

AIA S&P 1500[®] (All Cap) Strategy



QUARTERLY PORTFOLIO COMMENTARY (CASH FUNDED AFTER-TAX COMPOSITE)

US equity markets posted strong results during the quarter. Investors were rewarded with improving inflation data resulting in the Federal Reserve skipping a rate hike during their June meeting. The annual US inflation rate was down marginally in June, but remained stubbornly high at 4.0%, compared with the Fed's 2% target. To tame inflation, the Fed signaled that a Q3 rate hike might be necessary. US economic growth moderated, with GDP increasing at an annual rate of 2.0% in the first quarter of 2023, down from 2.6% in the fourth quarter of 2022. US unemployment ticked up slightly to 3.6% in June, but employment resilience and the resolution of the debt ceiling uncertainty spurred markets higher. Financials rebounded in the wake of the March banking crisis, albeit not at the exuberant pace of many artificial intelligence and semiconductor related equities that led US equity markets during the quarter. Geopolitical uncertainties, including the Russia-Ukraine conflict, continued to weigh on investor sentiment, but strong employment data and economic resilience helped bolster investor optimism and ease fears of a hard landing. The S&P 500[®] Index rose 8.7% for the quarter, with significant dispersion between sectors. Information technology (+17.2%), consumer discretionary (+14.6%), communication services (+13.1%), and industrials (+6.5%) were the most notable positive performing sectors in the index. Utilities (-2.5%) and energy (-0.9%) were the only negative performing sectors in the index. Growth and large cap outpaced value and small cap on a relative basis. The Russell 1000[®] Value Index rose by +4.1% compared to an increase of +12.8% in the Russell 1000[®] Growth Index, and the Russell 1000[®] Index rose by +8.6% compared to an increase of +5.2% in the Russell 2000[®] Index.

During the quarter, the AIA S&P 1500[®] (All Cap) Strategy underperformed its benchmark before taxes and net of 0.30% fees by -0.59%. The strategy underperformed over the period on an after-tax and net of 0.30% fee basis by -0.24%. After-tax returns benefited from an increase in opportunities to harvest losses, with dispersion in sector performance and sustained volatility from the second quarter. Tax alpha was positive and added 0.35% during the period.

Year to date, the AIA S&P 1500[®] Strategy underperformed its benchmark before taxes and net of 0.30% fees by -2.56%. The strategy underperformed over the period on an after-tax and net of 0.30% fee basis by -1.10%. Tax alpha was positive and contributed 1.46% for the period.

The AIA S&P 1500[®] (All Cap) Strategy seeks to provide a pre-tax return similar to the performance of the S&P 1500[®] Index, and seeks to outperform the benchmark on an after-tax basis by proactively realizing losses. AIA's managers use a stratified sampling methodology to select a subset of stocks from the index, while seeking sector-neutral weights and diversification across market capitalization. Individual account performance may vary due to restrictions at the account level such as security exclusions, capital gain budgets, and other restrictions.

Monetary policy and the trajectory of the economy remain top of mind for investors. Inflation, growth expectations, the lengthy Russia-Ukraine war, and recessionary risks continue to remain key uncertainties for investors, as economists evaluate expectations of economic growth and recessionary risks in their forecasts. While volatility has subsided, uncertainties persist, and investors should remain mindful of the breadth of scenarios facing them. Active fundamental research, combined with investment discipline, may be the best approach in the months to come.

AIA S&P 1500[®] (All Cap) Strategy – Annualized Returns (as of 6/30/2023)

AIA S&P 1500 [®] Cash Funded After-Tax Composite Pure Gross Returns	Pre-Tax			After-Tax			Tax Alpha
	Composite Pure Gross Return	Benchmark Return (S&P 1500 [®])	Difference	Composite Pure Gross Return	Estimated Benchmark Return	Difference	
3 months	-4.93%	-4.76%	-0.18%	-3.58%	-5.12%	1.54%	1.72%
1 year	-14.51%	-15.55%	1.04%	-6.53%	-16.89%	10.36%	9.32%
3 years	7.79%	7.96%	-0.17%	13.33%	6.24%	7.09%	7.26%
5 years	9.11%	8.90%	0.22%	13.56%	7.22%	6.33%	6.12%
10 years	11.20%	11.56%	-0.36%	13.71%	10.08%	3.64%	4.00%
Since inception 09/01/2003	8.87%	9.11%	-0.23%	11.30%	7.94%	3.36%	3.59%

AIA S&P 1500 [®] Cash Funded After-Tax Composite Net 0.30% Returns	Pre-Tax			After-Tax			Tax Alpha
	Composite Net 0.30% Return	Benchmark Return (S&P 1500 [®])	Difference	Composite Net 0.30% Return	Estimated Benchmark Return	Difference	
3 months	-5.01%	-4.76%	-0.25%	-3.65%	-5.12%	1.47%	1.72%
1 year	-14.77%	-15.55%	0.78%	-6.81%	-16.89%	10.07%	9.29%
3 years	7.47%	7.96%	-0.49%	12.99%	6.24%	6.75%	7.24%
5 years	8.79%	8.90%	-0.11%	13.22%	7.22%	6.00%	6.11%
10 years	10.87%	11.56%	-0.70%	13.37%	10.08%	3.30%	3.99%
Since inception 09/01/2003	8.55%	9.11%	-0.56%	10.97%	7.94%	3.03%	3.59%

