NATIXIS INVESTMENT MANAGERS

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AlphaSimplex Global Alternatives Fund

ALPHASIMPLEX

QUARTERLY PORTFOLIO COMMENTARY

Market Commentary

Inflation continued to be the main economic story of the second quarter. As a consequence of persistently rising inflation, central banks around the world began tightening, or began tightening more aggressively. In the U.S., the Federal Reserve announced two rate hikes over the quarter, one of 50 basis points and one of 75 basis points, in an effort to combat the highest inflation in decades with one of the strongest rate hikes in decades. As a result, interest rates continued to move higher. In turn, this exacerbated the ongoing decline in equity markets, with the S&P 500, for example, experiencing its worst first half since 1970.

Commodity markets, on the other hand, saw more dispersion over the quarter. Energy markets continued to be supply-constrained, leading to elevated prices in markets like crude oil and gasoline. But outside energy markets, base metal prices and some precious metals fell during the quarter, while agricultural commodities moved sideways. The U.S. dollar remained strong, although there were occasional reversals in recent months.

One outlier to these trends was Japan, which has maintained a policy of monetary easing and yield curve control. This caused the yen to weaken substantially over the quarter.

Explanation of Fund Performance

AlphaSimplex Global Alternatives Fund Class Y shares returned –2.38% during the second quarter of 2022. Although the Fund does not seek to track any particular index, the Barclay Fund of Funds Index may be used as a benchmark for performance analysis. This benchmark returned –4.92% for the same period. It is important to note that there are material differences between the Fund and its benchmark.

The Fund seeks to take on exposures that reflect the liquid, dynamic broad market exposures of the hedge fund industry as well as exposures related to hedge fund-like alternative risk premia strategies. When the Fund takes on a “long” exposure to a market, the long exposure generally profits as the price of the underlying market rises, but suffers losses when its price falls. When the Fund takes on a “short” exposure, the short exposure generally suffers losses as the price of the underlying market rises, but profits as its price falls. In taking on these exposures, the Fund typically makes extensive use of futures and forward contracts on global stock indexes, fixed-income securities, currencies, and commodities. The Fund can also use short and long exposures to single-name equities as part of its alternative risk premia strategies. As market events unfold, these market exposures result in a profit or loss for the Fund.

Hedge Fund Replication. The Fund’s Hedge Fund Replication models detracted from performance, returning approximately –3.60% in total. Losses were driven by long positions in equities, particularly in U.S. index futures. Replication models saw additional losses from commodities, as losses from long positions in gold and copper outweighed gains in oil futures. Fixed income and currencies provided positive performance. In fixed income, gains came primarily from short positions in U.S. 10-Year and Ultra 10-Year Notes. In the short-term rates market, gains came from short positions in SOFR futures. Currency gains were driven by short positions in international developed markets (long U.S. dollar), with the largest gains from short exposure to the Japanese yen and euro.

Alternative Risk Premia. The alternative risk premia (ARP) component of the portfolio returned approximately 1.22% for the quarter. The largest gains came from the Trend/Momentum models, driven primarily by strong trends in fixed income and currencies. The category also saw gains in commodity momentum, primarily through agricultural commodities. ESG controversy models in the Event category contributed positively through short exposure to the consumer discretionary and industrials sectors. Short positions in crowded momentum stocks also contributed positively. The Value category was up modestly, as losses from the currency value model were outweighed by gains in the equity profitability factor; these gains came primarily from short exposure to the real estate sector. The Carry/Curve category was roughly flat as gains in the commodity carry factor were balanced out by losses in the bond carry model. Finally, Structural/Flow models detracted, as gains from the low-volatility factor were outweighed by losses in the commodity contrarian model, which saw losses from long exposure to copper and agricultural futures.

While modest, the contribution from the Fund's money market holdings was positive over the quarter.

Risk management

The Fund's portfolio is adjusted on a daily and monthly basis to incorporate changing market dynamics and new information about hedge funds' exposures, and on a daily basis to control risk. The risk control mechanism is designed to target an average annual volatility of 9% or less. As market volatility increases, position sizes are reduced, and as market volatility decreases, position sizes are increased. The Fund's realized volatility during the quarter was 9.2%, above its long-term average. We continue to scale the size of the Fund's positions to keep total portfolio risk at or below its target.

Outlook

Recent equity market declines and higher interest rates have stoked fears of a recession or even a "stagflation" environment, which could have further negative consequences for both yields and equities. Markets will be watching the Fed and other central banks with keen interest to see how they move and if they continue tightening more or less aggressively. It is unclear whether future rate increases are fully priced into markets or if they may cause yields to continue to rise. Counterintuitively, bad economic data might slow the Fed's interest rate increases, allowing equity markets to recover, adding further to the uncertainty around how matters will resolve in the coming months.

Commodity markets may struggle to maintain the delicate balance between slowing demand in an inflationary period and continuing supply chain issues, which have been exacerbated both by the COVID-19 pandemic and the ongoing war in Ukraine.

In general, markets will need to cope with all of these countervailing uncertainties, and it remains to be seen what the impacts will be on long-term economic growth.

