

Vaughan Nelson Investment Management, L.P.

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March 30, 2012

This Brochure provides information about the qualifications and business practices of Vaughan Nelson Investment Management, L.P. (“Vaughan Nelson”, the “Company” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (713)224-2545. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Vaughan Nelson is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide a prospect/client with the information from which you should determine whether or not to hire or retain an Adviser.

Additional information about Vaughan Nelson, including a current copy of our Brochure, is available on the SEC’s website at www.adviserinfo.sec.gov.

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Beginning this year, Vaughan Nelson Investment Management is required by the SEC to deliver to you, annually, a summary of material changes to Form ADV Part 2A (the “Brochure”) which contains information about our firm and our business practices and which is filed with the SEC each year. We previously sent the full Brochure to you in April 2011.

Material Changes

The following change, which we believe to be material, has been made to the last Brochure dated March 31, 2011.

Initial Public Offerings (IPO)

The firm intends to launch a Select Fund Strategy used only in connection with a mutual fund. The Select Fund will be differentiated from the other Vaughan Nelson ‘long-only’ equity strategies as it is designed to have comparatively greater investment flexibility in reaching its objectives through the use of a broader set of instruments including, but not limited to, shorts, convertibles, options and IPOs. Accordingly, the Firm anticipates that all or substantially all IPO opportunities will be allocated to clients in the Select Fund strategy rather than to other Vaughan Nelson equity strategies which do not otherwise contemplate regular IPO exposure and which do not have such overall investment flexibility.

If you would like to obtain a copy of the updated Brochure dated March 30, 2012 you can either obtain it from the SEC’s website at www.adviserinfo.sec.gov or you can contact Richard Faig, Chief Compliance Officer at (713)224-2545 or rbfaig@vaughannelson.com.

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Item 1 – Advisory Business

Background

Vaughan Nelson is a Houston-based investment counseling firm established in 1970 and is a wholly-owned affiliate of Natixis Global Asset Management, L.P. (“Natixis”). The Firm, staffed by experienced, research-oriented investment professionals, has a 42-year history of providing comprehensive equity and fixed income investment advice to foundations, endowments, corporations, public entities, mutual funds and high net worth individuals. The Firm’s sole investment focus is providing investment management services for equity and fixed income portfolios totaling ~\$7.7 billion as of 12/31/11.

Ownership

Vaughan Nelson is wholly-owned by Natixis, which, through intermediate subsidiaries, is part of Natixis Global Asset Management SA, an international asset management group based in Paris, France, that, in turn, is owned by Natixis SA, a French investment banking and financial services firm. Natixis SA is 72% owned by BPCE, France’s second largest banking group, with the remaining 28% of Natixis SA being publicly owned, with shares listed on the Euronext exchange in Paris. BPCE is equally owned by two retail banking networks: Banques Populaires (BP) and Caisses d’Epargne (CE). Vaughan Nelson operates autonomously and provides investment management services independently with its own research, investment team and trading.

Primary Business

The primary business of Vaughan Nelson is the management of client assets in equity and/or fixed income securities on an ongoing, continuous basis. Normally, Vaughan Nelson is engaged by clients (both corporate and individual) to provide investment management services for their separate account where investment decisions are implemented on a fully-discretionary basis in accordance with the client’s guidelines and restrictions. Depending on client instruction, these services are provided either with and without consideration to the overall financial situation of the client (e.g. tax considerations, liquidity needs, etc.).

Vaughan Nelson also serves as sub-advisor to both affiliated and unaffiliated mutual funds where investment decisions are implemented on a fully discretionary basis, subject to restrictions contained within the related Prospectus and Statement of Additional Information for each fund.

Finally, Vaughan Nelson participates as a non-discretionary subadvisor within wrap programs where the investment advice is provided to an affiliate or sponsor (the investment advisor) who then has discretion over the implementation (including trade execution) of the investment advice. It is the responsibility of the affiliate or sponsor of the wrap program to take into consideration the financial situation and any needs of the ultimate client. For this service, Vaughan Nelson is paid a portion of the wrap fee paid by the client to the sponsor.

Performance differences between all Vaughan Nelson’s clients may occur due to differences in cash availability, investment restrictions, account sizes and other factors as noted above..

Discretionary and Non-Discretionary assets as of 12/31/11 are broken down as follows:

Discretionary Assets	\$6,848,100,000
Non-Discretionary Assets	<u>\$ 836,000,000</u>
Total Assets	<u>\$7,684,100,000</u>

Item 2 – Fees and Compensation

Vaughan Nelson’s fees for investment advisory services are generally based on an annual rate, as indicated for the strategies listed below, and charged as a percentage of the total market value of assets managed or advised at each calendar quarter end. In certain circumstances, client funds may be invested in mutual funds (primarily Money Market Funds and I-Shares), which are subject to their own fees and expenses which are reflected in the net asset value of the security, in addition to the explicit fee charged by Vaughan Nelson. Vaughan Nelson has negotiated fee schedules for certain clients which differ than those shown in the schedules that follow.

Fees are normally payable in advance for each quarter. Clients may elect to either be billed directly for fees or to authorize Vaughan Nelson to send bills directly to the custodian of a client’s account.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon 30 days written notice of termination, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Strategy Managed

Small Cap Value

1.00% on the first	\$ 25,000,000
.85% on the next	\$ 25,000,000
.75% on amounts over	\$ 50,000,000

Value Opportunity (small/mid cap)

.85% on the first	\$ 10,000,000
.75% on the next	\$ 15,000,000
.70% on the next	\$ 25,000,000
.65% on amounts over	\$ 50,000,000

Select (focused all cap)

1.00% on the first	\$ 25,000,000
.85% on the next	\$ 25,000,000
.75% on amounts over	\$ 50,000,000

Core Fixed Income & Intermediate Fixed Income

.35% on the first	\$ 25,000,000
.25% on the next	\$ 75,000,000
.20% on amounts over	\$ 100,000,000

Limited Maturity Fixed Income

.20% on the first	\$ 25,000,000
.10% on amounts over	\$ 25,000,000

Municipal Fixed Income

.35% on the first	\$ 25,000,000
.25% on amounts over	\$ 25,000,000

Vaughan Nelson, in certain circumstances, has entered into investment advisory contracts which stipulate a base fee, as a percentage of assets, and an incentive fee based upon investment returns (See Item 3 – Performance Based Fees and Side-By-Side Management).

Vaughan Nelson’s fees, as outlined above, are exclusive of brokerage commissions, transaction costs, and other related costs and expenses which shall be incurred by the client (See Item 9 – Brokerage Practices for the factors considered in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation/commissions). However, in the case of certain wrap programs, the sponsor’s program fee may be inclusive of commissions charged by the sponsor’s affiliated broker or another designated broker on trades executed by such broker. In addition, the client may incur custodial and/or consultant fees as stipulated within an agreement entered into by the client and such parties.

Item 3 – Performance-Based Fees and Side-By-Side Management

Vaughan Nelson, in certain circumstances, has entered into investment advisory contracts which include a base fee, as a percentage of assets, and a performance fee based upon investment returns that include both realized and unrealized capital gains and losses (“Performance Fee Accounts”).

Certain Portfolio Managers at Vaughan Nelson manage both Performance Fee Accounts and accounts for which Vaughan Nelson receives only an asset-based fee in what is known as side-by-side management.

This side-by-side management and the receipt of performance fees by Vaughan Nelson or its affiliates creates the potential for a conflict of interest, as Vaughan Nelson could benefit to the extent it disproportionately allocated investment opportunities or dedicated more of its management time to those clients with performance fee arrangements. In addition, performance fees may create an incentive for Vaughan Nelson to make investments that are riskier or more speculative on behalf of such clients than the investments it might make in the absence of such performance fees. Vaughan Nelson has adopted policies and/or procedures that are designed to

address each of these conflicts resulting in the equitable treatment of all of Vaughan Nelson’s clients. For example, investment decisions for equity strategies are implemented in a predetermined manner (see further discussion in Item 9 - Brokerage Practices) for client accounts pursuing the same strategy. This serves to mitigate the ability to ‘favor’ performance fee accounts.

Performance fees are charged in keeping with Rule 205-3 under the Investment Advisers Act of 1940.

See Item 8 – Code of Ethics below for a discussion of conflicts that may arise when Vaughan Nelson manages employee (or firm proprietary) accounts side-by-side with client accounts.

Item 4 – Types of Clients

Vaughan Nelson provides portfolio management services to a broad spectrum of clients including individuals, high net worth individuals, wrap platforms, corporations and corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign wealth funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

For some clients (separate accounts, mutual funds and wrap platforms), Vaughan Nelson’s portfolio management services are provided in a sub-advisory capacity to the advisor who, in turn, has an investment management agreement with the ultimate client.

Vaughan Nelson generally manages accounts in excess of \$3 million.

Item 5 – Methods of Analysis, Investment Strategies and Risk of Loss

Vaughan Nelson provides both equity and fixed income management. Investing in securities involves risk of loss that clients should be prepared to bear.

EQUITY

Vaughan Nelson’s long-only equity investment objective is to seek long-term capital appreciation. Vaughan Nelson’s philosophy is to identify temporary information and liquidity inefficiencies in the respective market capitalization universes that provide opportunities to invest in companies at valuations that Vaughan Nelson believes are materially below their long-term intrinsic value.

<u>Strategy</u>	<u>Benchmark</u>
Small Cap Value	Russell 2000 Value
Value Opportunity (small/mid value)	Russell Mid Cap Value
Select (focused all cap > \$1B)	Russell 3000

*The Select Fund is a strategy managed in connection with the Natixis Funds – Vaughan Nelson Select Fund, a mutual fund client, in a fashion similar to the Select strategy in terms of long equities. However, the Select Fund also has an ability to opportunistically utilize a broader set of instruments, such as options, convertible securities, preferred stock, the use of shorting, and debt in expressing its view on a company and reaching its investment objective. Please reference the Prospectus and Statement of Additional Information associated with the Natixis Funds – Vaughan Nelson Select Fund.

We employ a fundamental, bottom-up investment process. We utilize a disciplined valuation methodology combined with fundamental research to take advantage of the inefficiencies in the universes. These inefficiencies enable an active manager who has a disciplined process executed by a highly skilled and motivated team to generate returns in excess of the related benchmark.

Our approach and methodology seek to obtain a 50% return over a three year holding period from every position in the portfolio. The Firm couples this return objective with robust idea generation. In seeking investment ideas for the portfolio, we focus on three distinct investment categories, each of which provides a different avenue by which our 50% targeted return might be generated. There can be no assurance the return objective will be realized with respect to any or all investments. Further, the return achieved may be lower than the return of the strategy's benchmark index. The approach is implemented by a highly experienced, close-knit and incented investment team.

All investments in the equity strategies fall into one of the three distinct investment categories. Vaughan Nelson has formalized the definition of each category and typically uses the following language throughout its marketing material and quarterly reporting:

- Companies earning a positive economic margin (returns in excess of the company's cost of capital), with stable to improving returns (Category A)
- Companies valued at a 50% discount to a specific asset value (Category B)
- Companies with an attractive dividend yield and minimal basis risk (Category C)

Due to our ability to allocate the portfolio across the A, B and C categories, the approach provides an "all weather" aspect to the portfolio enabling us to potentially add returns in excess of the benchmark in different market environments. Thus, the process allows Vaughan Nelson to try and take advantage of the market rather than be subject to any one market trade.

The sustainability of our investment philosophy and what we believe is our competitive advantage is evidenced by the performance histories of our strategies.

Investing in Vaughan Nelson's equity strategies present the following risks (alphabetical):

Equity Securities Risk: The value of the strategy's individual or collective investments in equity securities could be subject to unpredictable declines and periods of below-average performance. Equity securities may include common stock, preferred stocks, warrants, securities convertible into common and preferred stocks and other equity-like interests in an entity. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of the issuer's debt and preferred stock generally take precedence over the claims of those who own common stock.

Foreign Securities Risk (ADRs and foreign companies trading on a U.S. Exchange): The strategy's investments in foreign securities are subject to foreign currency fluctuations and potentially greater political, economic, credit, regulation and information risks. Foreign securities may be subject to higher volatility than U.S. securities.

Liquidity Risk: We may be unable to find a buyer for your investments when we seek to sell them or to receive the price we expect. Liquidity issues may also make it difficult to value a portfolio's investments.

Management Risk: A strategy used by the portfolio managers may fail to produce the intended results or may cause your portfolio to incur losses.

Market Risk: The market value of a security may move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition, as well as overall market and economic conditions.

Non-Diversified Strategy (i.e. Select): A Non-diversified strategy is more susceptible to financial, market and economic events affecting the particular issuers and industry sectors in which the strategy invests and could be impacted disproportionately by the poor performance of relatively few stocks or even a single stock and, therefore, may be more volatile or risky than less concentrated investments.

REITs Risk: Investments in the real estate industry, including REITs, are particularly sensitive to economic downturns and are sensitive to factors such as changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use and rents and the management skill and creditworthiness of the issuer. Companies in the real estate industry may also be subject to liabilities under environmental and hazardous waste laws. In addition, the value of a REIT is affected by changes in the value of the properties owned by the REIT or securing mortgage loans held by the REIT. Many REITs are highly leveraged, increasing their risk. The strategy will indirectly bear its proportionate share of expenses, including management fees, paid by each REIT in which it invests.

