

AlphaSimplex Managed Futures Strategy Fund



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 Managed Futures Strategy Fund Class Y shares returned 16.06% during the second quarter of 2022, outperforming the Fund's benchmark, the Credit Suisse Managed Futures Liquid Index, which returned 5.80% for the quarter. It is important to note that there are material differences between the Fund and its benchmark. Another index that may be used for performance analysis is the SG Trend Index as it reflects a peer group of diversified, primarily trend-following investment managers. This benchmark returned 9.59% during the second quarter of 2022.

The AlphaSimplex Managed Futures Strategy Fund maintained broad diversification across trend horizons and approaches to trend following. Over the course of the quarter, the Fund saw gains across the board, with the largest gains from fixed income. In fixed income, the largest gains came from the Fund's short positions, especially international markets like French, German, and Australian bonds. Short positions in short-term rates, particularly SOFR futures, also provided gains. Currency gains were driven by short positions in international developed markets (long U.S. dollar), with the largest gains from the Japanese yen, euro, and British pound. In emerging market currencies, gains came from short positions in the Polish zloty and Singapore dollar, while long positions in the China offshore yuan, South African rand, and Mexican peso (short U.S. dollar) led to losses. Commodities were more mixed, with gains from long positions in energy markets outweighing losses from long positions in base metals, precious metals, agricultural commodities, and livestock. Equities provided small positive performance from short positions, especially within U.S. and international developed markets; these gains outweighed losses from long positions in other equities, especially the S&P/TSX 60 (Canada) and SPI 200 (Australia). At the model level, all three approaches contributed positively, with the adaptive models outperforming the basic multi-trend and short-horizon approaches. While modest, the contribution from the Fund's money market holdings was positive over the quarter.

Risk management

The portfolio is managed to an annualized volatility target of 17% or less.^[1] We scale portfolio positions as often as daily in an effort to keep total portfolio risk within its target range. 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 17.0%, above the long-term realized

^[1] The Fund seeks to target a relatively stable level of annualized volatility (as measured by standard deviation), but the targeted volatility is subject to change. There is no guarantee that the target will be achieved and the realized volatility level of the Fund can be higher or lower than its target volatility at any given point in time. Volatility is not an indicator of expected return or a measure of protection against loss.

volatility for the Fund, primarily due to increased volatility in the markets in which the Fund invested over the quarter. 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	16.06	37.10	32.29	17.92	10.84	7.53
Class A at NAV	15.98	36.87	31.91	17.63	10.54	7.26
Class A with 5.75% maximum sales charge	9.28	28.96	24.38	15.34	9.24	6.62
Credit Suisse Managed Futures Liquid Index*	5.80	20.12	16.30	8.22	4.76	4.33
SG Trend Index	9.59	28.97	31.00	14.98	10.24	5.59

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. *The Credit Suisse Managed Futures Liquid Index seeks to gain broad exposure to the Managed Futures strategy using a pre-defined quantitative methodology to invest in a range of asset classes including: equities, fixed income, commodities and currencies. Relative performance for the Credit Suisse Managed Futures Liquid Index is not available prior to January 31, 2011, which is the inception date of the index.

Gross expense ratio 1.51% (Class Y share) / 1.76% (Class A share). Net expense ratio 1.47% (Class Y share) / 1.72% (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 Credit Suisse Managed Futures Liquid Index seeks to gain broad exposure to the Managed Futures strategy using a pre-defined quantitative methodology to invest in a range of asset classes including equities, fixed income, commodities, and currencies. Relative performance for the Credit Suisse Managed Futures Liquid Index is not available prior to January 31, 2011, which is the inception date of the index.

SG Trend Index is equal-weighted, reconstituted, and rebalanced annually. The index calculates the net daily rate of return for a pool of Commodity Trading Advisors (CTAs) selected from the larger managers that are open to new investment. AlphaSimplex Group, LLC is part of this Index.

ASX SPI 200™ Index is the benchmark derivative product for investors trading and hedging in the Australian equity index market. SPI Futures enable investors to trade movements in the S&P/ASX 200 Index in a single transaction, allowing exposure to Australia's top 200 companies without having to buy or sell shares in every company in the index. SPI Futures are approved for trading by the US Commodities Futures Trading Commission (CFTC) and the UK Financial Services Authority (FSA). Volumes in the SPI Futures contract have grown significantly in recent years.

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 Dow Jones Euro Stoxx 50 Index® is Europe's leading Blue-chip index for the Eurozone, providing a Blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

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

The Hang Seng Index is a market capitalization-weighted index of 40 of the largest companies that trade on the Hong Kong Exchange. The Hang Seng Index is maintained by a subsidiary of Hang Seng Bank, and has been published since 1969. The index aims to capture the leadership of the Hong Kong exchange, and covers approximately 65% of its total market capitalization. The Hang Seng members are also classified into one of four sub-indexes based on the main lines of business including commerce and industry, finance, utilities and properties.

The IBEX 35 is the benchmark stock market index of the Bolsa de Madrid, Spain's principal stock exchange. Initiated in 1992, the index is administered and calculated by Sociedad de Bolsas, a subsidiary of Bolsas y Mercados Españoles, the company which runs Spain's securities markets. It is a market capitalization weighted index comprising the 35 most liquid Spanish stocks traded in the Madrid Stock Exchange General Index, and is reviewed twice annually. Trading on options and futures contracts on the IBEX 35 is provided by MEFF, another subsidiary of BME.

The FTSE MIB is the benchmark stock market index for the Borsa Italiana, the Italian national stock exchange, which superseded the MIB-30 in September 2004. The index consists of the 40 most-traded stock classes on the exchange. The index was administered by Standard & Poor's from its inception until June 2009, when this responsibility was passed to FTSE Group, which is 100% owned by the Borsa Italiana's parent company, London Stock Exchange Group.

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.

The MSCI EAFE Index (Net) is a free float-adjusted market capitalization index designed to measure large and mid-cap equity performance in developed markets, excluding the US and Canada. The Index includes countries in Europe, Australasia, and the Far East.

MSCI Emerging Markets Index is an unmanaged index that is designed to measure the equity market performance of emerging markets.

Russell 2000® Index is an unmanaged index that measures the performance of the small-cap segment of the US equity universe.

S&P MidCap 400® is an unmanaged index that measures the performance of the mid-cap segment of the US equities market.

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.

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.

This material is provided for informational purposes only and should not be construed as investment advice. The views and opinions expressed may change based on market and other conditions. There can be no assurance that developments will transpire as forecasted, and actual results may vary.

This document may contain references to third party copyrights, indexes, and trademarks, each of which is the property of its respective owner. Such owner is not affiliated with Natixis Investment Managers or any of its related or affiliated companies (collectively "Natixis") and does not sponsor, endorse or participate in the provision of any Natixis services, funds or other financial products.

The index information contained herein is derived from third parties and is provided on an "as is" basis. The user of this information assumes the entire risk of use of this information. Each of the third party entities involved in compiling, computing or creating index information disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to such information.

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.

Natixis Distribution, LLC is a limited purpose broker-dealer and the distributor of various registered investment companies for which advisory services are provided by affiliates of Natixis Investment Managers. • Natixis Distribution, LLC is located at 888 Boylston Street, Suite 800, Boston, MA 02199-8197. • 800-225-5478 • im.natixis.com • Member FINRA | SIPC

1046854.30.1
Exp. 10/31/2022
ASGMFS03-0622