



INVESTOR INSIGHTS SERIES

Meet the new normal, same as the old normal.

Professional fund buyers sing a familiar tune with market projections

Volatility is back. While some investors may have been surprised by tumultuous markets at the start of 2018, professional fund buyers have been expecting a spike in volatility for quite some time. After nearly a decade of squaring off with the low interest rates, low volatility, and high correlations of the new normal, they are projecting a new reality... and it looks a lot like the old normal.

These professionals, who are responsible for selecting funds to be included on private bank, insurance, fund of funds, and other retail platforms, anticipate significant changes for markets. Our global survey of 200 professional fund buyers finds strong consensus for an environment that will be marked by rising interest rates, increased market volatility and growing return dispersions.

- Rising rates and rising volatility add up to a market that favors active management for 80% of respondents.
- Managing duration and incorporating alternatives are key components of rising rate strategies.
- Seven in ten find it essential to invest in alternatives to help diversify portfolio risk.



ABOUT THE SURVEY

The Natixis Investment Managers Global Survey of Professional Fund Buyers was conducted by CoreData Research in September and October 2017. **The survey included 200 respondents in 23 countries.**

The professional fund buyers in the survey, who are researchers and analysts handling the fund selection and buying process across a range of institutions, are from the following types of organizations:



Fund-of-funds	11.5%	Independent advisory/Individual wealth manager	28.5%
Private banks/ Bank trusts	13%	Turnkey asset management provider/DFM	19%
Investment division of insurance	7.5%	Other	10%
DC investment platform provider	10.5%		

Despite significant risks, they report an average return target of 8.4% — a goal 82% of those surveyed say is realistically achievable. Their strategy for success begins by reassessing the assumptions that served them so well in post-crisis markets:

- Moving from low yields to rising rates, they are rethinking fixed-income portfolios, managing durations, and turning to alternative investments¹ to generate income.
- Anticipating volatility spikes, they favor active management and many are likely to rely on active strategies to generate alpha,² particularly in equity holdings.
- Seeking to enhance overall portfolio performance, many are relying on alternative investments.

All the while, they are finding themselves challenged to quantify and manage risk and address evolving regulatory pressures. Ultimately professional investors express a market view that feels more like 2007 than 2017 and what looks to be a return to the old normal.

The winds of change

Professional fund buyers have watched volatility arrive in slow motion, ranking it among their top risk concerns for the past two years. While there were few market spikes in 2017, it appears that it has arrived in earnest during the first quarter of 2018. Since January 1, the S&P 500 recorded 18 days with market movements up or down of 1% or greater. While this may not sound significantly volatile, it stands in drastic

comparison to 2017, a year that brought only eight days at this level of volatility out of 252 trading days. And volatility has been felt globally: the FTSE 100, Euro Stoxx 50, Nikkei, and MSCI Emerging Markets indexes all started the year with higher levels of volatility.

Many see 2017 as the exception, not the rule in terms of volatility. Almost eight in ten (78%) said they have been surprised that volatility had remained so low for so long. Six in ten go so far as to say the absence of volatility is cause for serious investor concern. The question remains as to whether this early movement is a short-term hiccup in reaction to growing geopolitical and global trade tensions, or a harbinger of a long-term shift in market performance.

Rates, volatility, bubbles, and politics top risk concerns

Professional fund buyers rank their top three risks as rising interest rates (55%), volatility spikes (47%), and liquidity (36%), but they are split on what it will mean for portfolio performance. Most see rate increases as a negative for overall performance (49%), but three in ten see a change in rates as a potential performance boost. The split in opinion may be driven by their investment horizon. For those looking at the immediate impact, rates will certainly put downward pressure on bond values today. But an uptick could see higher income tomorrow as rates go back up over time.

It's even harder to find a consensus view on volatility, as 39% see it as a threat to performance while 38% see it as a plus. The downside opinion is likely built on the view that after a long

¹ Alternative investments involve unique risks that may be different from those associated with traditional investments, including illiquidity and the potential for amplified losses or gains. Investors should fully understand the risks associated with any investment prior to investing.

² A measure of the difference between a portfolio's actual returns and its expected performance, given its level of systematic market risk. A positive alpha indicates outperformance and negative alpha indicates underperformance relative to the portfolio's level of systematic risk.

