NATIXIS INVESTMENT MANAGERS

Q3 | SEPTEMBER 30, 2019

Natixis US Equity Opportunities Fund

QUARTERLY PORTFOLIO COMMENTARY

Average annualized total returns (%) † as of 9/30/2019

	3 months	YTD	1 year	3 years	5 years	10 years
Class Y	-2.36	17.62	0.41	12.27	11.59	14.40
Class A at NAV	-2.43	17.40	0.14	11.99	11.31	14.12
Class A with 5.75% maximum sales charge	-8.03	10.66	-5.63	9.80	10.00	13.45
S&P 500® Index	1.70	20.55	4.25	13.39	10.84	13.24
Russell 1000® Index	1.42	20.53	3.87	13.19	10.62	13.23

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. Performance for other share classes will be greater or less than shown based on differences in fees and sales charges. †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. You may not invest directly in an index.

Gross expense ratio 1.16% (Class A share) / 0.91% (Class Y share). Net expense ratio 1.16% (Class A share) / 0.91% (Class Y share). 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 cap of the fund has been exceeded. This arrangement is set to expire on 4/30/20. When an expense cap has not been exceeded, the gross and net expense ratios 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.

Market Review

During the third quarter, The S&P 500 returned 1.70% amid continued uncertainty surrounding US/China trade, the yield curve inversion and recession fears. The path was not steady as monthly returns came in at 1.44%, -1.58%, and 1.87% in July, August, and September, respectively. United States GDP grew at an annual rate of 2.0% in the second quarter, down from 3.1% in the first quarter of 2019. US employment continued to show strength with the unemployment rate declining .2 percentage points to 3.5% in September (lowest in 50 years), but YOY average hourly earnings growth fell to 2.9%, down from 3.2% in August. The Federal Reserve lowered its benchmark overnight lending rate a quarter point in July and September, characterizing this move as a "mid-cycle policy adjustment." Federal Reserve Chairman Powell cited "implications of global developments for the economic outlook as well as muted inflation pressures" for the September cut. The S&P 500 index rose 1.7% during the quarter, with utilities (+9.33%), real estate (+7.71%), and consumer staples (+6.11%) among the best performing sectors. Energy (-6.3%), healthcare (-2.25%), and materials (-0.12%) were the three negative-performing sectors in the index. Value and large-cap outpaced growth and small-cap on a relative basis.

Fund performance

The Natixis US Equity Opportunities Fund underperformed its benchmark, returning -2.36% vs. 1.7% for the S&P 500 Index. The Harris Large Cap Value sleeve returned -0.82% while the Loomis Sayles All-Cap Growth sleeve returned -3.21%.

On a relative basis, security selection within information technology and industrials was the biggest detractor. An overweight allocation to consumer discretionary as well as security selection within this sector detracted from performance as well. Security selection within communication services, consumer staples, healthcare, financials, and energy also detracted from performance.

Within the communication services sector, an overweight position in Netflix was the largest detractor. The company's share price declined during the quarter on the heels of weaker than expected subscriber growth along with fears that rival streaming services will reduce the company's growth prospects.

Within the consumer discretionary sector, overweight positions in Under Armour and Amazon were the largest detractors. Within healthcare, an overweight position to Regeneron was the largest detractor.

Harris Associates Large Cap Value Segment

The Fund's allocation as of quarter end was 43.84% in the Harris Associates Large Cap Value Sleeve. Within the segment, Alphabet and CVS Health Corporation were the largest contributors while Netflix and General Electric were the largest detractors.