Small-Cap Companies Risk: Small-cap companies are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Stocks of these companies often trade less frequently and in limited volume and their prices may fluctuate more than stocks of larger companies. Stocks of small-cap companies may therefore be more vulnerable to adverse developments than those of larger companies.

Value Stocks Risk: Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks also present the risk that their lower valuations fairly reflect their business prospects and investors will not agree that the stocks represent favorable investment opportunities, and they may fall out of favor with investors and underperform growth stocks during any given period.

Note: The Select Fund strategy presents additional risks which are included within the Prospectus and Statement of Additional Information associated with the Natixis Funds – Vaughan Nelson Select Fund, mutual fund.

Portfolio Turnover / Trading

Generally, each strategy intends to invest for long-term purposes. Increases in a strategy's portfolio turnover will result in greater brokerage commissions and other transaction costs which will be borne directly by the client, thereby decreasing the client's total return. In the past, the Small Cap Value strategy has experienced portfolio turnover in some years that could be considered high (>100%). This results in the realization of gains; some of which may be short-term in nature. We anticipate that each strategy's portfolio turnover rate will vary from time to time depending on the volatility of economic and market conditions. It is impossible to predict with certainty whether future portfolio turnover rates will be higher or lower than those experienced during past periods. Portfolio turnover will not be a limiting factor when each strategy's Portfolio Manager believes that portfolio changes are appropriate.

FIXED INCOME

Vaughan Nelson's fixed income investment objective is to maximize total return while preserving capital. Vaughan Nelson believes active, risk controlled management, founded on research-driven analyses, uncovers relative values that over the long-term produce returns with less risk.

Our universe of fixed income investment options is driven by two factors; (1) client guidelines on allowable investments, and (2) the client's relative benchmark. We invest only in the sectors included within the various investment grade benchmarks.

Vaughan Nelson's competitive advantage is a highly disciplined philosophy and well-constructed investment process that seeks value through security selection, duration positioning, sector rotation and trading efficiencies. The extent to which each of these avenues is used, as well as the duration of the yield curve positioning, is based upon what Vaughan Nelson anticipates is the magnitude and duration of changes in interest rates:

- Security Selection
 - Changing credit quality
 - Out of favor
 - Inefficient pricing
- Sector Rotation
 - Relative value among sectors
 - Event risk management

- Historical spread vs. Treasuries
- Economic cycle outlook
- Duration/Yield Curve Positioning
 - Inflation expectations
 - Monetary policy
 - Anticipating yield curve shifts
- Opportunistic Trading Efficiencies
 - Access to inventory of multiple brokers
 - Strong trading relationships
 - Electronic trading conducted only for Treasuries

All of our investment strategies invest in securities of investment grade at the time of purchase. We do not manage high yield/junk or derivative assets. We do not invest in areas where we deem the risk to be too great for our clients' capital (e.g. exposure in '08-'09 market to higher volatility in exposures to CMBs and other problem areas). Our strategies consist of liquid securities that allow us to be more nimble throughout periods of market dislocation. Because we only invest in investment grade companies, identifying and understanding all aspects of valuation is the most important factor in our process.

Security Selection -- We attempt to exploit market inefficiencies within security pricing through analysis of current and historical valuations to seek issuers and securities where the financial fundamentals are stable/improving and where management has shown us in the past they are focused on balance sheet protection. This research typically allows us to detect improving credit fundamentals and/or inefficient pricing.

Sector Rotation -- We attempt to add value through sector management by varying the portfolio's exposure to corporate bonds, agencies, mortgages, and treasuries, depending on the Portfolio Managers' view of the macroeconomic outlook (taking into account interest rate and credit cycles) and the anticipated position of the yield curve over the next six months. Once it is determined that a security or sector is mispriced, the Portfolio Managers will weight such securities and sectors within the portfolio to appropriately reflect their outlook.

Yield Curve Positioning/Duration -- Vaughan Nelson begins with a top-down review of the interest rate environment. Inputs into this review include business and market cycle data, inflation indicators, yield curve shape, time-risk premiums, foreign exchange and other supply and demand factors. We then apply our analysis to the yield curve to identify "sweet spots" which we believe will offer the best risk-reward tradeoffs. We attempt to anticipate interest rate movements as well as changes to the slope and shape of the yield curve for use within portfolio construction techniques which we believe will benefit from the anticipated changes to the yield curve (i.e. barbell, butterfly, bullet or laddered portfolio structures). We also apply our yield curve analysis to sectors, such as agency and corporate bonds to anticipate the impact on pricing therein.

Duration is a key decision in the active management of fixed income portfolios. In managing risk within portfolios, Vaughan Nelson limits duration exposure to +/-20% of the benchmark (+/-50% for limited maturity portfolios). Typically, duration extension or contraction trades are made when the portfolio managers see a sustainable shift in the yield curve, as opposed to reacting to short-term yield curve changes that may not be significant and/or sustainable.

Opportunistic Trading Efficiencies -- The fixed income markets are not exchange driven like the equity markets. To be successful, a manager must have access to numerous dealer inventories and have the structure in place to make timely decisions. Vaughan Nelson benefits from having a small, highly experienced team that is able to quickly evaluate investment opportunities and risks, allowing for efficient decision making.

Fixed Income Strategies and objectives:

Core Fixed Income & Intermediate Fixed Income: Seeks to generate attractive risk-adjusted returns through investments in U.S. Treasury, government agency notes, government agency MBS and investment grade corporate fixed income securities

Limited Maturity/Short Duration: Seeks to maximize total return while preserving capital and providing for liquidity needs through investments in U.S. Treasury and government agency fixed income securities; maturity range 0-5 years with an average quality rating of AAA (if a client desires, A-rated or higher corporate securities may be added for an average quality rating guideline of AA or better)

Municipal: Seeks to provide high current income and consistent, long-term performance with less risk through active, risk averse management

Investing in Vaughan Nelson's fixed income strategies present the following risks (alphabetical):

Credit Risk: An issuer may fail financially or otherwise be unwilling or unable to meet their obligations to the holder(s) of its securities (you, the client).

Extension Risk: An unexpected rise in interest rates may extend the life of a mortgage- or asset-backed security beyond the expected prepayment time, typically reducing the security's value.

Inflation/Deflation Risk: The value of assets or income from investments may be worth less in the future if inflation decreases the present value of future payments. Deflation risk is the risk that prices throughout the economy decline overtime - the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of your portfolio.

Interest Rate Risk: The value of investments may fall if interest rates rise. Interest rate risk generally is greater for strategies that invest in fixed-income securities with relatively longer durations than for strategies that invest in fixed-income securities with shorter durations.

Issuer Risk: The value of securities may decline due to a number of reasons relating to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services.

Liquidity Risk: We may be unable to find a buyer for your investments when we seek to sell them or to receive the price we expect. Liquidity issues may also make it difficult to value a portfolio's investments.

Management Risk: A strategy used by the Portfolio Managers may fail to produce the intended result and potentially cause your portfolio to incur losses.

Market Risk: The market value of a security may move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition, as well as overall market and economic conditions

Mortgage-Related and Asset-Backed Securities Risk: In the event of a fall in interest rates, securities may be prepaid and result in the reinvestment of the prepaid amounts in securities with lower yields than the prepaid obligations. In addition, a prepayment of securities may incur a loss if the original securities were purchased at a premium. Conversely, there is a risk that an unexpected rise in interest rates will extend the life of a mortgage-related or asset-backed security beyond the expected prepayment time, typically reducing the security's value. These securities also may include default or collection risk associated with investing in the mortgages underlying the mortgage-backed (or other asset-backed) securities. A portfolio's investment in other asset-backed securities is subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

Municipal securities risk: A portfolio may be significantly impacted by events that affect municipal securities markets, which could include unfavorable legislative or political developments and adverse changes in the financial conditions of municipal securities issuers. Economic downturns often result in reduced levels of taxes collected and revenues earned for municipalities. This, in turn, lessens the financial strength of a municipality and increases the credit risk of the securities it issues. Income from municipal securities held by a portfolio could be declared taxable because of changes in tax laws or interpretations by taxing authorities, or noncompliant conduct of a municipal security issuer. A portion of a portfolio's otherwise tax-exempt dividends may be taxable to those subject to the AMT.

Item 6 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Vaughan Nelson or the integrity of Vaughan Nelson's management. Since the founding of Vaughan Nelson, there has been no information to disclose that is applicable to this Item 6.

Item 7 – Other Financial Industry Activities and Affiliations

General

Vaughan Nelson is an indirect subsidiary of Natixis which owns, in addition to Vaughan Nelson, a number of other asset management, distribution and service entities. Natixis is part of Natixis Global Asset Management (France), an international asset management group based in Paris, France, that is, in turn, principally owned by Natixis S.A., an investment banking and financial services firm. Natixis S.A. is principally owned by BPCE, France's second largest banking group. The group includes two autonomous and complementary retail banking networks consisting of the Caisses d'Épargne regional savings banks and the Banque Populaire regional cooperative banks. Natixis and BPCE each owns, directly or indirectly, other investment advisers and financial service firms established in various jurisdictions.

Vaughan Nelson does not generally enter into transactions (e.g. trade execution, participation in underwritings, cross trades) with affiliates on behalf of clients. However, because Vaughan Nelson is affiliated with a number of asset management, distribution and service entities, Vaughan Nelson may occasionally engage in business activities with some of these entities, subject to Vaughan Nelson's policies and procedures governing conflicts of interest. For example, Vaughan Nelson may enter into relationships with affiliates which include advisory or subadvisory arrangements (on a discretionary or non-discretionary basis).

Given that our affiliates provide a number of services and investment products, Vaughan Nelson's clients may independently engage a Vaughan Nelson affiliate to provide any number of services, including advisory, custodial or banking services, or may invest in the investment products provided or sponsored by an affiliate. The relationships described herein could give rise to potential conflicts of interest or otherwise may have an adverse effect on clients. For example, when acting in a commercial capacity, affiliates of Vaughan Nelson may take commercial steps in their own interests, which may be adverse to those of our clients.

Given the interrelationships among Vaughan Nelson and its affiliates and the changing nature of our affiliates' businesses and affiliations, there may be other or different potential conflicts of interest that arise in the future or that are not covered by this discussion. Additional information regarding potential conflicts of interest arising from Vaughan Nelson's relationships and activities with its affiliates is provided under Item 8 – Code of Ethics.

Investment Advisers

NGAM Advisors, L.P. (Advisors)

Vaughan Nelson provides sub-advisory services for "wrap programs" where Advisors is the investment advisor/manager. Under the investment subadvisory agreement with Advisors, Vaughan Nelson provides Advisors "Model Portfolios" containing Vaughan Nelson's current investment recommendations as to the composition of a portfolio that would be purchased for the

account of a hypothetical U.S. person to be managed in accordance with the relevant Investment Product. Under the arrangement, Advisors has the ultimate decision-making and discretionary responsibility for determining which securities are to be purchased and sold for an underlying wrap account. In most cases, Advisors approves the recommendations implicit in the Model Portfolio provided to them. However, there may be differences between the Model Portfolios and the portfolios managed by Vaughan Nelson for its other clients resulting from differences in cash availability, investment restrictions, account sizes, taxes and other factors. Likewise, the performance of Vaughan Nelson's discretionary account clients and that of clients in the wrap programs using the same Vaughan Nelson Investment Product will differ for these and other reasons. Vaughan Nelson may also provide trading and execution services for Advisors, at Advisors' direction, in connection with Advisors' management of the various wrap programs for transactions that are a result of a change in the Model Portfolio and where Vaughan Nelson is then free to select the broker-dealer to effect such transactions. Advisors, on the other hand, will generally execute transactions with each respective wrap program sponsor, or another firm, for transactions being implemented for wrap program clients as a result of needs within their individual portfolios. See Item 9 for a description of trade sequencing involving these accounts.

Natixis Asset Management

Vaughan Nelson provides sub-advisory services to Natixis Asset Management, a French company, for a fee, based upon assets under management, where Natixis Asset Management serves as the investment manager. The Firm is affiliated with Natixis Asset Management through common ownership. These related accounts participate in investment decisions and trade allocations on the same basis as Vaughan Nelson's other client accounts within a particular investment strategy.

Vaughan Nelson Trust Company

Vaughan Nelson has a wholly-owned subsidiary, Vaughan Nelson Trust Company ("VNTC") that is also registered with the SEC as an investment advisor. VNTC offers trust and management services for institutional accounts, individual accounts and VNTC's collective investment and commingled trust funds. Vaughan Nelson provides investment advisory services to clients of VNTC as well as office space and office services, all for a fee payable by VNTC. VNTC accounts participate in investment decisions and trade allocations on the same basis as Vaughan Nelson's other client accounts within an investment strategy.

VNTC utilizes State Street Corporation ("State Street") as an external "Qualified Custodian" and as the pricing provider for VNTC's internal accounting system to ensure consistency between VNTC and State Street (the State Street statements are the official records distributed to clients). Accordingly, to the extent a security is held by clients of both VNTC and Vaughan Nelson, (which may use a different pricing vendor and/or approach than State Street) a difference in price for the same security may exist for reporting purposes.