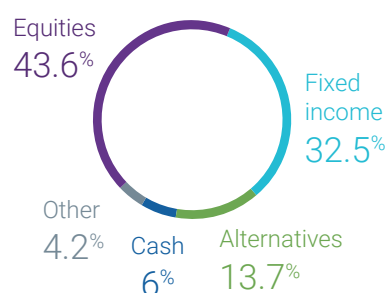
period of steady growth, we are due for a correction that brings security prices back down to earth. The upside of the view on volatility may be the prospect for higher return dispersions and a better opportunity to generate alpha. This may be of particular importance as 76% of buyers report that they have found it difficult to generate alpha as markets become more efficient.

Despite concerns over rates and volatility, it is the intersection of economics and politics that concerns professionals most. Overall, three-quarters of those surveyed believe geopolitics will have a negative impact on portfolio performance. Perhaps the strongest indication of political concerns came to a head in the US on March 23, 2018, when jitters about whether Trump tariffs on China would lead to a trade war resulted in a one-day 700-point drop for the Dow Jones Industrial Average. In testament to the uncertainty surrounding policy and politics, the Dow regained 650 points on March 26 – the next trading day.

Perhaps the most confounding variable facing fund buyers is the unprecedented process of unwinding of quantitative easing. Asset purchase plans instituted by central banks to lower rates and increase the money supply during the Global Financial Crisis have been in place for the better part of a decade. Nobody knew what the effect would be when measures were implemented; now after experiencing ten years of artificially low rates, nobody knows what will happen when policies are reversed. As a result, half of those surveyed see the uncertainty and expect the process to have negative impact on performance.

Overall, professional fund buyers worry about the effects of the extended period of low yields brought on by QE. Three-quarters of those surveyed believe that low rates have created asset bubbles: 41% see a bubble in bonds and 22% see a bubble in equities. One of the challenges posed by asset bubbles is how

Current portfolio allocations



investors are likely to react. Three-quarters of the professionals composing our survey pool believe individual investors are unaware of potential asset bubbles. Almost nine out of ten (87%) professionals caution that individuals are too focused on short-term performance, which can lead to bad decisions in periods of market stress.

Portfolio strategy evolving to meet new realities

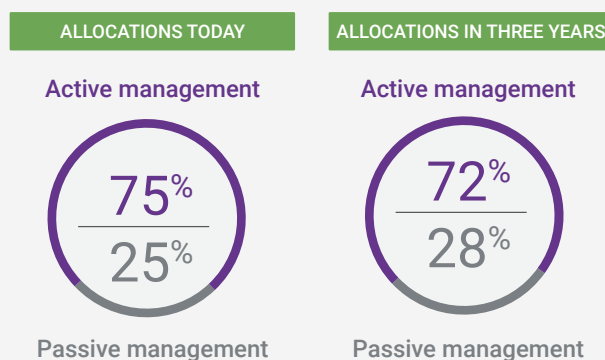
Regardless of who's right and who's wrong about the effects of rates, bubbles, volatility and politics, the fact remains that professionals know investment strategy will need to evolve in order to help better position portfolios for new market realities. In response, they are most likely to make moderate shifts in where they invest, rather than wholesale allocation changes. In fixed income respondents say they will look to shorten duration on bonds and implement alternatives to generate income. In equities they express a preference for European equities and emerging market stocks. In alternatives, they're likely to look for alpha with private equity, and seek to manage volatility with hedged equity and managed futures.

A market that favors active management

Looking at prospects for increased volatility, increased return dispersion, and lower correlations, 80% of professional fund selectors say it all adds up to a market that favors active management. Their call to maintain active allocations ties into the strengths they find for this investment approach.

The professionals surveyed anticipate volatile markets, and 84% say active is better for providing downside protection than passive while two-thirds see active as the better choice for taking advantage of short-term market movements. The professionals look to emerging markets to generate returns, and 83% find active is better suited for accessing these opportunities. The professionals rely on alternative investments to help diversify portfolio risks, and three-quarters say active is better for accessing non-correlated asset classes.

Even though 95% of professional fund buyers say passive strategies are better suited to minimizing management fees, the majority find that active provides greater value in meeting



critical portfolio objectives. It's not surprising, then, that those surveyed anticipate only minimal changes in their allocations to active investments over the next three years.

Getting a fix on bonds

Low yields have been a standard assumption in portfolio strategy for the better part of a decade. As a result, many investors have reached further and further down the credit spectrum to generate income. But now, as central banks in North America, Europe, and Asia look to implement increased rates, many professionals worry that both individual investors (76%) and institutional investors (71%) have taken on too much risk in pursuit of yield.