- **Alphabet** is a holding company which operates through the Google (Android, Chrome, Commerce, etc.) and Other Bets Segments (Access, Calico, Next, Waymo, etc.). The company reported Q2 2019 earnings that surpassed analyst estimates, pushing the stock price higher. The company saw strong growth in its Cloud business.
- **CVS Health Corporation** engages in the provision of healthcare services. CVS posted stronger-than-expected second quarter earnings in Q3 and increased full-year profit guidance. The company's newly acquired Aetna health insurance business also beat revenue expectations.
- **Netflix** is an internet subscription service company, which provides subscription service streaming movies and television episodes over the internet. Netflix's share price declined during the quarter after reporting weaker than expected subscriber growth along with fears that rival streaming services will reduce the company's growth prospects.
- **General Electric** is a technology and financial services company that develops and manufactures products for the generation, transmission, distribution, control and utilization of electricity. Despite beating expectations in the Q2 earnings results, several outspoken bearish analysts have continued to express concerns about growth, cash flow, and liabilities, which has weighed on sentiment.

Loomis Sayles All Cap Growth Segment

Review of Fund Performance:

The Fund's allocation at the end of the quarter was 56.16% in the Loomis Sayles All Cap Growth sleeve. Within the segment, Alphabet and Procter & Gamble were the largest contributors to performance while Under Armour and Amazon were the largest detractors.

Alphabet is a holding company which owns a collection of businesses, the largest and most important of which by far is Google. Google is the global leader in online search and advertising and also offers online cloud solutions to businesses and consumers globally. A long-term portfolio holding, Alphabet reported strong quarterly results that were above consensus expectations. Total revenue of $38.9 billion represented a 22% increase year over year in constant currency and accelerated across all regions after having decelerated in the prior quarter. Advertising revenue accounted for 84% of Google revenue and grew 16% compared with the year-ago quarter, powered by the secular shift of advertising to online and mobile platforms. With growth well above that of traditional advertising, Google continued to take market share. Other revenue accounted for 16% of Google revenue and grew 40% year over year, driven primarily by Cloud but also Google Play. Google's key revenue drivers of mobile search, YouTube, programmatic advertising, and an emerging cloud business that is growing three-to-four times faster than the core search business, each continue to benefit from secular factors around increased mobility, video advertising, better use of advertising technology to drive performance, and increased penetration of public cloud services. Operating income of $9.2 billion increased 17% year over year and was also above consensus expectations. We believe Alphabet remains well positioned to benefit from the secular shift of the $1 trillion in global annual advertising and marketing expenditures to online and mobile advertising from traditional advertising media. We believe market expectations underestimate Alphabet's long-term sustainable growth rate. Therefore, we believe the company is selling at a significant discount to our estimate of intrinsic value and offers a compelling reward-to-risk opportunity.

Procter & Gamble is the world's largest consumer products manufacturer. The company's portfolio of leading brands, global distribution reach, shelf space with retailers, and scale constitute strong and sustainable competitive advantages that would take decades for a competitor to replicate. A long-term portfolio holding, P&G reported quarterly results that were better than consensus expectations across many business segments, reflecting the company's strongest organic sales performance in a decade. The main driver for improved performance was the company's increased focus on a smaller number of product categories in which the company's competitive advantages enable it to deliver clearly differentiated products. While we believe the company should

routinely succeed on this basis, years of expansion by category and geography had resulted in insufficient attention to the company's core businesses. Under CEO David Taylor, the company has implemented an improved strategy by refocusing on 65 brands in 10 core categories, while disposing of over 100 non-core brands since late 2015. We believe the company's recent results have begun to reflect P&G's improved focus and execution. P&G is a dominant competitor, with approximately 65% of its sales coming from categories where it is the market leader within a country, and over 80% of sales from categories where it is among the top two competitors. We believe P&G's streamlined portfolio of brands, ongoing cost-saving strategies, and increasing manufacturing and marketing productivity will enable the company to innovate and spur organic sales growth while also realizing greater operating profits due to scale advantages. We believe the current market expectations underestimate the long-term structural growth drivers and the company's superior positioning. With its share price selling at a significant discount to our estimate of intrinsic value, we believe the company offers a compelling reward-to-risk opportunity.