Mutual Funds

Vaughan Nelson provides sub-advisory services to mutual funds for a fee, based upon assets under management, where Natixis Asset Management Advisors, L.P. (Advisors) (U.S. domestic funds) or NGAM, S.A. (non-U.S. funds) serve as the investment manager. The Firm is affiliated with the above managers through common ownership. These related accounts participate in investment decisions and trade allocations on the same basis as Vaughan Nelson's other client accounts within a particular investment strategy.

Collective Investment Vehicles

Vaughan Nelson has related persons who serve as general partners of limited partnerships, managers of limited liability companies and advisers of private funds. To Vaughan Nelson's knowledge, none of our clients have been solicited to invest in any of those limited partnerships, limited liability companies or private funds.

Item 8 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

All employees are subject to the restrictions contained within the Vaughan Nelson Code of Ethics (the "Code"). Under the Code, employees are required to comply with applicable securities laws at all times and, more specifically, have the responsibility to ensure that they avoid security transactions and activities for their personal accounts which might conflict with, or be detrimental to, the interests of our clients, or, which are designed to profit, by the market effect, of Vaughan Nelson's advice to its clients, and, that the employees do not damage their reputation or the reputation of the Firm. All employees must acknowledge the terms of the Code annually, or as amended.

The Code covers employee's personal trading and also incorporates, through reference, Vaughan Nelson's policy and procedures with regard to Gifts & Entertainment, Insider Trading, Political Contributions and Privacy.

A copy of Vaughan Nelson's Code of Ethics will be provided to any client or prospective client upon request by contacting Mark Farrell, Director of Marketing at (713)224-2545 or mefarrell@vaughannelson.com.

With regard to personal trading, employees of Vaughan Nelson may own the same securities as those held in clients' accounts; however, the client would always receive equal or preferential treatment relative to orders undertaken by employees of the Firm. Portfolio Managers may execute buy or sell orders for clients in the same securities in which their personal accounts, other accounts, or accounts of the Company and its subsidiaries may have an investment/financial interest or that

the Firm has previously recommended to other clients. [Such transactions would not involve the employee's or Company's own securities on a principal basis.]

Under the Code, transactions contemplated by an employee, are subject to preclearance, a black-out period, short-term trading and reporting requirements designed to mitigate conflicts of interest. Securities having a market cap of less than \$5 billion or whose average trading volume is less than 1 million shares ("small-cap" securities) are subject to preclearance, a 7-day blackout period and an inability to close a position for a profit within 60 days of opening the position. Securities having a market cap greater than \$5 billion and whose average trading volume is greater than 1 million shares ("large-cap" securities) are subject to preclearance, a 1-day blackout period and do not have a time period restriction on closing a position. Employees are prohibited from investing in initial public offerings.

Certain proprietary and/or affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Vaughan Nelson's obligation of best execution. In such circumstances, the proprietary, affiliated and client accounts will share commission costs equitably and each will receive a prorata share of the total order, as necessary, at the same average price.

Vaughan Nelson may manage portfolios on behalf of an employee and the actions taken for these accounts may differ from, or be identical to, the advice given, or the timing or nature of actions taken, with respect to other client accounts. In addition, employees may maintain trust accounts within Vaughan Nelson Trust Company and invest in the Vaughan Nelson Trust Common Trust Funds. Procedures in place are designed to ensure that employee accounts are managed according to the regulations of the Securities and Exchange Commission, Texas Department of Banking and the Comptroller of the Currency as each may apply.

Related Persons

In connection with providing investment management and advisory services to its clients, Vaughan Nelson acts independently of other affiliated investment advisers and manages the assets of each of its clients in accordance with the investment mandate selected by such clients.

Related persons of Vaughan Nelson are engaged in securities transactions. Vaughan Nelson's related persons may invest in the same securities that Vaughan Nelson recommends, purchases for, or sells from our clients' accounts. Vaughan Nelson and its related persons (to the extent they have independent relationships with a client) may give advice to, and take action in, their own accounts or in other client accounts that may compete, conflict or involve different timing than the advice Vaughan Nelson may give to your particular account.

Since the trading activities of Natixis firms are not coordinated, each firm may trade the same security at the same time or on the same or opposite side of the market, potentially affecting the price, amount or other terms of the trade execution which may adversely affect some or all clients. Accordingly, each client's performance may differ from the results achieved by other current or future clients of Vaughan Nelson. Because certain of Vaughan Nelson's clients are related persons,

Vaughan Nelson may have an incentive to resolve conflicts of interest in favor of its related person, however, Vaughan Nelson has established policies and procedures that identify and manage such potential conflicts of interest.

Certain related persons of Vaughan Nelson may engage in banking or other financial services, and in the course of conducting such business, such persons may take actions that adversely affect Vaughan Nelson's clients. For example, a related person engaged in commercial lending may foreclose on an issuer or security in which Vaughan Nelson's clients have an interest. Vaughan Nelson does not have the ability to influence the actions of its related persons.

Item 9 – Brokerage Practices

Vaughan Nelson is given complete discretion by its clients to select the brokers to be utilized in the execution of transactions, except in very few instances where the accounts are non-discretionary or "directed".

In executing portfolio transactions and selecting brokers or dealers, it is Vaughan Nelson's policy to seek the best overall execution available. Unless a client directs brokerage, the Firm determines the broker or brokers through whom, and the commission rate at which, security transactions for client accounts are executed. The selection of a broker is determined by a combination of factors including: (1) price; (2) quality of execution; (3) results of execution in similar security types; (4) market knowledge, activity in making markets and locating liquidity; (5) ability to execute in desired volume; (6) timeliness and responsiveness; (7) dependability, including ability to settle trades; (8) counterparty's credit worthiness and reputation; (9) creativity including use of program and algorithmic trading capabilities; and (10) research, including the presentation of specific investment ideas to the Firm. Commission levels vary between what is generally paid to brokers from whom we receive investment research in addition to trade execution (generally up to three (3) cents per share; see Research and Soft Dollar Benefits below) and what is generally paid to brokers who provide only trade execution (generally one-half (.5) to two (2) cents per share) depending on the extent of broker involvement ("touch") and the perceived difficulty of the execution. As a result, Vaughan Nelson will pay a commission higher than what another broker may charge in order to receive additional brokerage related services (e.g. executing a more difficult trade) and/or investment research related services from the chosen broker. Individuals responsible for the selection of brokers (as are all employees) are subject to both a Code of Ethics and a Gifts and Entertainment policy designed to prevent and avoid any potential conflicts of interest in the selection of brokers.

Vaughan Nelson's determination of the reasonableness of equity brokerage commissions is determined by the Firm's experience and knowledge of the industry as a whole, as well as the needs, characteristics and difficulty of the trade.

Research and Soft Dollar Benefits

Consistent with obtaining best execution, a client account's commissions on portfolio transactions (or a portion thereof) may be used by Vaughan Nelson to pay a broker for eligible brokerage and research services which the broker provides to Vaughan Nelson to aid in the management of client accounts (a practice known as Soft Dollar Benefits). By using client commissions in this way, Vaughan Nelson receives a benefit as the Firm does not need to produce or pay for certain research, products or services used in the management of client accounts. The research may be proprietary (created or developed by the broker-dealer) or third-party based (created or developed by others). Accordingly, this practice may provide an incentive to select a particular broker based on the Firm's interest in receiving the broker's research or other services rather than selecting a broker based upon our clients' interest in receiving the most favorable execution.

Vaughan Nelson does not attempt to allocate Soft Dollar Benefits received to individual clients, believing instead that the research received is, in the aggregate, of assistance to the Firm in fulfilling its overall duty to all clients. Each and every research service may not be used to service each and every account managed by the Firm, and commissions paid by one account may apply towards the payment of research services that may not be used in the service of that account. In addition, clients with directed brokerage do not contribute to the cost of this research (see Trade Sequencing in this Item 9 below).

Research eligible for Soft Dollar Benefits provided by brokers would include reports on individual companies, market trends, economic overviews, industry reports, fundamental security data and market statistics which assist Vaughan Nelson in its investment decision-making process. This research is received by mail, fax, electronically via email or directly over the internet for both direct use and to be loaded into software applications that assist with the investment research and security valuation process.

Some products and services, such as FactSet, are used for both eligible (assisting with the investment decision-making process) and ineligible (administrative or marketing) purposes. These products and services are known as being of "mixed use". Vaughan Nelson's compliance department reviews (both initially and at least annually thereafter) the use of "mixed use" products and services to determine the proper allocation between the portions eligible and ineligible for Soft Dollar Benefits. The ineligible portion of "mixed-use" products and services are paid directly by the Firm from its own resources.

Examples of products and services acquired through the use of Soft Dollar Benefits include but are not limited to:

Bloomberg Data – provides current financial, economic and political information covering all market sectors. Bloomberg also provides analytics, historical data, up-to-the minute news reports, economic statistics and political commentaries. Bloomberg provides information on market sectors, indices, governments, corporates, mortgages, municipals, currencies, equities, commodities, technical indicators, relative analysis, company news,

financial documents, as well as many other items. Bloomberg is considered a “mixed-use” product.

FactSet – is a comprehensive source of financial information and analytics for investment managers providing a broad array of financial, market and economic research as well as fundamental data on thousands of companies and securities worldwide enabling the transformation of raw research data into usable information. FactSet provides:

- Company Analysis
- Economic Analysis
- Fixed Income Analysis
- Ability to Store Proprietary Research Information for Integration into FactSet
- Portfolio Attribution Analysis
- Stock Modeling

In addition, FactSet is used as a real-time source of security pricing for the market or within portfolios or watch lists as well as a vehicle for security charting, news and trading information. FactSet is considered a “mixed-use” product.

Northfield System – provides a sophisticated, user-friendly tool for the analysis and management of risk and return characteristics associated with active management. The software allows the user to research the nature of a problem, formulate a solution and measure the result. The services provided are:

- Risk Analysis
- Portfolio Construction
- Performance Attribution
- Asset Allocation

Reuters Systems – uses the concept of a multi-function terminal, currently enabling the Firm’s traders to use a variety of real-time market data, technicals, statistics, news, and related information in the execution of trades.

Oversight of Soft Dollar Benefits

Vaughan Nelson monitors the use of Soft Dollar Benefits in the following ways:

- We undertake a formal review of all brokers on an annual basis (issues are also addressed as they may arise throughout the year) to evaluate service and executions received. Once meeting service and execution expectations, a broker is then eligible to be used in connection with Soft Dollar Benefits.
- We annually review the continued benefit of soft dollar services to our clients and investment process. We review “mixed use” products for proper allocation.

- We develop an annual Soft Dollar Budget for the upcoming year detailing the proprietary and third-party products or services to be received and the target level of commissions required based upon input received from the equity investment team, trading and compliance. We then review to ensure that the level of commissions required in terms of overall expected commissions for the year will not impede Vaughan Nelson’s ability to seek best execution.
- Each month we track and reconcile commissions transacted at the various brokers and Soft Dollar Benefit payments against the Soft Dollar Budget.

Trade Sequencing and Allocation

In general, investment decisions are made to purchase or sell the same security or securities for a number of client accounts simultaneously. In this event, the transactions may be added together or “blocked” for trading purposes. However, portfolio transactions for client accounts may also be completed independently from other accounts in order to accommodate additions to, or a withdrawal from, a client account or to re-balance a portfolio to bring it in line with the correlated strategy’s model.

Vaughan Nelson, in its pursuit of best execution, need not delay trading for certain accounts as it awaits reviews and/or approvals for other accounts or, in the case of sub-advised wrap platforms (“limited-direction accounts”), possible share requirement information. Accordingly, portfolios not requiring review, approval or share requirement information (e.g. tax-free accounts, tax-deferred accounts, and accounts with no client restrictions) are blocked together and execution may be initiated while other portfolios requiring a portfolio manager’s review and/or approval or share requirement information associated with sub-advised wrap platforms are obtained.

As portfolios requiring review and/or approval or share requirement information are received, they are themselves blocked and either merged into the original block if, in the trader’s judgment, significant execution has not taken place, or executed as its own block after completing the original block. For one major broker’s Unified Managed Account (UMA) platform, Vaughan Nelson will communicate trade(s) at the beginning of each trading day through an electronic portal in order for the UMA platform to execute the trade(s) itself. This approach may result in Vaughan Nelson trading after, concurrently with, or before the UMA platform.

Notwithstanding the description of aggregation above, the Firm may elect to “auto-execute” an individual trade (or small blocked trade) which constitutes a trade of less than 500 shares of an individual security. In this instance, the trade will be automatically routed through a Direct Market Access system (DMA) and executed at the market price existing at the time the trade was submitted.

While Vaughan Nelson has an obligation to seek best execution for all of its clients, Vaughan Nelson believes it has a duty to ensure that those clients that have authorized brokerage discretion to Vaughan Nelson as to its selection of executing brokers are not disadvantaged by those accounts that have restricted Vaughan Nelson in terms of its ability to select executing brokers. The latter would

include “limited-direction accounts” (i.e. sub-advised wrap platforms) that require a broker step-out the trade to another broker or “fully-directed accounts” where only a specific broker may be utilized. Vaughan Nelson will block trades for limited-direction accounts with accounts that allow for full trade discretion, to the extent possible, within the limits imposed by the executing brokers selected by Vaughan Nelson in its pursuit of best execution. In circumstances where Vaughan Nelson believes the necessary step-out associated with limited-direction accounts within a block trade would impede its ability to obtain best execution for those clients who have authorized full brokerage discretion, Vaughan Nelson will include only shares associated with limited-direction accounts in block trades to the extent Vaughan Nelson believes execution quality will not suffer. Any remaining shares will be communicated to the wrap platform advisor for execution/completion.

