

NXS Indices

Dynamic Generation

THEMATIC

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JANUARY 2017

NXS TARS TOTAL RETURN INDEX

Targeted Absolute Return Strategies Total Return

INTRODUCTION

With investors seeking positive performance in unstable market conditions, many have looked to Targeted Absolute Return Funds as they have proved resilient in a range of market conditions. The NXS TARS Total Return Index aims to provide exposure to a basket of five of the most attractive diversified funds, carefully selected by Natixis for their performances and risk criteria. The index includes an additional layer of protection to control the risk of the investment.

OVERVIEW

The Index is based on an equally weighted and daily rebalanced portfolio of a five Funds where one-fifth of the invested portfolio is allocated to each Fund.

Additionally, the NXS TARS Total Return Index looks to provide an additional layer of protection by increasing and decreasing its allocation to the selected managers in order to maintain the volatility of the Index at below 5%. Any part of the portfolio not allocated to the Funds will instead be allocated to interest-bearing cash.

The portfolio of five funds: Carmignac Patrimoine, Franklin Templeton Investments - Global Fundamental Strategies Fund, Standard Life Investments - Global Absolute Return Strategies Fund, BNY Mellon Global Funds - Global Real Return Fund, ETHNA-AKTIV.

RATIONALE

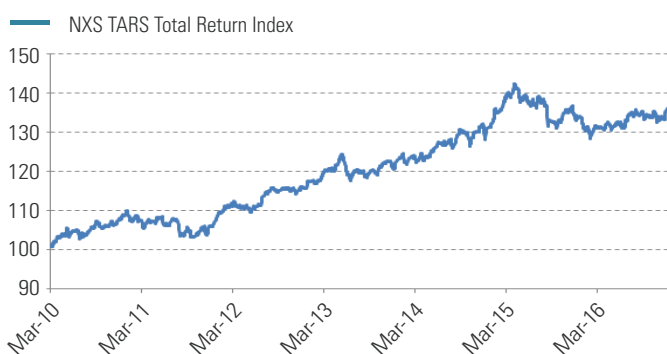
Natixis has successfully developed the NXS TARS Total Return Index, based on alternative investments tested through unstable market conditions.

The objectives adopted by the managers of these funds have allowed them to provide: diversification (across a range of asset classes such as equities, bonds, credit and foreign exchange investments), flexibility (by not being tied to any one type of asset but adjusting exposure to different assets as market conditions dictate), risk control (through a range of methods designed to limit negative performance in extreme market conditions).

CHARACTERISTICS

Currency	EUR	Calculation/Publication Agent	Natixis
Launch Date	28 Mar. 2014	Bloomberg Ticker	NXSBTARS Index

EVOLUTION OF THE NXS TARS TOTAL RETURN INDEX⁽¹⁾



Past performances are not an indicator nor a guarantee of future results.
 (1) NXS TARS Total Return Index has been backtested from 26 Aug. 2009 to 27 Mar. 2014
 Sources: Bloomberg & Natixis

Statistics (as of 31 Dec. 2016)

Accumulated	1M	3M	YTD	1Y	2Y	5Y
Annualised Return	1.54%	1.37%	1.72%	1.48%	1.79%	4.83%
Annualised Volatility	4.56%	4.65%	4.32%	4.31%	4.91%	4.42%

GLOBAL MARKETS

MECHANISM

An allocation that is cautious when the volatility of the portfolio is high...

When risk has been identified (realised volatility exceeding 5%), the allocation to the Portfolio of Funds is reduced and redirected to cash.

... and opportunistic when turbulence is low

When risk levels are low (realised volatility below 5%), allocation to the Portfolio of Funds is up to a maximum of 100%.

SELECTED ABSOLUTE RETURN FUNDS

Fund 1: Carmignac Patrimoine

Carmignac Patrimoine is a diversified fund that uses three performance drivers: international bonds, international equities and currencies.

Characteristics

Bloomberg Ticker	CARMPAT FP
ISIN	FR0010135103
Inception Date	07 Nov. 1989
Assets (EUR)	EUR 24.93bn
Annualised Performance (since inception)	8.17%

Fund 2: Franklin Templeton Investments - Global Fundamental Strategies Fund

The fund investment objective is to seek capital appreciation through a diversified, value-oriented approach, with a secondary objective of seeking income.

Characteristics

Bloomberg Ticker	FGFACE LX
ISIN	LU0316495281
Inception Date	25 Oct. 2007
Assets (USD)	USD 1.95bn
Annualised Performance (since inception)	7.45%

Fund 3: Standard Life Investments - Global Absolute Return Strategies Fund

The fund aims to provide positive investment returns in all market conditions over the medium to long term.

Characteristics

Bloomberg Ticker	SLGLARA LX
ISIN	LU0548153104
Inception Date	26 Jan. 2011
Assets (EUR)	EUR 12.29bn
Annualised Performance (since inception)	3.12%

Fund 4: BNY Mellon Global Funds - Global Real Return Fund

The fund seeks to achieve returns for investors through a multi-asset, global portfolio. Investment decisions are a result of Newton's proprietary, global thematic investment approach.

Characteristics

Bloomberg Ticker	BNGRRAE ID
ISIN	IE00B4Z6HC18
Inception Date	08 Mar. 2010
Assets (EUR)	EUR 4.12bn
Annualised Performance (since inception)	3.22%

Fund 5: ETHNA-AKTIV E

The fund is designed for investors for whom stability and liquidity of the fund's assets are important, but who nevertheless would like to achieve a reasonable increase in value.

Characteristics

Bloomberg Ticker	ETAKTVE LX
ISIN	LU0431139764
Inception Date	01 Jul. 2009
Assets (EUR)	EUR 7.00bn
Annualised Performance (since inception)	3.99%

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