

Paris, May 4, 2017

Close to 80% of professional fund buyers say the current environment favors active managers

According to Natixis Global Asset Management Survey of global professional fund buyers:

- Eight in ten (79%) fund buyers around the globe say the current environment favors active managers
- Top sources of volatility for 2017: geopolitical events; interest rates and China market woes.
- Top investment objective in 2017: delivering higher risk-adjusted returns.
- Turning to alternatives to add alpha as well as diversify portfolio risk and add alpha

In the current investment environment marked by higher volatility and low yields, the vast majority of professional fund buyers, including discretionary portfolio managers and funds of funds, favour active management and alternative investments for alpha generation, according to a new survey by Natixis Global Asset Management that covered professional fund buyers in 28 countries across Europe, the Americas, the Middle East and Asia. The survey revealed geopolitical events (67%), interest rates (49%) and China market woes (36%) as the top three sources of volatility for 2017. The low-yield environment tops the list of risk management concerns (77%).

Professional buyers believe that higher levels of market volatility are likely to result in greater dispersion in equity returns. 95% of those surveyed said they would choose active management over passive investments for generating alpha, while active management is also the preferred route to gain exposure to non-correlated asset classes (74%) and emerging markets (77%).

Matthew Shafer, EVP of International Distribution, Natixis Global Asset Management, commented: "While keeping a close eye on political and macroeconomic shifts in Europe and Asia, professional fund buyers see volatility as an opportunity. That is why they are looking to active management to both generate alpha and manage risk."

Although professional buyers anticipate greater volatility in the year ahead and are concerned about investors taking on too much risk, they are not shying away from adopting risk, which is reflected in their market outlook and asset allocation calls.

Professional fund buyers are resetting strategy to ensure they are positioned for volatile, uncertain markets. Three-quarters (74%) pointed to alternative investments as a means to diversifying portfolio risk. More than half (54%) also say it is essential to invest in alternatives in order to outperform the broad market. This correlates with Mackay Williams' latest Fund Buyer Focus¹ which showed a greater emphasis from professional fund buyers on alternative and thematic strategies.

"We are seeing a marked shift from the old passive and long only active model to a new mix based on a core of active and low volatility alternatives with the addition of liquid and illiquid alternatives," said Matthew Shafer.

When it comes to asset allocation, the consensus view among professional buyers is that emerging market stocks will shine in 2017, with 47% projecting this as the bright spot among equity sectors. In pursuing emerging market opportunities, fund buyers are looking to Asia Ex-Japan to provide the best performance in 2017.

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¹ *The Fund Buyer Focus annual study (FB50), a German-based subsidiary of Mackay Williams, measures asset managers' brand performance. This is based on fund-selector perceptions across a variety of drivers. MackayWilliams' latest Fund Buyer Focus was published on 29 March 2017. For more information, please visit [here](#).*

Methodology

Natixis' 2017 Professional Fund Buyer Survey includes the insights and opinions of 200 professional fund buyers across 28 countries in Europe, Americas, Middle East and Asia. Data was gathered in October and November 2016 by the research firm CoreData. The findings are published in a new whitepaper, "Double Down." For more information, visit www.durableportfolios.com

About Natixis

Natixis is the international corporate, asset management, insurance and financial services arm of Groupe BPCE, the 2nd-largest banking group in France with 35 million clients spread over two retail banking networks, Banque Populaire and Caisse d'Épargne. With more than 16,000 employees, Natixis has a number of areas of expertise that are organized into three main business lines: Corporate & Investment Banking, Investment Solutions & Insurance, and Specialized Financial Services. A global player, Natixis has its own client base of companies, financial institutions and institutional investors as well as the client base of individuals, professionals and small and medium-size businesses of Groupe BPCE's banking networks. Figures as at December 31, 2016

About Natixis Global Asset Management

Natixis Global Asset Management serves thoughtful investment professionals worldwide with more insightful ways to invest. Through our Durable Portfolio Construction® approach, we focus on risk to help them construct more strategic portfolios that seek to endure today's unpredictable markets. We draw from deep investor and industry insights and partner closely with our clients to put objective data behind the discussion.

Natixis Global Asset Management is ranked among the world's largest asset management firms.¹ Uniting over 20 specialized investment managers globally (€832 billion AUM²), we bring a diverse range of solutions to every strategic opportunity. From insight to action, Natixis Global Asset Management helps our clients better serve their own with more durable portfolios.

Headquartered in Paris and Boston, Natixis Global Asset Management, S.A. is part of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France. Natixis Global Asset Management, S.A.'s affiliated investment management firms and distribution and service groups include Active Investment Advisors;³ AEW Capital Management; AEW Europe; AlphaSimplex Group; Axeltis; Darius Capital Partners; DNCA Investments;⁴ Dorval Finance;⁵ Emerise;⁶ Gateway Investment Advisers; H2O Asset Management;⁵ Harris Associates; Loomis, Sayles & Company; Managed Portfolio Advisers;³ McDonnell Investment Management; Mirova;⁵ Natixis Asset Management; Ossiam; Seeyond;⁷ Vaughan Nelson Investment Management; Vega Investment Managers; and Natixis Global Asset Management Private Equity, which includes Seventure Partners, Naxicap Partners, Alliance Entrepreneurs, Euro Private Equity, Caspian Private Equity and Eagle Asia Partners. Visit ngam.natixis.com for more information.

Natixis Global Asset Management also includes business development units located across the globe, including NGAM S.A., a Luxembourg management company authorized and regulated by the CSSF, as well as branch offices of NGAM Distribution in France.

¹ *Cerulli Quantitative Update: Global Markets 2016 ranked Natixis Global Asset Management, S.A. as the 16th largest asset manager in the world based on assets under management (\$870.3 billion) as of December 31, 2015.*

² *Net asset value as of December 31, 2016. Assets under management (AUM) may include assets for which non-regulatory AUM services are provided. Non-regulatory AUM includes assets which do not fall within the SEC's definition of 'regulatory AUM' in Form ADV, Part 1.*

³ *A division of NGAM Advisors, L.P.*

⁴ *A brand of DNCA Finance.*

⁵ *A subsidiary of Natixis Asset Management.*

⁶ *A brand of Natixis Asset Management and Natixis Asset Management Asia Limited, based in Singapore and Paris.*

⁷ *A brand of Natixis Asset Management.*

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