Under Armour is a leading sports apparel, footwear, and accessories provider, primarily engaged in developing, marketing, and distributing performance-centric branded sportswear. In twenty years, Under Armour has accomplished what few have achieved by becoming a credible number three global sportswear brand behind Nike and Adidas. We believe the company's strong and sustainable advantages include its brand, distribution, and the benefits of scale needed to compete globally, and that it is well positioned to benefit from secular growth in global per capita consumption of sportswear and market share gains in footwear and international markets. A portfolio holding since the fourth quarter of 2017, Under Armour reported quarterly financial results that were in line with consensus expectations but reflected weakness in North America that was expected to persist in the third quarter. Under Armour has spent the past several quarters refocusing on its premium segment and resizing its operations and expense base to improve profitability. Sportswear retailers have come under pressure in the last few years due in part to a shift in consumer buying behavior towards e-commerce and direct-to-consumer sales from the brand owners themselves. In early 2016, Under Armour's second largest customer declared bankruptcy. This reduced Under Armour's points of sale and resulted in an industry-wide excess of inventory that prompted other leading brands to spend heavily on promotions to work through excess inventory. The combination of contracting wholesale sales and elevated promotional expenditures created headwinds that continued into 2019. We believe these issues are temporary and that Under Armour has taken the necessary steps to improve execution and profitability. The company has successfully reduced excess inventory while preserving its gross margins, and we believe it is poised to return to profitable growth in North America by focusing on its heritage as a provider of premium performance sports apparel. We believe the current share price embeds growth and profitability assumptions for the business that are substantially below our estimates for the company's long-term growth.

Online retailer **Amazon** offers millions of products – sold by Amazon or by third parties – with the value proposition to consumers of selection, price, and convenience. Amazon's enterprise IT business, Amazon Web Services (AWS), offers a suite of secure, on-demand cloud-computing services, with a value proposition to clients of speed, agility, and savings. In both of its core markets, Amazon possesses strong and sustainable competitive advantages that would be difficult for competitors to replicate. A long-term portfolio holding, Amazon reported solid quarterly financial results that exceeded management guidance and consensus expectations for revenue growth. Revenue growth benefited from an initial rollout of one-day Prime shipping, which contributed to an acceleration of unit growth to 18% from 10% in the prior quarter. However, higher-than-expected costs associated with the rollout contributed to lower-than-expected operating profits. Amazon has experienced a number of transitions over the past 25 years where changes to its service model have temporarily impacted the cost or efficiency of its logistics system. We expect the company's newest initiative will benefit from scale and efficiency over time, and that by again increasing convenience to consumers it will contribute to future share gains. With an increasing shift to higher margin product categories such as third-party sales, AWS, and advertising, gross margins expanded during the period. Amazon is one of the best-positioned companies in e-commerce and enterprise IT – each addressing large, underpenetrated markets. The secular shift in consumer preference from traditional brick-and-mortar retail to online retail is the primary growth driver for Amazon, but both markets benefit from secular growth that is still in its early stages. We believe the current share price shows a lack of appreciation for Amazon's significant long-term growth opportunities and the sustainability of its business model. The shares trade at a significant discount to our estimate of intrinsic value and offer a compelling reward-to-risk opportunity.

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Risks

Equity securities are volatile and can decline significantly in response to broad market and economic conditions. **Value investing** carries the risk that a security can continue to be undervalued by the market for long periods of time. **Growth stocks** may be more sensitive to market conditions than other equities as their prices strongly reflect future expectations. **Small and mid-size companies** can be more volatile than those of larger companies. **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.

Index definitions

S&P 500® Index is a widely recognized measure of US 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.

The Russell 1000® Index measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® represents approximately 92% of the US market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

Disclosure

Top 10 Holdings (as of 9/30/19)

Company	% of Portfolio
Facebook, Inc. Class A	4.37
Alphabet, Inc. Class A	3.74
Visa, Inc. Class A	3.70
Amazon.com, Inc.	3.60
Alibaba Group Holding Ltd. Sponsored ADR	2.94
Regeneron Pharmaceuticals, Inc.	2.87
Oracle Corp.	2.84
Monster Beverage Corp.	2.56
Citigroup, Inc.	2.32
Autodesk, Inc.	2.28

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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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