Individual and block trades may be executed in one day or, if a substantial amount of shares is involved, the transaction may be executed in several transactions over a period of time at varying prices. With regard to block trades, transactions for each blocked security are combined each day by broker, the execution price averaged, and the trades allocated to the relevant client accounts on a pro-rata basis, subject to rounding requirements of up to 100 shares and other de minimis adjustments, resulting in the same average price/proceeds and commissions per share for all trades executed that day.

Directed Brokerage

To the extent an investment recommendation is to be implemented within accounts for which Vaughan Nelson has brokerage discretion and accounts for which Vaughan Nelson does not have brokerage discretion (i.e., fully-directed accounts and limited direction accounts not to be traded by Vaughan Nelson), the investment recommendation will first be executed for Vaughan Nelson’s discretionary accounts, as noted above, and then communicated to the corresponding directed broker for execution so as to avoid execution conflict/competition within the marketplace. When a client directs the use of a particular broker-dealer in this way, the Firm may not be in a position where it can freely negotiate commission rates or spreads, or select broker-dealers on the basis of best price and execution. As a result, fully-directed brokerage transactions are executed after blocked trades to avoid execution conflict and may result in higher commissions, greater spreads, or a less favorable net price than would be the case if the Firm were empowered to select broker/dealers to execute transactions for the client’s account.

New Client Accounts

Vaughan Nelson will frequently have a need to invest funds related to a new client in order to align the new client’s entire portfolio with the model for a particular strategy while there are outstanding block orders for other client accounts that have not yet been filled/completed for particular securities within the strategy. In this circumstance, the new client will be invested to the desired percentage within the model and trade separately from (if a buy), or opposite to (if a sell), any currently outstanding order in order to invest the account on par with the model.

Contributions to Accounts

Clients will frequently make contributions to their accounts and their accounts will need to be realigned with the model for a particular strategy while there are outstanding block orders for other client accounts that have not yet been filled/completed for particular securities within the strategy. In this circumstance, the additional contribution will be either merged into the outstanding orders (for a buy), if in the trader's judgment it will not detrimentally impact the remaining execution of the order or, traded separately from, and/or opposite to (if a sell), the currently outstanding order.

Terminated Accounts / Withdrawals from Accounts

Vaughan Nelson will also have a need to raise funds relating to account terminations or withdrawals and will need to liquidate or realign the holdings, as the case may be, in order to raise the necessary cash while there may be outstanding block orders for other client accounts that have not yet been filled/completed for particular securities within the strategy. In this circumstance, the trades necessary to raise the funds will trade separately from, or opposite to, the currently outstanding orders as the currently outstanding orders would not have the same time priority for execution.

Commission Recapture

Vaughan Nelson has accounts where the client (or Board of Directors/Trustees for an investment company) has instructed Vaughan Nelson to direct brokerage for the client's account to certain broker-dealers that have agreed to refund or to reduce operating expenses in an attempt to defray expenses for the client's account. The foregoing practices are generally subject to the pursuit of best execution by Vaughan Nelson and the guidelines established by, and overseen by, the client (or Board of Directors/Trustees for an investment company).

Trade Errors and Error Correction

Any error identified in trading is investigated to determine whether the error occurred at the brokerage firm or internally at Vaughan Nelson.

In the case of an error by Vaughan Nelson, the error is brought to the attention of the Compliance Officer and/or CEO for resolution. A broker may not assume a loss for which Vaughan Nelson is responsible. Instances where multiple errors have occurred, or have been identified, concurrently or in close succession within an account (e.g. 2-3 days) will be netted to determine the resulting gain or loss. Any net loss to a client must be reimbursed. Instances of net gain will inure to the benefit of the client.

Cross Trades

Vaughan Nelson generally does not undertake cross trade transactions in either fixed income or equities. However, in certain limited instances, Vaughan Nelson may effect a cross trade between two advisory clients of Vaughan Nelson where a cross trade may be deemed to be beneficial,

preferred, and in the best interest of both clients involved. Cross trades may allow a selling client to raise needed cash, adjust sector, maturity, credit or other weights, or address other needs while simultaneously allowing a buying client to invest cash, and make similar adjustments, all with little or no cost, or negative market price impact.

In general, pricing of cross trades is determined based upon readily available market quotation data. For example, when determining the current market price for debt securities that require an average of the highest current independent bid and lowest current independent offer, Vaughan Nelson will obtain at least two independent market quotes, if available, to establish the price for all accounts participating in the cross trade. With respect to investment company clients, Vaughan Nelson may execute a cross trade in accordance with the applicable policies and procedures adopted by the investment company's Board.

Subject to applicable law, a cross trade may be accomplished either with or without the use of a broker (although no commission may be paid). ERISA, proprietary, or adviser affiliated accounts are prohibited from participating in any cross trade transaction with a client. Cross trades may be difficult to arrange in some circumstances and Vaughan Nelson is under no obligation to effect a cross trade for any client.

Affiliated Underwritings

Subject to applicable law, Vaughan Nelson may purchase for its clients securities in an initial or secondary offering underwritten by a related person/entity provided such purchases are from members of the underwriting syndicate other than a related person/entity and comply with attendant regulatory requirements. With respect to investment company clients, Vaughan Nelson would participate in affiliated underwritings in accordance with regulations and any applicable policies and procedures adopted by the investment company's Board in addition to those required by regulation. Similarly with respect to ERISA clients, such transactions would be effected in accordance with applicable regulations.

Services Non-Exclusive

Services provided to a client are non-exclusive. The Firm may give advice to and take action in the performance of its duties with respect to any particular client that may differ from the advice given, or the timing or nature of actions taken with respect to other clients. Nothing is deemed to impose upon the Firm any obligation to purchase or sell any security which the Firm may purchase or sell for its own account or for the accounts of other clients if it is undesirable or impractical to take such action for a particular client.

Initial Public Offerings (IPOs)

Vaughan Nelson does not seek exposure to equity IPOs for clients invested in most strategies. In order to invest any clients in an IPO, the Firm will need to have obtained a "New Issue" questionnaire under FINRA Rule 5130 (Rule 5130) which has been completed and signed by each client within a strategy. The "New Issue" questionnaire will identify if a client falls within the

definition of the term “restricted person” and is, therefore, not eligible to participate in an IPO. Rule 5130 would also require the Firm to obtain updated representations from clients as to each client’s “restricted person” status every 12 -18 months in order to receive information related to any changes in the client’s status as a “restricted person” since completing the last questionnaire. Accordingly, there would be significant time involved in ascertaining and updating clients’ current status. In addition, due to the time involved, any efforts in this regard would need to be completed far in advance of identifying any specific IPO opportunity in which to invest. Since IPO exposure is not sought on a regular basis for most strategies, the Firm does not seek this information from clients in the normal course. The Firm believes that the costs to comply with Rule 5130 with respect to non-Select Fund strategies will in most cases outweigh the benefits of participating in IPO investment opportunities on a sporadic basis. Accordingly, clients seeking ongoing exposure to IPOs should not expect to obtain such exposure in the Firm’s non-Select Fund strategies.

Select Fund Strategy

The Firm offers a Select Fund Strategy, which does seek exposure to IPOs on a more regular basis. The only client invested in this strategy is a mutual fund, which is exempt from the requirements of Rule 5130. The Select Fund Strategy is differentiated from the other Vaughan Nelson ‘long-only’ equity strategies as it is designed to have comparatively greater investment flexibility in reaching its investment objectives through the use of a broader set of instruments including but not limited to, short sales, convertible securities, options and IPOs. Accordingly, the Firm anticipates that all or substantially all IPO opportunities will be allocated to clients in the Select Fund Strategy rather than to other Vaughan Nelson equity strategies which do not otherwise contemplate regular IPO exposure and which do not have such overall investment flexibility.

All Other Strategies

Should the Firm decide to invest in IPOs for non-Select Fund strategies the Firm will undertake the “New Issue” questionnaire process noted above. Once in place, in the event a portfolio manager recommends clients in a strategy (other than the Select Fund strategy) should invest in an IPO, the recommending individual will document an analysis of the nature, drivers and risk factors associated with the IPO and evaluate the inclusion of the offering in all equity strategies.

Once participation is determined, the Firm will establish an overall level of interest in the IPO supported by the allocation for each investment strategy. If the Firm does not receive the number of shares requested in an IPO, the shares actually received will be allocated equitably among participating strategies and client accounts on a prorata basis using the overall level of interest for all accounts provided to the underwriter subject to adjustments for de minimus allocations, odd lots, FINRA regulatory requirements regarding “new issues” and other factors. This will normally result in an approximate pro rata allocation among those accounts participating in the offering.

Item 10 – Review of Accounts

All accounts are updated nightly with regard to pricing and valuations and are available for review at any time by the portfolio managers familiar with the account. Reviews of accounts are performed by the portfolio and client service managers based primarily upon various triggering events including but not limited to, client transactions and inquiries, investment decisions, client presentations, overall market movements, cash levels, and rebalancing needs. Taken as a whole, this amounts to a frequent review of all accounts. The nine (9) portfolio and client service managers oversee all client portfolios.

Portfolio appraisals that include a description of each security with its cost and current market value are distributed quarterly in writing along with a summary document typically describing our strategies employed, the current financial, economic and political environment and performance results for relevant periods. Monthly appraisals, quarterly transaction listings and other portfolio related reports are available to clients upon request.

Item 11 – Client Referrals and Other Compensation

Vaughan Nelson has entered into referral agreements for the solicitation of potential clients. Under the terms of the agreements, the soliciting party will refer prospective institutional clients, consultants and high net worth individuals to Vaughan Nelson and in return receive a percentage (generally decreasing over time) of annual investment advisory fees received from such clients. In all cases, the soliciting party will disclose their relationship with Vaughan Nelson to the prospect or consultant at the time of the referral and, in the case of unaffiliated solicitors, obtain an executed Disclosure Statement to Prospective Clients prior to Vaughan Nelson undertaking the account for management.

Vaughan Nelson has entered into a referral agreements with NGAM Advisors, L.P., NGAM International, LLC and Reich & Tang Asset Management, LLC (together “Solicitors”) whereby Vaughan Nelson has engaged Solicitors to contact directly, or indirectly through representatives of financial intermediaries, institutions and high net worth individuals, including pooled funds, (together “Prospects”) and to recommend that such Prospects entertain proposals for Vaughan Nelson’s advisory services. Vaughan Nelson generally pays Solicitors a percentage of annual investment advisory fees received from such clients over a period of time.

Item 12 – Custody

Clients should receive statements from the broker dealer, bank or other qualified custodian that holds and maintains the client’s investments at least quarterly. As noted in Item 10 – Review of

Accounts, Vaughan Nelson will also provide you with account statements. Vaughan Nelson recommends each client carefully review such statements and compare such official custodial records to the account statements that we provide to each client to determine whether account transactions, including deductions to pay our advisory fee, are proper. You should contact us immediately if you do not receive statements from your custodian on a quarterly basis. Our statements may vary from the custodial statements based on accounting procedures (a 'trade date' based statement versus a 'settlement date' based statement), reporting dates, or valuation methodologies of certain securities (i.e. different pricing vendors).

Item 13 – Investment Discretion

Normally, Vaughan Nelson is engaged by clients (institutional, individual, mutual fund) to provide advisory services for their account where investment decisions are implemented on a fully-discretionary basis through the execution of a Trading Authorization on the client's account held at the custodian. The Trading Authorization provided on an account is limited by any client guidelines and/or restrictions received by the client in writing (in the case of a mutual fund the associated Prospectus and Statement of Additional Information). These restrictions could include, but not be limited to, such areas as: permissible cash levels, percentage of a portfolio that can be invested in one issuer, minimum required bond ratings, etc. Guidelines and restrictions may be amended in writing throughout the relationship as necessary.

The Trading Authorization and any associated guidelines and/or objectives are discussed, agreed upon and executed in connection with the overall investment management agreement for the account.

Vaughan Nelson's compliance department uses the Charles River Compliance System to enter and automatically monitor client guidelines and restrictions, to the extent possible, on both a pre-trade and post-trade basis. As trades are initiated they are routed and checked by the compliance system. Any potential breach of a guideline or restriction generates an 'alert' that cannot be overridden without approval from the Firm's compliance team.

Item 14 – Voting Client Securities

The discretionary authority for Vaughan Nelson to vote proxies is established through either the investment advisory agreement or, if the agreement is silent, implied by the overall delegation of discretionary authority, or our fiduciary responsibility to ERISA clients under Department of Labor regulations. As a practical matter, Vaughan Nelson does not allow clients delegating voting authority to Vaughan Nelson to also provide instruction as to how to cast votes associated with their account. Notwithstanding, with regard to mutual funds, voting may be controlled by restrictions within the fund or the actions of authorized persons. Alternatively, clients may retain the authority to vote proxies associated with their account through an indication within the original

advisory agreement or through the execution of a Proxy Retention Letter (supplied by Vaughan Nelson).

