Natixis Loomis Sayles Short Duration Income ETF

Fund Facts

OBJECTIVE

Seeks current income consistent with preservation of capital

Inception	12/27/2017
Ticker	LSST
CUSIP	63873X208
Benchmark	Bloomberg US 1-5 Year Government Bond Index

Bloomberg US Government/ Credit 1-3 Year Index *is the 1-3 year component of the Bloomberg US Government/Credit Index. The US Government/Credit Index includes securities in the government and credit indices. The Government Index includes Treasurys (i.e., public obligations of the US Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of US Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the US Government). The Credit Index includes publicly issued US corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. Indexes are unmanaged and do not incur fees. It is not possible to invest directly in an index.*

Investment grade refers to bonds rated BBB/Baa or higher. Ratings are determined by third-party rating agencies such as Standard & Poor's or Moody's and are an indication of a bond's credit quality.

Market Conditions

- After initially moving lower in April, the bond market recovered over the subsequent two months to close the second quarter with a respectable total return. Investor sentiment was muted coming into the quarter, as a series of hotter-than-expected inflation reports in Q1 dampened expectations for the number of interest-rate cuts the US Federal Reserve (Fed) was likely to enact before year-end. Whereas at the start of the year the futures markets were indicating as many as six quarter-point reductions in 2024, by April speculation had mounted that the Fed may in fact need to delay its first cut until 2025. These concerns waned during May and June, however, as inflation pressures showed signs of abating and a series of weaker-than-expected data releases indicated that the economy may be cooling. Although the timing and extent of rate cuts remained in question, these developments helped boost confidence that the Fed would loosen policy in the second half of the year. Bonds recovered in response, allowing the major fixed-income indexes to finish the quarter in positive territory.
- The US Treasury market registered a slight gain in the second quarter, with the contribution from income outweighing the impact of a slight increase in yields. The two-year note moved from 4.59% to 4.71% over the course of the three-month period, while the 10-year climbed from 4.22% to 4.36%. Still, both finished well off of their late April highs of 5.04% and 4.70%, respectively. Treasurys remained in negative territory on a year-to-date basis through the end of June, with positive returns on the short end of the yield curve offsetting weakness in longer-term issues.

Performance as of June 30, 2024 (%)

	CUMULATIVE TOTAL RETURN		AVERAGE ANNUALIZED RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
ETF (NAV)	1.04	1.86	6.08	1.14	2.13	2.38
ETF (MARKET PRICE)	1.08	1.94	6.08	1.10	2.13	2.38
BENCHMARK	0.95	1.38	4.87	0.55	1.25	1.63

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. Investment 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 www.im.natixis.com.

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. An exchange-traded fund's market price is the price at which shares in the ETF can be bought or sold on the exchanges during trading hours, while the net asset value (NAV) represents the value of each share's portion of the fund's underlying assets and cash at the end of the trading day. ETFs calculate the NAV at 4 p.m. EST, after the markets close.

Gross expense ratio 0.88%. Net expense ratio 0.35%. 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 4/30/2026. When an expense limitation has not been exceeded, the fund may have similar expense ratios and/or yields. The Investment Advisor has given a binding contractual undertaking to the Fund to limit the amount of the Fund's total annual fund operating expenses to 0.38% of the Fund's average daily net assets, exclusive of brokerage expenses, interest expense, taxes, acquired fund fees and expenses, organizational and extraordinary expenses, such as litigation and indemnification expenses. This undertaking is in effect through April 30, 2026 and may be terminated before then only with the consent of the Fund's Board of Trustees.

- Investment-grade corporate bonds had a slightly negative total return with income proving insufficient to offset a modest downturn in prices. Corporates slightly underperformed Treasuries as yield spreads—which began the period on the very low end of the historical range—inched higher. Lower-rated corporates outpaced their higher-rated counterparts. In terms of maturities, bonds in the one- to three-year range generated the best results. Corporates closed June with a modest loss on a year-to-date basis.
- Securitized credit posted strong positive total returns and outpaced the broader investment-grade market in the second quarter. The tailwinds of lower interest rate volatility, greater clarity on the path of Fed rate moves, and strong investor demand contributed to a tightening of spreads despite elevated levels of new-issue supply. Commercial mortgage-backed securities were particularly strong performers following a significant selloff in 2023 that was brought about by concerns about fundamentals in commercial real estate. Commercial asset-backed securities (ABS) and consumer ABS also delivered strong returns amid broader strength in risk assets. Collateralized loan obligations and non-agency residential mortgage-backed securities (MBS) were also positive, while Agency MBS performance was roughly flat.