AIA S&P 1500 [®] Cash Funded After-Tax Composite Net Bundled Fee Returns ¹	Pre-Tax			After-Tax			Tax Alpha
	Composite Net Bundled Fee Return	Benchmark Return (S&P 1500 [®])	Difference	Composite Net Bundled Fee Return	Estimated Benchmark Return	Difference	
3 months	-5.66%	-4.76%	-0.90%	-4.31%	-5.12%	0.81%	1.72%
1 year	-17.08%	-15.55%	-1.53%	-9.32%	-16.89%	7.57%	9.10%
3 years	4.62%	7.96%	-3.34%	10.00%	6.24%	3.76%	7.11%
5 years	5.90%	8.90%	-2.99%	10.23%	7.22%	3.00%	6.00%
10 years	7.93%	11.56%	-3.63%	10.38%	10.08%	0.30%	3.93%
Since inception 09/01/2003	5.67%	9.11%	-3.43%	8.04%	7.94%	0.09%	3.53%

¹ The assumed model bundled fee used is 3.0% and has been retroactively applied since inception.

AIA S&P 1500[®] (All Cap) Strategy – Market Cap Allocations (as of 6/30/2023)

Market cap size	Percentage of total portfolio	S&P 1500 [®]
Large (>10B)	93.10%	91.31%
Mid (2.5B to 10B)	5.79%	6.94%
Small (<2.5B)	1.11%	1.75%

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. As portfolios are actively managed, holdings are subject to change. The securities discussed herein do not represent all of the securities purchased, sold or recommended. The reader should not assume that an investment in these securities was or will be profitable. A complete list of all past recommendations made within the immediately preceding 12-month period is available upon request.

S&P 1500[®] Composite Index is an investable US equity benchmark. The S&P Composite 1500[®] combines three leading indices, the S&P 500[®], the S&P MidCap 400, and the S&P SmallCap 600, to cover approximately 90% of the US market capitalization. It is designed for investors seeking to

replicate the performance of the US equity market or benchmark against a representative universe of tradable stocks. Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. Russell 1000[®] Growth Index is an unmanaged index that measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000[®] companies with higher price-to-book ratios and higher forecasted growth values. Russell 1000[®] Value Index is an unmanaged index that measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000[®] companies with lower price-to-book ratios and lower expected growth values. 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. Russell 2000[®] Index is an unmanaged index that measures the performance of the small-cap segment of the US equity universe.

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

AIA encompasses the direct indexing capabilities offered through Natixis Investment Managers Solutions. Natixis Investment Managers Solutions is a division of Natixis Advisors, LLC ("Natixis Advisors"). Natixis Advisors is an SEC registered investment adviser and an indirect subsidiary of Natixis Investment Managers, LLC. Prior to August 2021, AIA was a division of Natixis Advisors. A complete list of composite descriptions, as well as additional information regarding the firm's policies and procedures for valuing portfolios, calculating performance, and preparing compliant presentations, is available upon request. The AIA S&P 1500[®] Cash Funded After-Tax Composite includes all fully discretionary, taxable, fee-paying portfolios that invest in the AIA S&P 1500[®] which have initially been funded with cash. This strategy seeks to track the S&P 1500[®] Index on a pre-tax basis by investing in a subset of securities from within the index, while utilizing loss harvesting and tax management techniques to outperform on an after-tax basis. • The AIA S&P 1500[®] Cash Funded After-Tax Composite is a sub-composite of the AIA S&P 1500[®] Pre-Tax Composite. The composite was created in November 2007. The benchmark used is the S&P 1500[®], an index representing large, mid, and small-cap US stocks. Performance is expressed in US dollars. All results are time-weighted total returns that include the reinvestment of income and dividends. Returns are presented net of non-reclaimable withholding taxes. Management fees vary on asset size and are negotiated by the sponsor. The standard fee schedule is as follows: 0.30% on the first \$5 million; 0.20% on the next \$5 million; 0.15% on the next \$10 million; 0.12% on the next \$30 million; 0.11% thereafter. Net-of-fees returns assume a model bundled fee which is inclusive of custody, advisor, transaction, and investment management fees. The model fee is deducted 1/12th per month from the gross composite return. The assumed model bundled fee used is 3.0% and has been retroactively applied since inception. Pure gross-of-fees returns are supplemental information and do not reflect the deduction of transaction costs or fees that are included within bundled fees. Effective January 2006, accounts with significant cash withdrawals are temporarily removed from the composite during the month that the withdrawal was taken. Currently, significant cash withdrawals are defined as cash withdrawals that are greater than 10% of an account's market value. Details related to the policy and the threshold for defining significant cash withdrawals historically are available upon request. The after-tax returns shown are subject to the limitations of the specific calculation methodology applied. Since the client's actual circumstances and tax rates determined after the fact may differ from the anticipated tax rates used in this process, the reported returns may not equal the actual after-tax returns for specific clients. After-tax returns are calculated using the maximum federal and state tax rates for dividends, short-term capital gains and long-term capital gains.

Tax alpha is the benefit of loss harvesting, which is assumed to be used to offset gains inside or outside the portfolio in the period they are incurred, and thus credited to the portfolio returns. The after-tax benchmark is an estimate based upon the average capital gain realization rate and dividend yield of the index. The maximum federal and state tax rates for dividends and capital gains are utilized in the after-tax calculations.

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