The Firm undertakes to vote all client proxies in a manner reasonably expected to ensure the client's best interest is upheld and in a manner that does not subrogate the client's best interest to that of the Firm's in instances where a material conflict exists.

Vaughan Nelson has created a Proxy Voting Guideline ("Guideline") believed to be in the best interest of clients relating to common and recurring issues found within proxy voting material. The Guideline is the work product of the Firm's investment team and it considers the nature of the Firm's business, the types of securities being managed and other sources of information including, but not limited to, research provided by an independent research firm (Institutional Shareholder Services), internal research, published information on corporate governance and experience. The Guideline helps to ensure voting consistency on issues common amongst issuers and to serve as evidence that a vote was not the product of a conflict of interest, but rather a vote in accordance with a pre-determined policy.

However, in many recurring and common proxy issues a "blanket voting approach" cannot be applied. In these instances, the Guideline indicates that such issues will be addressed on a case-by-case basis in consultation with a portfolio manager to determine how to vote the issue in our client's best interest.

A material conflict of interest may arise in executing our duty to vote proxies for client accounts. We do not envision a large number of situations where a conflict of interest would exist, if any, between Vaughan Nelson and our clients given the nature of our business, client base, relationships and the types of securities managed. However, if a conflict of interest arises Vaughan Nelson will undertake to vote the proxy or proxy issue in our clients' continued best interest. This will be accomplished by either casting the vote in accordance with the pre-established Guideline, if the application of such policy to the issue at hand involves little discretion on our part, or casting the vote as indicated by the independent third-party research firm, Institutional Shareholder Services.

Finally, there may be circumstances or situations that may preclude or limit the manner in which a proxy is voted. These may include: 1) Mutual funds – whereby voting may be controlled by restrictions within the fund or the actions of authorized persons, 2) International Securities – whereby the perceived benefit of voting an international proxy does not outweigh the anticipated costs of doing so, 3) New Accounts – instances where security holdings assumed will be sold in the near term thereby limiting any benefit to be obtained by a vote on the relevant proposal(s), 4) Small Combined Holdings / Unsupervised Securities – where the Firm does not have a significant holding or basis on which to offer advice, or 5) a security is out on loan (voting rights have been passed to the borrower).

In summary, the Firm's goal is to vote proxy material in a manner that we believe assists in maximizing the value of client portfolios.

If you would like to receive a copy of the Guideline, including our proxy voting policies and procedures or if you would like to obtain information on how your securities were voted, please contact: Chief Compliance Officer, Vaughan Nelson Investment Management, L.P., 600 Travis, Suite 6300, Houston, Texas 77002, 713/224-2545.

Item 15 - Financial Information

Disclosure of Vaughan Nelson's balance sheet is not required as the Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Vaughan Nelson has no financial condition that is reasonably likely to impair the Firm's ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



Firm Brochure
Part 2A

**NGAM Advisors, L.P. (“NGAM Advisors”)
Managed Portfolio Advisors, a division of NGAM Advisors (“MPA”)
Active Investment Advisors, a division of NGAM Advisors (“AIA”)**

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This brochure provides information about the qualifications and business practices of NGAM Advisors. If you have any questions about the contents of this brochure, please contact us at: 617-449-2813, or by email at: ADVOPS@ngam.natixis.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about NGAM Advisors is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration does not imply that any particular level of skill or training has been met by NGAM Advisors or its personnel.

March 30, 2012

Material Changes

There are no material changes to report.

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Item 4 - Advisory Business

Firm Description: NGAM Advisors, L.P. ("**NGAM Advisors**") is a limited partnership organized on January 23, 1995, under the laws of the State of Delaware. NGAM Advisors' principal office is located at 399 Boylston Street, Boston, Massachusetts 02116 and it also has an office at 1999 Harrison Street, Oakland, California 94612. NGAM Advisors has two divisions Managed Portfolio Advisors ("**MPA**") and Active Investment Advisors ("**AIA**"). Neither MPA nor AIA is a separate legal entity. NGAM Advisors and NGAM Distribution, L.P. ("**NGAM Distribution**"), a FINRA registered limited purpose broker-dealer affiliate of NGAM Advisors, are commonly referred to by the umbrella name of Natixis Global Asset Management ("**NGAM**").

Principal Owners: NGAM Advisors is an indirect subsidiary of Natixis Global Asset Management, L.P., which is an indirect subsidiary of Natixis Global Asset Management, S.A. ("**Natixis Global Asset Management, S.A.**"), an international asset management group based in Paris, France. Natixis Global Asset Management, S.A. is in turn owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group.

Types of Advisory Services:

NGAM Advisors provides advisory services to investment company clients and managed account clients.

Investment Company Advisory Services: NGAM Advisors is the investment adviser to some of the investment companies in the Natixis family of funds (the "**Natixis Funds**"). Each Natixis Fund is a registered investment company or a series thereof.

NGAM Advisors subcontracts portfolio management services to one or more affiliated or unaffiliated registered investment advisers to act in the capacity of subadviser to NGAM Advisors, as listed on **Appendix 1** to this document. As set forth in the relevant contract, each subadviser is responsible for the day-to-day investment operations of the Natixis Fund it subadvises. NGAM Advisors is responsible, subject to the approval of the relevant Natixis Funds' Board, for the selection and oversight of such subadviser. NGAM Advisors will replace subadvisers as it deems appropriate, subject to the approval, as may be required, of the affected Natixis Funds' Board of Trustees and/or the affected Natixis Funds' shareholders.

NGAM Advisors also provides administrative services to the Natixis Funds, the Loomis Sayles family of funds ("**Loomis Sayles Funds**"), and the Hansberger International Series ("**Hansberger International Series**") (collectively these fund families are referred to herein as the "**Funds**").

Managed Account Advisory Services: NGAM Advisors provides both discretionary and non-discretionary investment advisory services to bundled and unbundled program clients, generally through sponsor programs. NGAM Advisors' investment advisory services may be provided with assistance from affiliated and unaffiliated registered investment advisers (commonly referred to as model providers).

Where NGAM Advisors utilizes the services of a model portfolio provider, but retains investment discretion, NGAM Advisors generally follows the recommendations in the model portfolios, provided, however, that NGAM Advisors may substitute or otherwise deviate from the model portfolio as it considers appropriate, including to comply with individual client guidelines or restrictions, to realize losses in taxable accounts, and to provide market exposure during a wash sale period. Alterations made to accommodate individualized policies or restrictions as well as trading delays and other timing issues may result in deviations between the holdings and performance of client accounts and

those of the model portfolios. **Appendix 2** is a list of the affiliated model portfolio providers, divisions of NGAM Advisors, and unaffiliated model portfolio providers used by NGAM Advisors for which NGAM Advisors has due diligence responsibility, and the related investment recommendation and/or model portfolio strategies provided by each.

NGAM Advisors provides investment advisory services on both a discretionary and non-discretionary basis. NGAM Advisors has discretionary authority when it provides investment advisory services and is granted sole or shared authority (whether or not that authority is exercised) to determine what securities or other assets to purchase or sell on behalf of that client account. NGAM Advisors has non-discretionary authority when it provides investment advisory services, but it is not granted sole or shared authority to determine what securities or other assets to purchase or sell on behalf of that client account.

Once NGAM Advisors accepts a new client account, it may take several days post acceptance of the client account for the assets of that account to be fully invested in the selected investment strategy, or selected investment strategies, when dealing with a unified managed account. Also, additional deposits into an existing client account may take several days to be fully invested.

When NGAM Advisors undertakes investment advisory responsibility for a client account that is initially funded with securities (i.e., stocks, bonds, mutual funds, exchange-traded funds, etc.) or when a client adds securities to an existing client account, NGAM Advisors will usually liquidate such non-cash holdings. With respect to the liquidation of such non-cash holdings, the client will be solely responsible for transaction costs, investment losses and/or taxes that may result from such liquidations. Also, the type of assets to be acquired to manage a client account or continue to manage a client account (in accordance with the selected investment strategy) may cause a delay in the account being fully invested. For example, delays may occur if: (i) there is difficulty in disposing of any transferred assets; (ii) there is a need to minimize small or odd lot transactions; (iii) there are account and/or trade reconciliation issues; or (iv) there is some unavailability or failure, outside of NGAM Advisors' reasonable control, of one or more of the systems utilized to manage and trade the client's account. Furthermore, client withdrawals may also be delayed due to some of the aforementioned difficulties or due to illiquidity in the relevant market.

NGAM Advisors, in certain circumstances, may experience delays in effecting (or communicating to a model portfolio provider to effect) transactions in client accounts. Such delays may be due to internal or external systems problems, communication issues, data issues, share balance reconciliation issues, market volatility, heavy trading volumes, liquidity shortages, computer viruses, trading halts, power interruptions, data theft, data destruction, severe or extraordinary weather conditions, earthquakes, terrorist acts, acts of war, or other "acts of God" and similar circumstances. Further, NGAM Advisors may also deliberately hold or delay trades if NGAM Advisors considers it prudent to do so to avoid trade or communication errors or other errors or problems. For example, if NGAM Advisors believes that client account holdings or trading data is corrupted, stale, or inaccurate, or if holdings or trade data cannot be reconciled, NGAM Advisors may delay trading until these issues are resolved in order to attempt to avoid significant trade errors that may otherwise result if trades are effected on the basis of incorrect data. While the ultimate effect of the types of delays previously referenced in this section will depend upon market circumstances, with an enhanced risk in circumstances of extreme market volatility, these delays are likely to also increase the risk of losses and/or the risk of missing market or security appreciation. In some cases these delays may also result in increased dispersion between the performance results

of a particular account or group of accounts managed by NGAM Advisors and the performance results of a relevant model portfolio provider's institutional client accounts.

Whatever the cause of the delay in immediately investing the client's account or in immediately processing a withdrawal request, NGAM Advisors will make reasonable attempts to effect transactions in a client's account as soon as reasonably practicable.

Assets Under Management: NGAM Advisors' assets under management total \$6,121,056,149.00 as of December 31, 2011. This total is made up of discretionary assets under management of \$4,679,961,935.00 and non-discretionary assets under management of \$1,441,094,214.00 as of December 31, 2011.

Item 5 - Fees and Compensation

Investment Company Fees and Compensation: The advisory fees and the administrative fees payable by the Funds to NGAM Advisors, under relevant contracts, are expressed as a percentage of assets under management or administration and are individually negotiated. The fees billed by NGAM Advisors to the Funds are payable by the Funds monthly in arrears. NGAM Advisors is responsible for the payment of fees to advisers and subadvisers of the Funds, as applicable. NGAM Advisors typically pays such advisers and subadvisers a percentage of the fee paid to NGAM Advisors by the relevant Fund.

Managed Account Fees and Compensation

Bundled Program Fees & Compensation: Fees paid to NGAM Advisors for investment advisory services to bundled program client accounts are negotiated between NGAM Advisors and the bundled program sponsor. The client account minimum for a bundled program account is generally set by the program sponsor. A client in a bundled program will generally pay a bundled fee that covers NGAM Advisors' investment advisory service fee, custody fee, brokerage (if executed through the program sponsor or the program's preferred Broker), accounting, sponsor due diligence, and other applicable program services.

Unbundled Program Fees & Compensation: Fees paid to NGAM Advisors for investment advisory services to unbundled program client accounts are set by NGAM Advisors and are provided as an attachment to this disclosure document (See **Appendix 3**). These fees do not include other fees that a client may incur, such as custody fees, brokerage fees, accounting fees, sponsor due diligence fees, and other applicable program fees. Unbundled program investment advisory service fees received by NGAM Advisors vary depending on the investment strategy that is selected by the client. The client account minimum (initial and ongoing) for NGAM Advisors' unbundled program accounts is set by NGAM Advisors and is \$250,000, with the exception of AIA Managed ETF Strategies and the AIA China ETF Strategy for which the account minimum is \$50,000. For unbundled program client accounts NGAM Advisors reserves the right to waive its investment advisory service fee on employee or related client accounts and to waive the account minimum for any client accounts. Additionally, AIA Managed ETF Strategies and the AIA China ETF Strategy are subject to a minimum annual fee of \$500 and the AIA S&P Strategies, AIA Dow Jones Select Dividend Strategy and the ASG Adaptive ETF Strategies are subject to a minimum annual fees of \$1,000.

Model Portfolio Services Fees & Compensation: Fees paid to NGAM Advisors for its model portfolio investment advisory services to bundled and unbundled program client accounts are negotiated between NGAM Advisors and the program sponsor. The client account minimum for a program account that is managed using NGAM Advisors' model

portfolio is generally set by the program sponsor. A client will generally also incur additional fees depending on whether the program is bundled or unbundled, such as custody fees, brokerage fees, accounting fees, sponsor due diligence fees, and other applicable program fees.

Overlay Portfolio Management Services Fees & Compensation: Fees paid to NGAM Advisors for its overlay portfolio management investment advisory services to bundled and unbundled program client accounts are negotiated between NGAM Advisors and the program sponsor. The client account minimum for a program account that is managed using NGAM Advisors' overlay portfolio management services is generally set by the program sponsor. A client will generally also incur additional fees depending on whether the program is bundled or unbundled, such as custody fees, brokerage fees, accounting fees, sponsor due diligence fees, and other applicable program fees.

