Aligning your investment goals with targeted solutions for better outcomes
Specialized asset managers, diverse expertise

Natixis Investment Managers offers active investment solutions from over 20 high-conviction investment managers. Providing institutional clients with access to a range of managers, each with its own unique process and culture, helps capitalize on the diverse and unconventional thinking that can lead to return enhancement, risk reduction, and alpha generation.

AFFILIATES/DIVISIONS

1 A division of Natixis Advisors, L.P. 2 A brand of DNCA Finance. 3 Operated in the U.S. through Mirova U.S., LLC (Mirova US). 4 Operated in the U.S. through a participating affiliate arrangement with Natixis Advisors, L.P. 5 A wholly-owned subsidiary of Natixis Wealth Management. 6 Effective April 5, 2019, Natixis Investment Managers owns 24.9% of WCM Investment Management.
Solutions for institutions’ evolving needs

All types of institutional investors rely on our partnership, resources, wide spectrum of active investment strategies and custom-tailored solutions to help them optimize risk and returns in portfolios, as well as manage current assets and meet future liabilities.

With more than $621 billion of institutional assets managed worldwide, we work side-by-side with the following types of institutional clients to support their ever-changing needs:

- **pension funds**: more than $110 billion allocated to our strategies
- **insurance companies**: manage $265 billion for more than 120 firms
- **municipalities, sovereign institutions**: $80 billion in mandates across asset classes
- **foundations & endowments**: partners for decades meeting varying funding needs
- **corporations**: managing nearly $115 billion for companies worldwide
- **investment consultants**: 150 positive rated strategies

![Investors and Institutional Investment](image)
Complex times call for innovative portfolio solutions

Through client conversations and insight from our annual Natixis Global Survey of Institutional Investors, we have noticed similar concerns and challenges facing institutions. Among the most common are:

• **Continued volatility in 2019:** Could it significantly throw my risk budget off?
• **Transition from low yields to rising rates:** Cause for reallocating out of lower-rated riskier securities.
• **Late cycle, higher valuations:** Need for maximum diversification – private investments, market cap, style, geography, factor.
• **Return/risk management:** Traditional fixed income no longer fulfills a dual mandate.

Overall, institutional investors surveyed appear ready to embrace risk in pursuit of returns and yield by employing a range of strategies to help manage risk.

Focus on greater diversification

Projections for continued volatility in 2019 suggest the potential for greater allocations to risk-mitigating and diversifying strategies. Allocating into private investments was also captured in the latest institutional investor survey. Among the top reasons cited for selecting private assets are higher returns (71%), diversification (60%) and steady flow of income (31%).

Getting the balance right is a critical component of institutional portfolio strategy. We are here to support you every step of the way. While we certainly do not pretend to have all of the answers, we do have numerous ideas to share. For example, the table below includes three ideas for potentially reducing equity beta in portfolios.

Possible substitute and diversification opportunities

<table>
<thead>
<tr>
<th>Risk-Mitigating Category</th>
<th>Objective</th>
<th>Type</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity substitute</td>
<td>Manage equity volatility while maintaining upside potential</td>
<td>Minimum Volatility</td>
<td>Seeyond</td>
</tr>
<tr>
<td>Equity complement</td>
<td>Reduce equity volatility while maintaining market exposure</td>
<td>Equity Call/ Put Writing</td>
<td>Gateway</td>
</tr>
<tr>
<td>Equity diversifier</td>
<td>Diversify away equity risk and enhance downside protection at the expense of equity upside</td>
<td>Managed Futures</td>
<td>AlphaSimplex</td>
</tr>
</tbody>
</table>

HOW INSTITUTIONS ARE MANAGING RISK

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversifying across sectors</td>
<td>84%</td>
</tr>
<tr>
<td>Risk budgeting</td>
<td>81%</td>
</tr>
<tr>
<td>Increasing use of alternative investments</td>
<td>78%</td>
</tr>
<tr>
<td>Currency hedging</td>
<td>74%</td>
</tr>
<tr>
<td>Smart beta</td>
<td>64%</td>
</tr>
<tr>
<td>Integration of material ESG factors</td>
<td>46%</td>
</tr>
</tbody>
</table>
Actively managed investment capabilities

Many of our active asset managers offer investment strategies that produce high active share; they tend to be high conviction, concentrated, alpha-oriented, and risk-minded. Also, investments listed below may be available in varying vehicles, including separate accounts, CITs, mutual funds, and active ETFs. Please talk to your Natixis consultant for more specific information.

