

# AlphaSimplex Tactical U.S. Market Fund

Q2 • June 30, 2020

## Fund Highlights

- Aggressive equity strategy that seeks to minimize the impact of extreme market drawdowns without limiting long-term growth potential
- Uses a proprietary risk model that compares near-term risk and return expectations to determine the appropriate level of equity market exposure
- May be suitable for investors seeking an equity allocation that can respond to changing market conditions

## Average annualized total returns† (%)

	3 months	YTD	1 year	3 years	5 years	Life of class 9/30/2013
Class Y	10.54	-14.56	-5.07	5.02	5.23	8.02
Class A at NAV	10.49	-14.60	-5.26	4.77	4.97	7.75
Class A with 5.75% maximum sales charge	4.15	-19.53	-10.68	2.74	3.73	6.81
S&P 500® Index <sup>5</sup>	20.54	-3.08	7.51	10.73	10.73	11.71
Barclay Equity Long/Short Index <sup>6</sup>	7.50	-1.89	0.49	2.02	2.09	3.18

## Calendar year returns (%)

	2010	2011	2012	2013 <sup>1</sup>	2014	2015	2016	2017	2018	2019
Class Y	-	-	-	13.06	14.92	-2.74	4.41	25.67	-3.67	23.34
S&P 500® Index <sup>5</sup>	-	-	-	10.51	13.69	1.38	11.96	21.83	-4.38	31.49
Barclay Equity Long/Short Index <sup>6</sup>	-	-	-	4.68	2.94	2.84	1.71	8.04	-3.33	7.08

## Fund Facts

### Objective

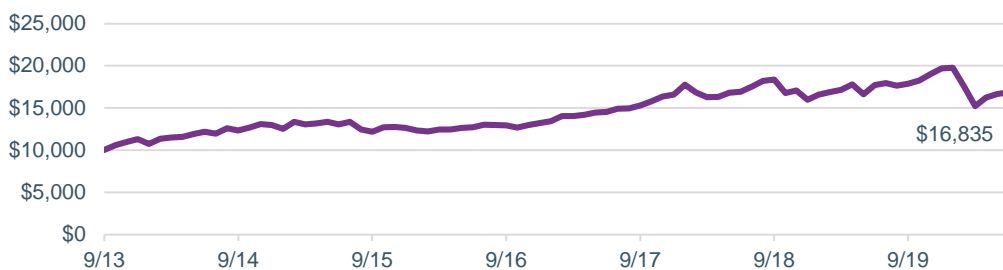
The Fund seeks long-term capital appreciation, with emphasis on the protection of capital during unfavorable market conditions

Share Class	Ticker	Cusip
Class Y	USMYX	63872T-39-8
Class A	USMAX	63872T-42-2
Class C	USMCX	63872T-41-4

Class A maximum sales charge of 5.75%  
Class C maximum CDSC of 1.00%

Total net assets	\$128.7 million
Inception date	9/30/2013
Number of holdings <sup>2</sup>	165
Turnover as of 12/31/2019	37%
Distribution frequency	Annual
Gross Expense Ratio (Y/A) <sup>3</sup>	1.06%/1.31%
Net Expense Ratio (Y/A) <sup>3</sup>	1.00%/1.25%

## Investment return – Hypothetical growth of \$10,000 investment<sup>4</sup>



Performance data shown represents past performance and is no guarantee of, and not necessarily indicative 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](http://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.

<sup>1</sup> The calendar year performance shown for 2013 is a partial year of performance since inception on 9/30/2013 through 12/31/2013. <sup>2</sup> The number of holdings presented includes futures, common stock, ETFs and money market securities, if applicable. <sup>3</sup> As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense limitation of the fund has been exceeded. This arrangement is set to expire on 04/30/2021. When an expense limitation has not been exceeded, the gross and net expense ratios and/or yields may be the same. <sup>4</sup> This chart tracks the hypothetical growth of a \$10,000 investment in Class Y shares. Investment returns would be lower for Class A share investments, which are subject to higher fees and may also include sales charges.

Not all share classes are 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 the prospectus for more details.