Billing: Generally, fees paid to NGAM Advisors are calculated as a percentage of assets under management (for discretionary services) or as a percentage of assets serviced (for non-discretionary services) and are usually shown as annual percentages. Fees may be paid quarterly or monthly, depending on the contractual relationship. Fees may be paid after investment advisory services are provided (i.e., in arrears) or paid in advance (i.e., pre-paid). If investment advisory service fees are paid in advance, then early termination of a client account will result in a proportionate (i.e., pro-rata) return of such pre-paid fees. NGAM Advisors may also be compensated through minimum fees, fixed fees or fees calculated as a percentage of a program sponsor's fees. NGAM Advisors does not receive custody fees, brokerage fees, accounting fees or any other such fees and does not participate in fee sharing arrangements for such fees with any program sponsor, custodian or Broker.

Model Portfolio Provider Fees & Compensation: When NGAM Advisors is responsible for retaining model portfolio providers, NGAM Advisors typically pays the model portfolio provider from the fee paid to NGAM Advisors by the client or program sponsor, reducing the amount of fees retained by NGAM Advisors. However, it is usually the case that when NGAM Advisors is hired to provide overlay portfolio management services that the sponsor undertakes responsibility for paying the sponsor selected and hired model portfolio provider.

Fee & Compensation Variation: Investment advisory services, fees and account minimums will vary from one program to another. NGAM Advisors reserves the right, in its sole discretion, to waive its fees and account minimum requirements, but cannot waive fees or minimums set by a program sponsor. Clients should also be aware that NGAM Advisors is in no position to negotiate the implied commission rates payable to the sponsor's or client designated Broker. NGAM Advisors is also limited in its ability to influence the trade execution quality or to influence the nature and quality of the services (including custodial and/or accounting services) that program clients obtain from the sponsor. Additionally, clients should be aware that similar or comparable services may be available at a lower aggregate cost elsewhere on a bundled and/or unbundled basis. In addition, while the compensation paid to NGAM Advisors by a bundled program sponsor may be lower than NGAM Advisors' standard fee applicable to unbundled program clients, the overall cost to a program client may be higher than that which the client might otherwise experience by engaging NGAM Advisors directly and negotiating (or allowing NGAM Advisors to negotiate on the client's behalf) per-transaction fees directly with a Broker. Similarly, in most cases the overall cost to a program client will be higher than if the client were to engage a model portfolio provider directly. However, NGAM Advisors and the model portfolio providers typically require non-program client accounts managed by them directly to meet a minimum

account size, which minimum account size may, depending on the strategy, be higher than the minimum account size required by a sponsor.

Managed Accounts Holding Exchange Traded Funds: With respect to strategies containing exchange traded funds, clients should be aware that in addition to the expenses imbedded in the ETF structure, there are certain disadvantages in selecting such strategies. These disadvantages include, but are not limited to: (i) the fact that purchases of exchange traded fund shares may result in buying shares at a slight premium because ETF prices are determined by market forces; and (ii) selling ETFs may result in selling shares at a discount.

Managed Accounts Holding Mutual Funds: As previously stated, NGAM Advisors provides discretionary investment advisory services to managed account clients using model portfolios supplied by model portfolio providers and by NGAM Advisors' internal divisions. NGAM Advisors may, in its sole discretion, execute upon such recommendations by purchasing shares of mutual funds and/or exchange-traded funds, which conform to the model portfolio provided by the relevant model portfolio provider. Clients should always keep in mind that they may be able to purchase investment company shares directly from the investment companies without using the investment advisory services of NGAM Advisors. Additionally, it is common for the portfolios of managed account clients participating in a unified managed account program to hold investment company shares in a sleeve or multiple sleeves of the client's unified managed account. Usually the investment company that has been selected to be a part of the unified managed account is selected by the sponsor that has hired NGAM Advisors to provide overlay portfolio management services.

Managed Accounts Holding Affiliated Mutual Funds: Sponsors that have hired NGAM Advisors as the overlay portfolio manager may also independently select an investment company to be part of a unified managed account offering that has an affiliation with NGAM Advisors. Under these circumstances, it is important for the client to be aware that NGAM Advisors will charge its managed account advisory fee (or overlay portfolio management fee) on the assets held in the unified managed account, including the assets held in the affiliated investment company sleeve. Clients should also be aware that in addition to the managed account advisory fee (or overlay portfolio management fee) charged by NGAM Advisors, the client will be paying other fees, such as fund advisory fees and other fund expenses. In connection with all purchases of investment company shares for a managed account client's portfolio, the investment company may incur additional and/or higher expenses than the expenses incurred for managed accounts. In the case of an investment company advised/subadvised by NGAM Advisors or one of its investment advisory affiliates, such expenses may include payments to NGAM Advisors and/or its affiliates for advisory and other services (such as distribution and/or administrative services) provided by such entities to the investment companies. Again, clients should always keep in mind that they may be able to purchase investment company shares directly from the investment companies without using the investment advisory services of the sponsor and the overlay portfolio management services of NGAM Advisors.

Client Due Inquiry: Clients should conduct due inquiry related to investment advisory services, fees and account minimums. Due inquiry should be made so that the client can ensure that it is receiving the desired level of investment advisory services, a reasonable fee based on those services and to ensure that the client can meet and maintain the required account minimum. Additionally, a client should consider factors such as trading frequency and applicable commissions borne by the client for trading away, transfer taxes and similar fees. Information about investment advisory services, fees and account minimums can usually be found in the applicable program sponsor's

disclosure document, in the client investment advisory services contract and in the client's custodial services and brokerage contracts.

Item 6 - Performance Fees and Side-By-Side Management

Not Applicable.

Item 7 - Types of Clients

NGAM Advisors clients include: individuals (including high net worth individuals), banking or thrift institutions, pension and profit sharing plans (other than to plan participants), investment companies and other pooled vehicles, charitable organizations, corporations or other businesses, state or municipal government entities, and sponsors that hire it to provide model portfolio vendor services and overlay portfolio management services. Additionally, NGAM Advisors, through its AIA division, provides non-discretionary subadvisory portfolio management services to a number of Taiwanese-based collective investment vehicles, which are distributed by Taiwanese banks to Taiwanese investors.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

In managing discretionary client accounts and providing recommendations to non-discretionary clients, NGAM Advisors (and the sub-advisers and model portfolio providers that it retains on behalf of clients) uses various different investment strategies and methods of analysis, as described below. This Item 8, and related appendices, also contain a discussion of the primary risks associated with these investment strategies, although it is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. While NGAM Advisors seeks to manage accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses, including through diversification.

Clients should be aware that while NGAM Advisors does not limit its advice to particular types of investments, mandates may be limited to certain types of securities (e.g., equities) or to the recommendation of investment advisers or managed funds focused on certain types of securities and, therefore, may not be diversified. The accounts managed by NGAM Advisors are generally not intended to provide a complete investment program for a client or investor and, except with respect to pooled investment vehicles, NGAM Advisors expects that the assets it manages do not represent all of the client's assets. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

Investment Company Methods of Analysis, Investment Strategies and Risk of Loss:

NGAM Advisors is the investment adviser to some of the Natixis Funds. Each Natixis Fund is a registered investment company or a series thereof. The advisory contract between NGAM Advisors and the relevant Natixis Fund is terminable without penalty by the relevant Natixis Fund on sixty (60) days' notice to NGAM Advisors, or by NGAM Advisors on ninety (90) days' notice to the relevant Natixis Fund. The agreement terminates automatically on assignment.

With respect to the Natixis Funds for which NGAM Advisors acts as investment adviser, NGAM Advisors subcontracts portfolio management services, including determination

of methods of analysis and selection of sources of information, to one or more affiliated or unaffiliated registered investment advisers to act in the capacity of subadviser to NGAM Advisors, as listed on **Appendix 1** to this document. As set forth in the relevant contract, each subadviser is responsible for the day-to-day investment operations of the Natixis Fund it subadvices. NGAM Advisors is responsible, subject to the approval of the relevant Natixis Funds' Board, for the selection and oversight of such subadviser. NGAM Advisors will replace subadvisers as it deems appropriate, subject to the approval, as may be required, of the affected Natixis Funds' Board of Trustees and/or the affected Natixis Funds' shareholders.

Some of the Natixis Funds are designed as multi-manager investment companies, combining the varied investment styles of multiple subadvisers. Each subadviser is responsible for the management of a designated portion, or sleeve, of the relevant multi-manager Natixis Fund. NGAM Advisors is responsible, when dealing with multi-manager Natixis Funds, for the allocation of assets to each subadviser and sleeve of such Natixis Fund. Investment company shareholders should be aware that Funds are managed according to Fund specific investment objectives, policies, and restrictions, and are not tailored for particular investors.

NGAM Advisors, through its AIA division, is currently responsible for the management of a sleeve of the Natixis Diversified Income Fund ("**DIF**"), one of the Natixis Funds. NGAM Advisors fulfills its investment advisory obligations to the sleeve of DIF via its AIA and MPA divisions. AIA provides investment advisory expertise and MPA provides trade execution services through its trade desk. It is NGAM Advisors through its AIA division that makes all investment decisions and NGAM Advisors through its MPA division that directs the execution of all transactions allocated to it for management (subject to the investment objectives and guidelines applicable to DIF).

Subject to oversight by the Board of Trustees of the Funds, the NGAM Advisors' Funds Investment Committee and NGAM Advisors' Due Diligence Committee monitor the performance of investment company subadvisers. NGAM Advisors' Funds Investment Committee monitors the portfolio management services provided by subadvisers. For more information about the methods of analysis utilized by the subadvisers contracted by NGAM Advisors to provide portfolio management services to the Natixis Funds, including AIA's methods of analysis and sources of information, see the relevant Natixis Funds' prospectus and statement of additional information. Additionally, see **Appendix 1** for a description of the investment strategies of the subadvisers overseen by NGAM Advisors for the Natixis Funds for which NGAM Advisors acts as adviser. **Appendix 4** also contains information about the risks associated with these investment strategies.

NGAM Advisors also provides administrative services to the Natixis Funds, the Loomis Sayles Funds, and the Hansberger International Series. These services include, but are not limited to, legal, compliance, treasury, office space and personnel, including payment of the compensation of trustees who are affiliated with the Funds' administrator (i.e., NGAM Advisors) and supervision of portfolio management services provided by the Funds' adviser or delegated to one or more subadvisers.

Managed Account Methods of Analysis, Investment Strategies and Risk of Loss: In providing discretionary investment advisory services to its managed account clients, NGAM Advisors utilizes investment recommendations which may be provided to it by model portfolio providers in the form of a model portfolio of investment recommendations. NGAM Advisors may also combine, for multi-manager and unified managed account strategies, more than one model portfolio.

The model portfolios provided to NGAM Advisors are generally based on a hypothetical U.S. person with a minimum account size and a specific investment strategy. Model portfolios are generally created using substantially the same investment analyses, sources of information and strategies that model portfolio providers use in providing investment advisory services to their own institutional client accounts. In general the methods and sources of information utilized by the model portfolio providers to create the model portfolios include charting, fundamental, cyclical and technical analysis, third party research, company visits and corporate rating services. However, the methods and sources of information used by each model portfolio provider to create the model portfolios will vary.

For a more detailed description of the methods, sources of information and investment techniques used by each model portfolio provider, managed account clients should review each model portfolio provider's disclosure document, to the extent those disclosure documents are made available to the client. Additionally, see **Appendix 2** for a listing of model portfolio providers and for a description of the affiliated and unaffiliated investment strategies offered by NGAM Advisors through sponsor programs. Please be aware that not all strategies listed on **Appendix 2** are available to unbundled program clients, as some of these strategies are only available to bundled program clients.

NGAM Advisors also receives investment recommendations from its division AIA, which are developed by AIA utilizing AIA proprietary models and sampling techniques. AIA's strategies either fully replicate an index or are a stratified sampling of an index. The security selection process for both of these types of index strategies involves AIA's proprietary system, which is known as the Active Account Management System ("**AAMS**"). The list and description of available AIA investment strategies offered through sponsor programs is also found in **Appendix 2**. Please see **Appendix 5** for a list and a description of risks associated with NGAM Advisors' available investment strategies, including AIA investment strategies.

Managed Account Services: NGAM Advisors' investment advisory services (discretionary and non-discretionary) are generally provided to managed account clients that participate in sponsor programs (commonly referred to as bundled and unbundled programs). These sponsor programs offer managed account clients the investment advisory services of a number of different investment managers, one of which is NGAM Advisors. NGAM Advisors may participate in these sponsor programs as a discretionary manager by providing client specific investment advisory services, as a non-discretionary manager by providing a model portfolio for use by another investment manager that does exercise discretion over client accounts, or by providing overlay portfolio management services, which can be provided on a discretionary or non-discretionary basis, depending on the contractual terms that NGAM Advisors agrees to with a program sponsor. The key difference between bundled and unbundled programs is that in a bundled program the client will pay a bundled/wrapped fee, which generally includes investment advisory, custodial, brokerage, accounting and other applicable program fees. An unbundled program does not have a wrap fee and the aforementioned fees are usually individually charged to the client.