Rising rates challenge professionals to find new sources of income.

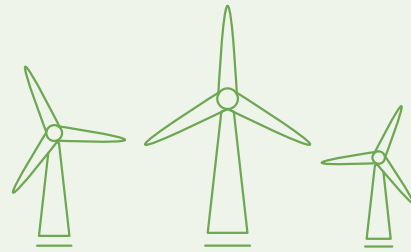
Differences in allocation preferences among income-producing asset classes indicate how professional buyers are likely to position portfolios for a rising rate environment. The higher the score, the more likely they will increase allocations to the asset class. The lower the score, the more likely they will decrease allocations.

Infrastructure +30%	Mortgage-backed securities -3%
Emerging market debt +26%	Investment grade corporates -4%
Private debt +21%	High yield -14%
Real estate +7%	Government debt -25%

Income preference differential measures % of respondents who reported they will increase allocations to a specific asset class less % who reported they will decrease their allocation.

Recent hikes made by the US Federal Reserve Board may be the opening salvo in the long process of lifting interest rates out of historic lows. On March 21, 2018, the Fed increased rates for the sixth time since 2015 with a 25 basis point bump that took the federal funds rate up to a ten-year high of 1.5% to 1.75%. With more moves in the wings in the US and elsewhere, 75% of those surveyed predict increased volatility for the bond markets.

Portfolio professionals project three main strategies for managing a rising rate environment. Most frequently, they say they will manage duration (42%), presumably by going lower. This will give them an opportunity to mitigate principal losses in their bond portfolios. But with 62% saying that fixed income no longer provides its traditional risk management role, 20% say they will increase the use of alternative investments, while 18% say they are likely to reduce fixed-income exposures overall.



ESG: A different kind of value investing

As they look to deliver on the expectations of end investors, professional fund buyers have an opportunity to incorporate ESG (environmental, social, and governance) investments that will help meet the preferences of the 78% of individual investors worldwide who say they want their investments to align with their personal values and the 72% who say they want their investments to do social good.³

More than four in ten (43%) of the buyers surveyed report their firm does not incorporate ESG into their investment process. Just 29% say they incorporate negative screens, 24% apply thematic investing and 18% implement impact or activist investing into their process. While they may have genuine concerns about

For example, more than one in three believe it is difficult to measure ESG performance but in the past three years, Morningstar, MSCI, Dow Jones and Barron’s have all introduced rankings on ESG performance ranging from individual companies to mutual fund portfolios.

the approach that keeps them from implementing ESG – lack of transparency (42%), conflicts between short-term returns and long-term sustainability goals, and potential greenwashing by companies that do not live up to ESG commitments (37%) – it may be time to reconsider these perceived barriers.

At a time when 76% of fund buyers say alpha is becoming harder to achieve as markets become more efficient, they may want to consider how ESG could help deliver. A majority of institutional investors (59%) believe there is alpha to be found in ESG, but only 45% of fund buyers agree. Not only could there be potential for enhanced returns, but also for enhanced relationships with investors.

³ Natixis Investment Managers, Global Survey of Individual Investors conducted by CoreData Research, February-March 2017. Survey included 8,300 investors from 26 countries.

Top portfolio applications for alternative investments

Type	Diversification/ Lower correlation	Alpha generation	Risk/Volatility mitigation	Inflation hedge	Stable income	Other
Managed futures	52.0%	30.0%	36.0%	7.0%	7.0%	4.0%
Global macro	43.5%	45.5%	24.5%	13.5%	7.0%	1.0%
Hedged equity	27.5%	34.0%	51.5%	6.0%	8.5%	2.0%
Commodities	47.0%	20.0%	12.0%	53.0%	2.5%	2.0%
Private equity	38.0%	58.0%	16.0%	7.0%	10.0%	3.0%
Private debt	35.5%	31.0%	19.0%	6.0%	34.5%	2.0%
Infrastructure	43.0%	17.0%	13.0%	27.0%	41.5%	2.0%

Regional diversification at the heart of equity strategy

It may be easy to assume that projections for higher levels of volatility may lead some investors to retreat from equity positions in an effort to insulate portfolios from potential losses. But it appears to be more likely that professional fund buyers do not see volatility as all bad. Instead they may believe global growth will continue and are shifting allocations to take advantage of more favorable conditions in different regions.