**Active Equities**
- High-conviction/concentrated
- Across geography/market capitalizations
- Low volatility equity
- Sustainable/ESG-driven
- Custom index-based solutions
- Factor-based
- Long/short
- International and global growth equity
- Emerging markets

**Fixed Income**
- Absolute return
- Sustainable/ESG-driven
- Liability-driven investing
- Green bonds
- Tax-advantaged/taxable

**Alternatives**
- Crisis risk offset
- Managed futures
- Multi-asset solutions
- Equity risk offset/hedged equity
- Alternative risk premia
- Volatility control

**Private Markets**
- Real assets
- Infrastructure
- Private equity
- Private credit
- Real estate
- Sustainable
- Structured products
- Direct lending

**ESG-Driven, Sustainable**
- Thematic global equities
- Global green bonds
- ESG-driven target date funds
- Voting and engagement services
- Custom index-based solutions
- Impact investing

**Integrated Portfolio Implementation**
- Services for OCIOs
- Rebalancing/overlay services

**FEATURED AFFILIATES**
- Active Index Advisors
- Gateway Investment Advisers
- Harris Associates
- Mirova
- Seeyond
- Vaughan Nelson Investment Management
- WCM Investment Management
- Loomis Sayles
- Mirova
- AlphaSimplex Group
- Gateway Investment Advisers
- AEW Capital Management
- Flexstone Partners
- Ostrum Asset Management
- Active Index Advisors
- Mirova
- Natixis Advisors
Strength in collaborative partnerships

Partnership built on an acute understanding of each institutional client’s needs, interests and values is our top priority. Only through deep collaboration are we able to align your goals and definition of success with the solutions right for you.

While we are pleased to be able to connect you to best-in-class managers across asset classes, we think about your investment needs holistically. You will find Natixis to be a rich resource for objective data – from diverse economic viewpoints to portfolio-level insights and customized research.

Holistic approach connects clients to offerings that create real value

Deep collaboration:
- Long-term, client-centric, holistic approach
- Partners for lifecycle of your investments
- High-touch service
- Interaction with investment experts

Active asset managers:
- High conviction, active management
- Differentiated offerings from 20+ managers
- Alpha generation potential
- Active risk management

Macro & market insights:
- Objective analysis through capital markets and macroeconomic updates
- Data and analysis from Center for Investor Insight
- Worldwide network with 31 offices within key markets in the Americas, Asia and Europe

Portfolio analysis & research:
- Advanced portfolio analytics
- Identify/quantify sources of risk and return for optimal efficiency
- Customized research
- Specialized consultants
Turning insight into action

Everything we do at Natixis is driven by deep analysis, insightful solutions and Active Thinking®. We leverage the many varying viewpoints of our investment professionals across the globe and challenge traditional ways of thinking in pursuit of client solutions.

To further this mission and provide investment professionals with a deeper level of portfolio insight, the Natixis Investment Institute was established. It builds on the behavioral research of our Center for Investor Insight, the in-depth portfolio research and analytics of Natixis Portfolio Clarity®, and market trend analysis and forecasting to provide you with an in-depth understanding of the relationships between investor sentiment and investment decision-making.

Your Natixis Institutional Services team

Holistic support: At every stage of the investment lifecycle, from discovery to implementation and ongoing reporting, a highly skilled member of the Natixis Institutional Services Group is on your team. Partnering with you, our responsive, high-end service and support can help to:

• Identify and quantify potential sources of risk and return for your portfolio

• Customize solutions to fit your unique parameters

• Monitor and report investment movement regularly
7 Cerulli Quantitative Update: Global Markets 2018 ranked Natixis Investment Managers as the 16th largest asset manager in the world based on assets under management as of December 31, 2017.

8 As of 3/31/19. 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.

9 As of 3/31/19

10 As of 3/31/19

11 Natixis Investment Managers, Global Survey of Institutional Investors conducted by CoreData Research in October and November 2018. Survey included 500 institutional investors in 28 countries.

12 Natixis Investment Managers, Global Survey of Institutional Investors conducted by CoreData Research in September and October 2017. Survey included 500 institutional investors in 30 countries. 13

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All investing involves risk, including the risk of loss.

Investment decisions should be based on an individual's own goals, time horizon and tolerance for risk.

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