NGAM Advisors, through its AIA division, also provides investment advisory services that consist of discretionary recommendations to managed account clients based on proprietary models and proprietary sampling techniques that build securities portfolios with the objective of tracking a particular index reasonably closely without holding each security in the index. With respect to these services, each client's account is customized to include the client's existing positions and/or reflect specific securities or

sector exclusions, which may differ from account to account based on the size of the account and the index against which the client's portfolio is benchmarked.

Generally, NGAM Advisors' contracts set forth the manner in which the client or counterparty may terminate NGAM Advisors. Contracts with program sponsors generally require at least sixty (60) days' prior written notice of termination. However, it is normally the case that the managed account clients that access NGAM Advisors' services via sponsors can individually terminate NGAM Advisors' services immediately upon notice of termination to NGAM Advisors or the sponsor.

Reasonable Restrictions: Other than when providing model portfolio provider services, where it is not responsible for managing individual client accounts, NGAM Advisors allows its managed account clients to impose reasonable investment restrictions on the purchase of securities of particular issuers or types of issuers. In order to accommodate issuer-specific restrictions, including socially responsible investing ("**SRI**") restrictions, clients are asked to provide NGAM Advisors with the name of the to-be-restricted security's issuer, the ticker symbol for that security and the security's CUSIP number. NGAM Advisors also allows clients to impose reasonable SRI restrictions. In order to apply reasonably requested SRI restrictions, NGAM Advisors employs a third-party vendor that provides information regarding issuers that fall within or outside of a client's designated SRI restriction category. From the information the vendor provides to NGAM Advisors, NGAM Advisors will select an SRI category that in its sole judgment best approximates the SRI category identified by the client.

Clients should be aware that the SRI category selection process may result in imperfect alignment of SRI categories, given that the information received from the vendor has certain limitations, particularly as related to fixed income securities. Using the third-party vendor's standard compliance file, NGAM Advisors can restrict, as applicable, equity and fixed income securities having a CUSIP number with the same first six-digits as the CUSIP number of the restricted issuer's primary equity security. All equity securities and most fixed-income securities of an issuer will share the same first six-digits of the CUSIP number as that issuer's primary equity security. However, certain issuer events may make this method of SRI screening imperfect in some circumstances. For example, if an issuer changes its name, the CUSIP numbers associated with its primary equity security will often change, but the CUSIP numbers of its fixed-income securities may not change. In such a case, the third party vendor will thereafter apply SRI screens only to the new equity CUSIP, and the fixed income security with its separate CUSIP number will not be tracked. Similarly, if an issuer is acquired, its fixed income securities may remain publicly traded under their original CUSIP number. In such a case, the third-party vendor will no longer track the prior issuer (or the older CUSIP number). The above limitations may result in NGAM Advisors acquiring a security that is inconsistent with the client's SRI guideline or continuing to hold a security that has become inconsistent with such guidelines after its purchase.

Unsupervised Assets: Under certain circumstances clients may request that their client account include assets as to which the client has limited NGAM Advisors' discretionary authority even though NGAM Advisors has discretion over other portions of the account. Such assets are commonly referred to as "**Unsupervised Assets.**" Clients agree that NGAM Advisors will have no fiduciary obligation as to, or discretion over, Unsupervised Assets. NGAM Advisors will agree to hold Unsupervised Assets together with supervised assets only as an accommodation to the client, but NGAM Advisors has the right to reject doing so. In particular, clients should expect that NGAM Advisors will not provide investment advice as to those assets, vote proxies solicited with respect to those assets, or advise as to, or effect, corporate action decisions with regard to such assets.

American Depository Receipts ("ADRs"): In the case of certain investment products involving securities of foreign issuers that are not listed on United States exchanges or over the counter markets, NGAM Advisors will generally manage the client's portfolio by investing in ADRs, rather than the underlying foreign securities. NGAM Advisors typically effects transactions in such ADRs using its own trading facilities unless the size of the transaction exceeds certain limits agreed upon between NGAM Advisors and the model portfolio provider. In investing in ADRs, NGAM Advisors may use third party electronic trading services to purchase ordinary shares of foreign securities on the local equity market and convert such ordinary shares into ADRs. These systems provide straight-through electronic processing of orders up to and including clearance and settlement. Trades occurring through the use of these systems occur outside of the United States. Ticket charges/ticket fees, foreign exchange rates and local market taxes will be included in the price of the ADR. In addition, although the international equity strategies managed by NGAM Advisors are comprised primarily of ADRs, some of these ADRs may have limited liquidity on U.S. exchanges. Therefore, from time-to-time, NGAM Advisors may need to execute international equity trades by trading ordinary shares in overseas markets and having those ordinary shares converted to ADRs (rather than trading the ADRs on U.S. exchanges). This conversion of ordinary shares is typically done only for those programs that have substantial amounts of assets and where the liquidity of the ADR itself is inadequate to execute the trade without significant market impact. When this situation arises, NGAM Advisors will determine if the liquidity of a particular ADR necessitates the need to execute all or part of the trade by trading ordinary shares and having them converted. NGAM Advisors will determine whether ordinary share conversion to ADRs is necessary on a program by program basis by comparing the number of shares required to execute the trade in each program with the available liquidity of the ADR and by analyzing other factors that may be relevant. Generally, orders whose size does not exceed roughly a certain percentage (as determined by NGAM Advisors) of the average or anticipated trading volume of an ADR will be traded as ADRs on U.S. exchanges. However, orders that exceed a certain percentage (as determined by NGAM Advisors) of daily volume of an ADR will be considered candidates for trading the ordinary shares overseas and having those shares converted to ADRs. Under most circumstances, orders that exceed a certain percentage (as determined by NGAM Advisors) of the daily volume would be traded overseas as ordinary shares and converted to ADRs. When the number of shares is large enough to necessitate trading in ordinaries for a specific program, that program will be taken out of the normal trade rotation sequence and executed overnight as a step-out, but the unimpacted programs will remain in the trade rotation sequence.

Tax Harvesting: NGAM Advisors frequently receives requests from managed account clients to provide tax harvesting services (i.e., effect or order a transaction so as to realize a loss or gain). When NGAM Advisors receives a tax harvesting request it will review the information received to ensure that the account is discretionarily managed by NGAM Advisors and that the tax harvesting instructions that are provided to it are clear and precise. If such instructions are deemed to be clear and precise by NGAM Advisors, then it will make reasonable efforts to process the tax harvesting request. However, clients should be aware that events such as market changes (during the period before instructions are complied with and decisions are made) may increase or reduce the amounts of losses and gains that are realized from the client's portfolio at any time. Additionally, this activity may adversely affect the portfolio's performance and may increase the volatility of its results. Although NGAM Advisors does periodically receive tax harvesting requests for fixed income portfolios, it typically refrains from processing fixed income tax harvest requests. However, if there is a client who remains interested in processing a tax harvest request for fixed income securities, such request will be evaluated by NGAM Advisors on a case by case basis.

Clients are reminded to consult a tax advisor prior to making any tax harvesting request of NGAM Advisors, as NGAM Advisors does not provide tax advice.

Bankruptcies & Class Actions: NGAM Advisors provides investment advisory services only and will not render legal advice or take any legal action on behalf of any client with respect to securities presently or formerly held as assets in such client's account, or the issuers thereof, that become the subject of any legal proceedings, including bankruptcies or class actions. Clients should instruct their custodian to forward all materials relating to legal proceedings to the client (or such other agent as the client has designated).

Bundled Program Participation: In bundled programs, also commonly referred to as "wrap programs", the program's sponsor performs due diligence on NGAM Advisors and NGAM Advisors' investment strategy. If after due diligence the sponsor approves of NGAM Advisors and of NGAM Advisors' investment strategy, then the approved NGAM Advisors investment strategy is presented to the sponsor's clients as an approved and available investment option in the program. Although due diligence of an investment adviser is typical of a bundled program, the distinguishing characteristic of a bundled program is that the services that are provided to a participating client account are covered by a bundled/wrapped fee. This means that the investment advisory fee, custodial fee, brokerage fee, accounting and other applicable program fees are all "bundled" (i.e., wrapped) into one fee. Managed account programs where the program sponsor performs due diligence and where the client is charged a bundled/wrapped fee are commonly referred to as "**Bundled Programs**".

For these relationships NGAM Advisors acts as a discretionary investment adviser and selects a non-discretionary model portfolio provider to provide a model portfolio to NGAM Advisors. For Bundled Program relationships, as between NGAM Advisors and the model portfolio provider, only NGAM Advisors has discretionary authority over client accounts.

Bundled Program sponsors generally grant NGAM Advisors discretion to select Brokers to execute transactions for Bundled Program client accounts, so as to permit NGAM Advisors to fulfill its duty to seek best execution. As there is no separate commission charge for a Bundled Program client's transactions that are executed through the sponsor designated trade desk, the sponsor-affiliated Broker's trade desk or the trade desk of a sponsor designated Broker (due to the bundled/wrap fee), NGAM Advisors will usually execute Bundled Program client's trades through the sponsor designated trade desk(s). If, in seeking to fulfill its best execution duties, NGAM Advisors decides to utilize the trade desk of a Broker not designated by the sponsor, then any separate commissions charged by such Broker will be charged at the expense of the Bundled Program client. Given this additional charge (beyond the bundled/wrap fee), NGAM Advisors takes this incremental cost into account in determining whether to execute Bundled Program clients' trades away from Brokers designated by the sponsors. Some Bundled Program sponsors strongly encourage (or require) NGAM Advisors to effect client trades through the sponsor trade desk, the sponsor-affiliated Broker's trade desk or the trade desk of a sponsor designated Broker. Where NGAM Advisors' ability to fulfill its duty to seek best execution is limited by the sponsor's requirement to utilize the sponsor designated Broker, the client accounts managed by NGAM Advisors in Bundled Programs with these trading limitations are labeled as "**Directed Accounts.**" It is strongly encouraged that each Bundled Program client review the client-sponsor Bundled Program agreement to determine if any such Broker restrictions apply (for more information see additional discussion of directed brokerage in Item 12 of this document).

In Bundled Programs the client generally enters into an investment advisory services contract with the sponsor and the sponsor in turn enters into an agreement with NGAM Advisors to provide relevant services to program clients. Fees in the Bundled Program are paid by the client to the sponsor (either in advance or arrears) and are usually calculated as a percentage of the client's assets under management. Bundled program fees may vary depending on the bundled program and the investment strategy selected by the client. The sponsor collects the bundled fee and then pays a portion of that fee to NGAM Advisors for the investment advisory services that NGAM Advisors provides to the bundled program client. Some sponsors may charge NGAM Advisors a fee to access the sponsor's portfolio management software package, with such fees deducted by the sponsor from the investment advisory services fee payment made to NGAM Advisors by the sponsor. NGAM Advisors currently participates in Bundled Programs sponsored by sponsors listed on **Appendix 6** to this document. NGAM Advisors may participate in more than one program of a single sponsor. Even within the same sponsor, different programs have different terms, conditions, services, features and fees. NGAM Advisors is not responsible for considering the merits of any particular program for any participant.

Clients should make due inquiry about all of the features (e.g. custody, brokerage, accounting, and other services and fees) of a program that they choose to participate in, as NGAM Advisors is not responsible for conducting a suitability review of the sponsor, the sponsor's program and/or the services and fees charged to the client. So as to accomplish this due inquiry, clients should request and read through the program sponsor's Form ADV Part 2A and other reference documents that the sponsor makes available to clients participating or looking to participate in the sponsor's program.

Unbundled Program Participation: In unbundled programs, also commonly referred to as "open architecture" programs, the program's sponsor performs limited due diligence on NGAM Advisors and NGAM Advisors' investment strategy. If after its limited due diligence the sponsor approves of NGAM Advisors and of NGAM Advisors' investment strategy, then the NGAM Advisors investment strategy is presented to the sponsor's clients as an available investment option in the program. Although limited due diligence of an investment adviser is typical of an unbundled program, the distinguishing characteristic of an unbundled program is that the services that are provided to a participating client account are not covered by a bundled/wrapped fee. This means that the investment advisory fee, custodial fee, brokerage fee, accounting and other applicable program fees are all "unbundled" (i.e., not wrapped) into one fee. Managed account programs where the program sponsor performs limited due diligence and where the client is not charged a bundled/wrapped fee are commonly referred to as "**Unbundled Programs**".

For these relationships NGAM Advisors acts as a discretionary investment adviser and selects a non-discretionary model portfolio provider to provide a model portfolio to NGAM Advisors. For Unbundled Program relationships, as between NGAM Advisors and the model portfolio provider, only NGAM Advisors has discretionary authority over client accounts.

In the case of Unbundled Programs, NGAM Advisors may execute transactions with Brokers directed by the client or the program sponsor. However, unlike in a Bundled Program, an Unbundled Program fee generally does not include brokerage fees. Therefore, NGAM Advisors may decide to use a Broker other than the sponsor or its Broker affiliates purely on the basis of commission rate and execution quality and without the need to weigh any incremental commission the Unbundled Program client would incur relative to trading through the program sponsor. However, some Unbundled Programs provide the client the option of selecting an asset-based custodial

and brokerage fee, where the fee to be paid by the client is fixed. Therefore, these Unbundled Programs may impose restrictions on NGAM Advisors (or the relevant model portfolio provider) and “trading away” will result in incremental and duplicative charges for brokerage, which will cause NGAM Advisors (or the relevant model portfolio provider) typically to execute the transactions with the Broker directed by the client or made available by the Unbundled Programs sponsor, unless NGAM Advisors determines that best execution cannot be obtained through such Broker.