More than half of those surveyed (56%) plan to increase allocations to European equities, while only 14% plan to increase investments in US stocks. In part, this shift may reflect geopolitical concerns. Europe appears to be stabilizing, with Germany settling on a coalition and Italy moving closer. Even Brexit feels more complete with the UK and EU getting closer to a formal agreement. After witnessing progress in Europe, professional buyers may look at the Trump effect in the US and find greater uncertainty, leading 48% to say they will decrease allocations to US stocks.

Considering that 76% of those surveyed believe alpha is getting harder to obtain as markets become more efficient, it's not surprising they see opportunity in emerging markets. More than half (53%) anticipate that they will up allocations to these regions. Chief among their emerging market focus is the Asia Pacific region, which 42% say presents the best investment opportunity compared to 28% who favor Latin America and just 14% who expect top performance from Central and Eastern Europe.

Alternatives: the versatile portfolio performer

Professional fund buyers are facing a range of portfolio objectives that are made challenging by current market conditions. Overall, 70% professional fund buyers believe it is essential to invest in alternatives in order to diversify portfolio risks. Whether they're looking to generate income in a low yield environment, obtain alpha while correlations are high, minimize the effects of volatility, or enhance overall diversification, they are expanding their capabilities with alternative investments.

Low yields have made it challenging to generate a stable income stream. As a result, 59% report their organization is increasingly using alternatives as a fixed income replacement. On closer inspection, they have clear preferences on where they'll turn for income. More than half (52%) look to real estate for its ability to generate income. But their field of vision is not limited to this more mainstream investment. Four in ten believe infrastructure is well suited to addressing their income objectives, while more than a third (35%) see private debt as an effective vehicle. While private markets are less liquid, the preference for private debt is in line with the broader views on liquidity as 67% say the potential returns of illiquid investments make them worth the risk.

Private markets also hold appeal for those seeking to enhance portfolio performance. Recognizing that efficient markets make it difficult to generate alpha, professional buyer sentiment identifies both private equity (58%) and private debt (31%) as effective in the pursuit of stronger returns. Global macro strategies also get high marks as a strategy for this portfolio function from 46% of respondents.

As they contemplate the potential for increased volatility, professional fund buyers are considering a number of alternative strategies to help mitigate the effects of market turbulence on portfolios. Just over half (52%) of those surveyed see the potential for hedged equity strategies to absorb some of the shocks, while 36% say managed futures are well suited to the task. Managed futures is another asset class for which fund buyers have multiple uses. Along with volatility mitigation, 30% see them as effective for generating alpha and 52% see them as effective in diversification efforts.

This ability to enhance diversification potential is clearly on the minds of professional fund buyers, as 65% believe traditional asset classes are too closely correlated to provide distinctive return sources. In their view a range of alternatives can help them with broader diversification goals, including: commodities (47%), global macro (44%), infrastructure (43%), private equity (38%), and managed futures (52%).

Meeting modern market challenges

Professional fund buyers clearly have challenges in front of them, but investment selection is only a small part of the equation. As they find themselves facing the challenge of a market with both rising volatility and rising rates, 73% say they are challenged to get a consolidated view of portfolio risk. Despite what may keep them from getting a holistic view, these portfolio professionals find their best strategies for managing risk include diversifying by sector (91%), risk budgeting (80%), and increasing their use of alternatives (75%).

Beyond investment selection and risk management, the job of managing portfolios is further complicated by increased regulatory pressure and 82% find this to be a challenge for their firm. The professionals are concerned about the impact regulatory constraints will have on their ability to deliver long-term results for clients. Two-thirds worry that liquidity constraints could be creating a bias for shorter time horizons and highly liquid assets at a time when they must dive deeper into the alternatives pool to deliver results.

Meet the new normal

In the aftermath of the global financial crisis, much was made of the so-called “new normal.” But after ten years of low rates, low volatility, and low dispersion it has just become the normal. Looking at the changes on the horizon, it appears that professional fund buyers are ready to take a bow for the new revolution and get on with the job of building portfolios to meet their long-term objectives.

