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. Past performance information presented is not indicative of future performance.

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. This material may not be distributed, published, or reproduced, in whole or in part.

All 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

NATIXIS
INVESTMENT MANAGERS