Average annualized total returns (%) † as of 6/30/2022

	3 months	YTD	1 year	3 years	5 Years	10 Years
Class Y	-2.38	-2.82	-2.11	-0.12	1.49	2.90
Class A at NAV	-2.42	-2.88	-2.33	-0.35	1.24	2.65
Class A with 5.75% maximum sales charge	-8.00	-8.48	-7.92	-2.31	0.05	2.04
Barclay Fund of Funds Index	-7.06	-9.86	-9.60	1.70	1.72	2.56

Performance data quoted represents past performance and is no guarantee of future results. Total return and value will vary, and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For most recent month-end performance, visit im.natixis.com. Performance for other share classes will be greater or less than shown based on differences in fees and sales charges. You may not invest directly in an index. †Performance for periods less than one year is cumulative, not annualized. Returns reflect changes in share price and reinvestment of dividends and capital gains, if any.

Gross expense ratio 1.38% (Class Y share) / 1.63% (Class A share). Net expense ratio 1.27% (Class Y share) / 1.52% (Class A share). As of the most recent prospectus, the investment adviser has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense cap of the Fund has been exceeded. This arrangement is set to expire on 4/30/23. When an expense cap has not been exceeded, the gross and net expense ratios and/or yields may be the same. Not all share classes available for purchase by all investors. Class Y shares are available to institutional investors with a minimum initial investment of $100,000 and through certain wrap-fee programs, retirement plans, and investment advisory accounts with no minimum. See prospectus for more details.

Risks

Leverage can increase market exposure and magnify investment risk. **Futures and forward contracts,** like other derivatives, can involve a high degree of risk and may result in unlimited losses. Because they depend on the performance of an underlying asset, they can be highly volatile and are subject to market, credit, and counterparty risks. **Short exposures** using derivatives may present various risks. If the value of the asset, asset class or index on which the Fund holds short investment exposure increases, the Fund will incur a loss. The potential risk of loss from a short exposure is theoretically unlimited, and there can be no assurance that securities necessary to cover a short position will be available for purchase. **Equity**

securities are volatile and can decline significantly in response to broad market and economic conditions. **Foreign and emerging market securities** may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than US securities, due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Commodity-related investments,** including derivatives, may be affected by a number of factors including commodity prices, world events, import controls, and economic conditions and therefore may involve substantial risk of loss. **Currency exchange rates** between the US dollar and foreign currencies may cause the value of the fund's investments to decline. **Interest rate risk** is a major risk to all bondholders. As rates rise, existing bonds that offer a lower rate of return decline in value because newly issued bonds that pay higher rates are more attractive to investors. **Concentrated investments** in a particular region, sector, or industry may be more vulnerable to adverse changes in that industry or the market as a whole.

Definitions

The Barclay Fund of Funds Index is a measure of the average return of all Funds of Funds ("FoFs") in the Barclay database. The index is simply the arithmetic average of the net returns of all the FoFs that have reported that month. Index returns are recalculated by Barclay Hedge, Ltd. throughout each month. The Fund does not expect to update the index returns provided if subsequent recalculations cause such returns to change. In addition, because of these recalculations, the Barclay Fund of Funds Index returns reported by the fund may differ from the index returns for the same period published by others. The performance of the Index reflects the managed fees and other expenses of both the funds of funds in the Index and the hedge funds in which these funds of funds invest.

DAX Index is a stock index that represents 30 of the largest and most liquid German companies that trade on the Frankfurt Exchange. The prices used to calculate the DAX Index come through Xetra, an electronic trading system. A free-float methodology is used to calculate the index weightings along with a measure of average trading volume. The DAX was created in 1988 with a base index value of 1,000. DAX member companies represent roughly 75% of the aggregate market cap that trades on the Frankfurt Exchange.

The U.S. Dollar Index (USDX®) (also sometimes referred to as DXY) is a geometrically averaged calculation of six currencies weighted against the U.S. dollar.

The Merrill Lynch Option Volatility Estimate Index (MOVE) is the bond market's equivalent of the Chicago Board Options Exchange Volatility Index (VIX), and helps to gauge the current level of fear or complacency in fixed income markets.

Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index composed of Japan's top 225 blue-chip companies on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the US. In fact, it was called the Nikkei Dow Jones Stock Average from 1975 to 1985.

TOPIX is an index that measures stock prices on the Tokyo Stock Exchange (TSE). This capitalization-weighted index lists all firms that are considered to be under the 'first section' on the TSE, which groups all of the large firms on the exchange into one pool. The second section groups all of the remaining smaller firms.

You may not invest directly in an index.

Disclosure

This information is dated and cannot be relied upon as current thereafter. This portfolio is actively managed and holdings are subject to change. There is no guarantee the fund continues to invest in the securities referenced, and the holdings identified do not represent all of the securities purchased, sold or recommended. Reference to specific securities or holdings should not be considered recommendations for action by investors.

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Before investing, consider the Fund's investment objectives, risks, charges, and expenses. Please visit im.natixis.com or call us at 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.

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