PROGRAM OVERVIEW

About the Natixis Center for Investor Insight

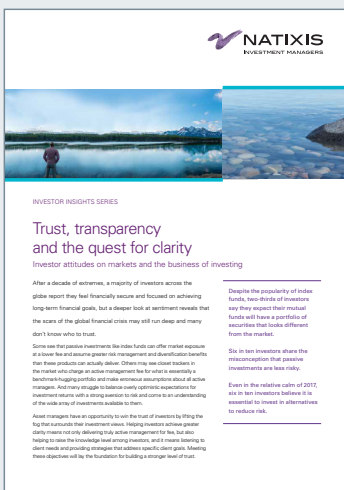
Investing can be complicated: Event risk is greater and more frequent. Volatility is persistent despite market gains. And investment products are more complex. These factors and others weigh on the psyche of investors and shape their attitudes and perceptions, which ultimately influence their investment decisions. The Center for Investor Insight conducts research with investors around the globe to gain an understanding of their feelings about risk, their attitudes toward the markets and their perceptions of investing.

Research agenda

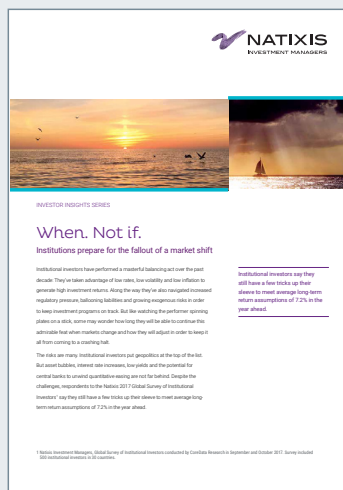
Our annual research program offers insights into the perceptions and motivations of individuals, institutions and financial professionals around the globe and looks at financial, economic and public policy factors that shape retirement globally with:

- Global Survey of Individual Investors – reaches out to 8,300 investors in 26 countries.
- Global Survey of Financial Professionals – reaches out to 2,550 professionals in 15 countries.
- Global Survey of Institutional Investors – reaches out to 500 institutional investors in 30 countries.
- Natixis Global Retirement Index – provides insight into the environment for retirees globally based on 18 economic, regulatory and health factors.

The end result is a comprehensive look into the minds of investors – and the challenges they face as they pursue long-term investment goals.



Trust, transparency and the quest for clarity
Investor attitudes on the markets and the business of investing



When. Not if.
Institutions prepare for the fallout of a market shift



It's the end of the world as they know it
And they feel fine

> To learn more:
Visit: im.natixis.com

This material is provided for informational purposes only and should not be construed as investment advice.

All investing involves risk, including the risk of loss. No investment strategy or risk management technique can guarantee return or eliminate risk in all market environments.

Diversification does not guarantee a profit or protect against a loss.

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 U.S. 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. **Alternative investments** involve unique risks that may be different from those associated with traditional investments, including illiquidity and the potential for amplified losses or gains. Investors should fully understand the risks associated with any investment prior to investing. **Managed futures** use derivatives, primarily futures and forward contracts, which generally have implied leverage (a small amount of money used to make an investment of greater economic value). Because of this characteristic, managed futures strategies may magnify any gains or losses experienced by the markets they are exposed to. Managed futures are highly speculative and are not suitable for all investors. **Sustainable investing** focuses on investments in companies that relate to certain sustainable development themes and demonstrate adherence to environmental, social and governance (ESG) practices, therefore the Fund's universe of investments may be reduced. It may sell a security when it could be disadvantageous to do so or forgo opportunities in certain companies, industries, sectors or countries. This could have a negative impact on performance depending on whether such investments are in or out of favor. **Duration** measures a bond's price sensitivity to interest rate changes. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

The **S&P 500®** 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.

The **Financial Times Stock Exchange 100 Index**, also called the FTSE 100 Index, FTSE 100, or FTSE, is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization.

The **EURO STOXX 50** is a stock index of Eurozone stocks designed by STOXX, an index provider owned by Deutsche Börse Group. It is made up of fifty of the largest and most liquid stocks.

The **Nikkei 225**, more commonly called the Nikkei, the Nikkei index, or the Nikkei Stock Average, is a stock market index for the Tokyo Stock Exchange.

The **MSCI Emerging Markets Index** captures large and mid-cap representation across 24 Emerging Markets (EM) countries. With 846 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **Dow Jones Industrial Average**, or simply the Dow, is a stock market index that shows how 30 large publicly owned companies based in the United States have traded during a standard trading session in the stock market.