## Portfolio Overview

Portfolio exposures<sup>7</sup>

Exposure	% of Net Assets
Money market securities	31.25
Equity – common stock	68.01
Equity derivatives	-18.72
Equity ETFs	0.00
<b>Total Equity</b>	<b>49.29</b>

## Fund statistics

Beta vs. S&P 500 <sup>®</sup> Index <sup>8, 10</sup>	0.92
R-Squared vs. S&P 500 <sup>®</sup> Index <sup>9, 10</sup>	90.3
Standard Deviation (%) <sup>10</sup>	16.5

Top ten equity holdings<sup>11\*</sup>

Company	% of Portfolio
1. Microsoft Corp.	5.12
2. Apple, Inc.	4.03
3. Amazon.com, Inc.	3.81
4. Johnson & Johnson	1.40
5. Facebook, Inc.	1.36
6. Merck & Co., Inc.	1.26
7. UnitedHealth Group, Inc.	1.16
8. Verizon Communications, Inc.	1.16
9. Thermo Fisher Scientific, Inc.	1.13
10. Costco Wholesale Corp.	1.13



## Manager Overview

## Investment Manager

AlphaSimplex Group, LLC offers alternative investment solutions designed to adapt to changing market dynamics. The products use Adaptive Volatility Management™ to help offset the impact of short-term fluctuations in market risk. The products are liquid, actively managed, and adaptive to current market conditions.

**Headquarters:** Cambridge, MA

**Founded:** 1999

**Assets under management:**  
\$5.7 billion (as of 03/31/2020)<sup>12</sup>

Portfolio Managers<sup>13</sup>

**Alexander D. Healy, PhD**  
**Robert S. Rickard**  
**Kevin H. Maeda**  
**Serena V. Stone, CFA<sup>®</sup>**

\* The portfolio exposures presented above are intended to illustrate the asset class exposure present in the fund. As applicable, the portfolio exposure percentage will represent the notional contract value in U.S. dollars of the Fund's futures positions, forward positions and/or portfolio exposure to ETFs divided by the Fund's total net assets. Notional contract values represent the aggregate exposure that a futures or currency forward contract provides to the underlying reference asset or currency, respectively. Given the nature of the Fund's investments, the sum of the percentages above may not equal 100% and the notional contract values may not equal the net assets of the Fund.

On a daily basis the Fund reflects the changes in the unrealized gains and losses from these futures and/or forward currency contracts in the computation of its net asset value. At June 30, 2020, 31.25% of the Fund's net assets represented investments in money market securities, 0.00% in ETFs, 68.01% in equities and 0.74% of the Fund's net assets represented other assets less liabilities. The other assets primarily consist of margin and unrealized gains and losses on futures contracts.

## Risks

**Leverage** can increase market exposure and magnify investment risk. **Equity securities** are volatile and can decline significantly in response to broad market and economic conditions. **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. **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.

5 S&P 500<sup>®</sup> Index is a widely recognized measure of U.S. stock market performance. It is an unmanaged index of 500 common stocks chosen for market size, liquidity, and industry group representation, among other factors. It also measures the performance of the large cap segment of the US equities market. 6 The Barclay Equity Long/Short Index is comprised of equity-oriented hedge funds which hold both long and short stock positions and tend to tactically vary their net market exposure, i.e., market beta, based on their assessment of market risk and expected return. 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 Equity Long/Short Index returns reported by the fund may differ from the index returns for the same period published by others. 7 The Advisor will target 50% equity exposure when it believes risk of loss is justified by potential returns; however, the portfolio may exceed that target temporarily due to changes in market pricing or cash flows. 8 Beta is calculated for the three-year period and represents the risk associated with the fund relative to market risks. For example, the market has a beta of 1.00, so if a fund has a beta of 0.85, it can be expected to be 15% less volatile than the overall market. Conversely, if a fund has a beta of 1.08, it can be expected to be 8% more volatile than the overall market. 9 R-squared is calculated for the three-year period and represents the percentage of the fund's movements that can be explained by the movements of the market. For example, index funds will tend to have R-squared values very close to 100. 10 Standard deviation measures the risk of a portfolio or market. Beta, R-squared and standard deviation are calculated on a monthly basis for the three-year annualized period as of the most recent quarter-end. 11 The portfolio is actively managed and holdings are subject to change. References to specific securities or industries should not be considered a recommendation. For current holdings, please visit our website. 12 Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets and other types of non-regulatory AUM. 13 CFA<sup>®</sup> and Chartered Financial Analyst<sup>®</sup> are registered trademarks owned by the CFA Institute.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Visit [im.natixis.com](http://im.natixis.com) or call 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.

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