Portfolio Review

- The Natixis Loomis Sayles Short Duration Income ETF returned 1.2% over the first quarter of 2024, outperforming its Benchmark, the Barclays US Government/Credit 1-3 Years Index, which returned 0.95%.

Contributors

- The fund continues to favor spread sectors like corporate bonds, ABS and CMBS over US Treasurys.
- Corporate bond exposure contributed to performance due to positive allocation effects in addition to positive issue selection sourced from a number of corporate industries. Non-investment grade corporate bond exposure also contributed to performance in accounts that allow HY.
- Securitized exposures contributed the most to performance due to an overweight position and positive issue selection. Auto ABS provided the bulk of ballast during the period but CMBS also contributed.
- Duration continues to be managed in line with the benchmark but duration differences along the yield curve resulted in a positive performance effect during the quarter.

Detractors

- Security selection effect within US Treasurys was negative for the quarter.

Outlook

- The strategy's corporate bond risk relative to benchmark continues to be in the middle of the range. For mandates which allow for non-investment grade allocations, the team continues to hold a small number of issuers we believe offer value.

- We believe asset backed securities (ABS) continue to be a favorable alternative in the front end of the curve. We currently favor consumer related collateral and prefer the top of the capital stack but are not limited to the highest quality band of the structure. Currently the strategy's ABS risk relative to benchmark remains around half of risk budget.
- While the strategy continues to hold commercial mortgage backed securities (CMBS), the exposure is typically on the low end of our risk range relative to benchmark. When opportunities arise within CMBS we tend to favor senior parts of the capital stack.
- We continue to follow our process of seeking to build diversified exposures by asset class, industry and issuers.

About Risk

Exchange-traded funds (ETFs) trade like stocks, are subject to investment risk and will fluctuate in market value. Unlike mutual funds, ETF shares are not individually redeemable directly with the fund and are bought and sold at market price, which may be higher or lower than the ETF's net asset value (NAV). Transactions in shares of ETFs will result in brokerage commissions, which will reduce returns. **Unlike typical exchange-traded funds**, there are no indexes that the fund attempts to track or replicate. Thus, the ability of the fund to achieve its objectives will depend on the effectiveness of the portfolio manager. There is no assurance that the investment process will consistently lead to successful investing. **Fixed income securities** may carry one or more of the following risks: credit, interest rate (as interest rates rise, bond prices usually fall), inflation and liquidity. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **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. **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.

[1]Commercial Mortgage-Backed Securities (CMBS) are secured by loans on commercial property.
[2]Mortgage-Backed Securities (MBS) derive cash flows from debt such as mortgages, home-equity loans and subprime mortgage
[3]Collateralized Loan Obligations (CLO) are structured securities backed by leveraged bank loans.
[4]Asset Backed Securities (ABS) are backed by loans, leases or receivables against assets other than real estate or mortgage backed securities.
[5]Residential Mortgage-Backed Securities (RMBS) derive cash flows from residential debt such as mortgages, home-equity loans and subprime mortgages.

Important Disclosure

Outlook as presented in this material reflects subjective judgments and assumptions of the portfolio team and does not necessarily reflect the views of Loomis, Sayles & Company, L.P. There is no assurance that developments will transpire as stated. Opinions expressed will evolve as future events unfold. These perspectives are as of the date indicated and may change based on market and other conditions. Actual results may vary. Please refer to the Fund prospectus for a comprehensive discussion of risks.

This marketing communication is provided for informational purposes only and should not be construed as investment advice. Investment decisions should consider the individual circumstances of the particular investor Investment recommendations may be inconsistent with these opinions. Information, including that obtained from outside sources, is believed to be correct, but we cannot guarantee its accuracy. This information is subject to change at any time without notice.

Market conditions are extremely fluid and change frequently.

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

Any investment that has the possibility for profits also has the possibility of losses, including the loss of principal.

There is no guarantee that the investment objective will be realized or that the Fund will generate positive or excess return.

Past performance is no guarantee of future results.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Please visit www.loomissayles.com or call 800-458-7452 for a prospectus and a summary prospectus, containing this and other information. Read it carefully.

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