Outside the United States, this communication is for information only and is intended for investment service providers or other Professional Clients. This material must not be used with Retail Investors. This material may not be redistributed, published, or reproduced, in whole or in part. 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.

In the EU (ex UK): 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. **France:** Natixis Investment Managers Distribution (n.509 471 173 RCS Paris). Registered office: 43 avenue Pierre Mendès France, 75013 Paris. **Italy:** Natixis Investment Managers S.A., Succursale Italiana (Bank of Italy Register of Italian Asset Management Companies no 23458.3). Registered office: Via Larga, 2 - 20122, Milan, Italy. **Germany:** Natixis Investment Managers S.A., Zweigniederlassung Deutschland (Registration number: HRB 88541). Registered office: Im Trutz Frankfurt 55, Westend Carrée, 7. Floor, Frankfurt am Main 60322, Germany. **Netherlands:** Natixis Investment Managers, Nederlands (Registration number 50774670). Registered office: World Trade Center Amsterdam, Strawinskylaan 1259, D-Tower, Floor 12, 1077 XX Amsterdam, the Netherlands. **Sweden:** Natixis Investment Managers, Nordics Filial (Registration number 516405-9601 - Swedish Companies Registration Office). Registered office: Kungsgatan 48 5tr, Stockholm 111 35, Sweden. **Spain:** Natixis Investment Managers, Sucursal en España. Paseo de Recoletos 7-9, Planta 7, 28004 Madrid, Spain.

In Switzerland: Provided 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 UK: Provided by Natixis Investment Managers UK Limited, authorized and regulated by the Financial Conduct Authority (register no. 190258). Registered Office: Natixis Investment Managers UK Limited, One Carter Lane, London, EC4V 5ER.

In the DIFC: Distributed in and from the DIFC financial district to Professional Clients only 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 as defined by the DFSA. Registered office: Office 603 - Level 6, Currency House Tower 2, PO Box 118257, DIFC, Dubai, United Arab Emirates.

In Singapore: Provided by Natixis Investment Managers Singapore (name registration no. 53102724D), a division of Ostrum Asset Management Asia Limited (company registration no. 199801044D). Registered address of Natixis Investment Managers Singapore: 10 Collyer Quay, #14-07/08 Ocean Financial Centre, Singapore 049315.

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: 16F-1, No. 76, Section 2, Tun Hwa South Road, Taipei, Taiwan, Da-An District, 106 (Ruentex Financial Building I), R.O.C., license number 2017 FSC SICE No. 018, Tel. +886 2 2784 5777.

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 discretionary asset management business and investment advisory and agency business as a Financial Instruments Business Operator. Registered address: 1-4-5, Roppongi, Minato-ku, Tokyo.

In Hong Kong: Provided by Natixis Investment Managers Hong Kong Limited to institutional/ corporate professional investors only. Please note that the content of the above website has not been reviewed or approved by the HK SFC. It may contain information about funds that are not authorized by the SFC.

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 Latin America: Provided by Natixis Investment Managers S.A.

In Colombia: Provided by Natixis Investment Managers S.A. 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.

In Mexico: Provided by Natixis IM Mexico, S. de R.L. de C.V., which is not a regulated financial entity 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. 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 to operate within Mexico as an investment manager in terms of the Mexican Securities Market Law (Ley del Mercado de Valores). Any use of the expression or reference contained herein to "Investment Managers" is made to Natixis Investment Managers and/or any of the investment management subsidiaries of Natixis Investment Managers, which are also not authorized by or registered with the CNBV or any other Mexican authority to operate within Mexico as investment managers.

In Uruguay: Provided by Natixis Investment Managers Uruguay S.A., a duly registered investment advisor, authorized and supervised by the Central Bank of Uruguay. Office: San Lucar 1491, oficina 102B, Montevideo, Uruguay, CP 11500.

The above referenced entities are business development units of Natixis Investment Managers, the holding company of a diverse line-up of specialized 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.

In Canada: This material is provided by Natixis Investment Managers Canada LP, 145 King Street West, Suite 1500, Toronto, ON M5H 1J8.

In the United States: Provided by Natixis Distribution, L.P., 888 Boylston St., Boston, MA 02199. Natixis Investment Managers includes all of the investment management and distribution entities affiliated with Natixis Distribution, L.P. and Natixis Investment Managers S.A.

This material should not be considered a solicitation to buy or an offer to sell any product or service to any person in any jurisdiction where such activity would be unlawful.