In Unbundled Programs the client usually enters into an investment advisory services contract with NGAM Advisors directly, but usually also enters into an agreement with the sponsor or with a registered investment adviser that accesses NGAM Advisors’ investment strategy, for the benefit of the client, via the Unbundled Program. The Unbundled Program sponsor is usually the Broker and/or custodian to the client account. Client fees in Unbundled Programs are paid either directly to NGAM Advisors by the client (post receipt of an invoice from NGAM Advisors) or the client arranges to pay NGAM Advisors’ fee through the Unbundled Program sponsor, through the client’s registered investment adviser, or through the client’s custodian (post receipt of an invoice delivered by NGAM Advisors). Additionally, the investment advisory fee may vary depending on the Unbundled Program and the investment strategy selected by the client. NGAM Advisors currently participates in Unbundled Programs sponsored by sponsors listed on **Appendix 6** to this document. NGAM Advisors may participate in more than one program of a single sponsor. Even within the same sponsor, different programs have different terms, conditions, services, features and fees. NGAM Advisors is not responsible for considering the merits of any particular program for any participant.

Clients should make due inquiry about all of the features (e.g. custody, brokerage, accounting, and other services and fees) of a program that they choose to participate in, as NGAM Advisors is not responsible for conducting a suitability review of the sponsor, the sponsor’s program and/or the services and fees charged to the client. So as to accomplish this due inquiry, clients should request and read through the program sponsor’s Form ADV Part 2A and other reference documents that the sponsor makes available to clients participating or looking to participate in the sponsor’s program.

Model Portfolio Vendor Services: NGAM Advisors provides model portfolios to sponsors that utilize these portfolios to manage sponsor program accounts. Generally, the sponsor that selects the model portfolio performs some due diligence on NGAM Advisors and on the model portfolio provider’s investment strategy. If after due diligence the sponsor approves of the model portfolio investment strategy, then the model portfolio is made available and utilized by the sponsor to manage sponsor program accounts. Neither NGAM Advisors nor the model portfolio provider have discretionary authority over these sponsor program accounts.

In the case of model portfolio vendor services provided by NGAM Advisors for the benefit of client accounts of the sponsor that has hired NGAM Advisors, it is generally the case that NGAM Advisors is not providing trade execution services for the underlying client accounts, as such trade execution services are generally provided by the discretionary investment adviser to the client account and not by NGAM Advisors. However, if NGAM Advisors is asked to provide such trade execution services (i.e., NGAM Advisors block trades the non-discretionary accounts with NGAM Advisors’ discretionary accounts), then NGAM Advisors may be limited by the same constraints set forth in the Bundled Program and Unbundled Program sections above. If the model portfolio relationship is tied to a Bundled Program, then the Bundled Program scenario above will likely apply. If the model portfolio relationship is tied to an Unbundled Program, then the Unbundled Program scenario above will likely apply.

Fees in model portfolio vendor relationships are paid by clients to the sponsor. NGAM Advisors' fee is paid to NGAM Advisors by the sponsor. NGAM Advisors pays the model portfolio provider from the fee that NGAM Advisors receives from the sponsor. The fee received by NGAM Advisors will vary depending on the program and on the investment strategy selected by the sponsor. NGAM Advisors currently provides model portfolios to the sponsor firms listed on [Appendix 6](#) to this document.

Overlay Portfolio Management Services: NGAM Advisors, through its MPA division, provides both discretionary and non-discretionary overlay portfolio management services to sponsors. The overlay portfolio management services provided by NGAM Advisors may include, but are not limited to, product development, unified managed account portfolio construction, manager selection and administrative overlay management, all which can be designed by NGAM Advisors to meet a sponsor's specific overlay portfolio management needs.

Accounts receiving overlay portfolio management services are rebalanced regularly and can encompass many different types of investment managers, investment strategies and investment vehicles (i.e., mutual funds, stocks, bonds and exchange traded funds), within one client account.

Although NGAM Advisors' overlay portfolio management services may include product development, unified managed account portfolio construction and manager selection, it is generally the case that the sponsor is responsible for the design of the investment portfolios, the selection of model portfolio providers, and the selection of additional investment product components. The sponsor is also generally responsible for the initial and ongoing due diligence that is performed on model portfolio providers, additional investment product components, and on NGAM Advisors. Clients should be aware that the sponsor that hires NGAM Advisors may, if providing some of the services outlined above, charge a sponsor fee for its services.

Model portfolio providers selected and overseen by sponsors are not listed on [Appendix 2](#) to this document, as such appendix only lists the model portfolio providers that NGAM Advisors hires and performs due diligence on. Clients of programs that include overlay portfolio management services from NGAM Advisors should read the relevant program's disclosure document and/or investment advisory services agreement and the disclosure documents of the relevant model portfolio providers for more information regarding the model portfolio providers' investment philosophy and trade execution policies. With respect to investment products (e.g., funds) that may be held in a client's unified managed account, clients should read the offering documents and/or prospectuses, as applicable, for more information regarding the product's investment objectives, philosophy, trade execution practices, and additional fees, if any.

In the case of overlay portfolio management services provided by NGAM Advisors for the benefit of client accounts of the sponsor that has hired NGAM Advisors, it is generally the case that NGAM Advisors is providing trade execution services for the underlying client accounts. In this case, if the overlay portfolio management services are tied to a Bundled unified managed account program, then the Bundled Program scenario above will likely apply. If the overlay portfolio management services are tied to an Unbundled unified managed account program, then the Unbundled Program scenario above will likely apply.

Overlay portfolio management service and model portfolio provider agreements will vary from one overlay portfolio management arrangement to the next, depending on

the preference of the sponsor. However, it is generally the case that NGAM Advisors does not enter into direct contractual arrangements with the program clients. Instead, NGAM Advisors generally contracts with the sponsor, financial adviser or bank trust entity that accesses NGAM Advisors' overlay portfolio management services. Consequently, it is usually the case that the sponsor, financial adviser or bank trust entity that has the direct contract with the client is granted discretionary authority by the client. In turn, that entity hires and grants NGAM Advisors discretionary or non-discretionary authority to act as the overlay portfolio manager to the client account.

Fees in overlay portfolio management arrangements are generally paid by clients to the sponsor. NGAM Advisors' fee is generally paid to NGAM Advisors by the sponsor. The fee received by NGAM Advisors will vary depending on the overlay portfolio management services provided by NGAM Advisors. NGAM Advisors currently provides overlay portfolio management services to the sponsor firms listed on **Appendix 6** to this document.

Managed Account Administrative Services: NGAM Advisors provides certain non-discretionary administrative and compliance services and implements certain investment recommendations to assist AEW Capital Management, L.P. ("AEW"), an affiliated investment adviser, with AEW's discretionary management of AEW client accounts in the Charles Schwab Manager Account Select sponsor program ("**Schwab Select**"). The services provided to AEW by NGAM Advisors include: establishing client accounts (including administration of client specific investment guidelines/restrictions), applying AEW's investment recommendations at AEW's direction, communicating the aggregate number of securities being recommended for purchase/sale, effecting "block" transactions, as directed by AEW, allocating such transactions among client accounts, and overseeing settlement of such transactions. AEW Schwab Select client fees are paid by clients to Schwab and Schwab then pays AEW. AEW in turn will pay NGAM Advisors a fee for the services that NGAM Advisors provides.

Item 9 – Disciplinary Information

Not Applicable.

Item 10 - Other Financial Industry Activities and Affiliations

Model Portfolio Provider Due Diligence: As previously stated, NGAM Advisors utilizes the services of model portfolio providers, both affiliated and unaffiliated. Prior to selecting these investment advisers, NGAM Advisors conducts an initial due diligence review that focuses on the investment strategy's performance and on the investment advisor's infrastructure and compliance program. NGAM Advisors also conducts periodic reviews, post the initial review, to continue to assess the compliance program, operational relationship and investment strategy performance of a model portfolio provider. A number of internal committees of NGAM Advisors and a number of its operational and portfolio management personnel are involved in reviewing information that is collected from potential and existing model portfolio providers. Conflicts of interest, if any, are identified through the due diligence process, which applies equally to affiliated and unaffiliated model portfolio providers.

Activities of NGAM Distribution: NGAM Distribution acts as a limited purpose broker dealer and is the underwriter/distributor of the Funds. NGAM Distribution also provides placement agent services for managed accounts, private funds and non-U.S. collective investment vehicles advised by U.S. and non-U.S. affiliated investment advisers, including NGAM Advisors. NGAM Distribution and NGAM Advisors have an intercompany referral services agreement which obligates NGAM Distribution to provide placement agent services pursuant to which wholesalers of NGAM Distribution

solicit sponsors and financial advisors to select products and services provided by NGAM Advisors for their clients (prospective managed account clients of NGAM Advisors). For a full list of broker-dealer affiliates of NGAM Distribution, please see NGAM Distribution's Form BD. Other than as set forth herein, NGAM Advisors does not currently utilize the services (banking, underwriting, or otherwise) of any of its U.S. and non-U.S. affiliated broker-dealers. However, certain employees of NGAM Advisors also serve as executive officers of NGAM Distribution.

Secondment Relationship with NGAM, S.A: Certain of NGAM Advisors' principal executive officers are also employees of NGAM, S.A. ("**NGAM, S.A.**"), a network of global business units that provide asset management services through affiliated investment managers to institutional clients and retail distribution platforms located outside the United States. NGAM, S.A. is an affiliate of NGAM Advisors and NGAM Distribution and is under common control as an indirect subsidiary of Natixis Global Asset Management, S.A.

Affiliations: NGAM Advisors is an indirect subsidiary of Natixis Global Asset Management, S.A., which owns, in addition to NGAM Advisors, a number of other asset management and distribution and service entities (each, together with any advisory affiliates of NGAM Advisors, a "related person"). As noted under Item 4, Natixis Global Asset Management, S.A. is owned by Natixis, which is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. There are several intermediate holding companies and general partnership entities in the ownership chain between BPCE and NGAM Advisors. In addition, Natixis Global Asset Management, S.A.'s parent companies Natixis and BPCE each own, directly or indirectly, other investment advisers and securities and financial services firms which also engage in securities transactions.

NGAM Advisors does not presently enter into transactions, other than as may be set out herein, with related persons on behalf of clients. Because NGAM Advisors is affiliated with a number of asset management, distribution and service entities, NGAM Advisors occasionally may engage in business activities with some of these entities, subject to NGAM Advisors' policies and procedures governing conflicts of interest. For example, NGAM Advisors may enter into relationships with related persons, which include advisory or subadvisory arrangements (on a discretionary or non-discretionary basis), cross-marketing arrangements for the sale of separate accounts and privately placed pooled vehicles, research sharing relationships and personnel sharing relationships. Moreover, NGAM Advisors may use related persons to provide certain services to clients to the extent this is permitted under applicable law and under NGAM Advisors' applicable policies and procedures. Given that related persons are equipped to provide a number of services and investment products to NGAM Advisors' clients, subject to applicable law, clients of NGAM Advisors may engage a related person of NGAM Advisors to provide any number of such services, including advisory, custodial or banking services, or may invest in the investment products provided or sponsored by a related person of NGAM Advisors. The relationships described herein could give rise to potential conflicts of interest or otherwise may have an adverse effect on NGAM Advisors' clients. For example, when acting in a commercial capacity, related persons of NGAM Advisors may take commercial steps in their own interests, which may be adverse to those of NGAM Advisors' clients.

Given the interrelationships among NGAM Advisors and its related persons and the changing nature of NGAM Advisors' related persons' businesses and affiliations, there may be other or different potential conflicts of interest that arise in the future or that

are not covered by this discussion. Additional information regarding potential conflicts of interest arising from NGAM Advisors' relationships and activities with its related persons is provided under Item 11.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

NGAM Advisors has numerous related persons that engage in securities brokerage and investment advisory activities. NGAM Advisors does not knowingly engage in the purchase or sale of securities as principal with any client. As adviser for certain Natixis Funds, NGAM Advisors receives economic benefits in the form of increased advisory and administration fees from such Natixis Funds where NGAM Advisors' clients purchase shares of the Natixis Funds. Likewise, NGAM Distribution receives additional Rule 12b-1 fees as a result of such investments.

From time to time, NGAM Advisors may recommend the purchase or sale by clients of securities also purchased, owned or sold by the Natixis Funds. As previously noted, NGAM Advisors serves as adviser to various investment companies comprising the Natixis Funds. In addition, NGAM Advisors may, from time-to-time, invest client assets in affiliated mutual funds. It is important to note that various officers of NGAM Advisors and its advisory affiliates are officers and/or trustees of the Natixis Funds, Loomis Sayles Funds and the Hansberger International Series. NGAM Advisors does not generally invest in securities for its own account except short-term money market instruments and shares of the Natixis Funds. NGAM Advisors or its affiliates may from time to time use its or their own assets to provide "seed capital" to new investment companies, other commingled funds or other products.

The NGAM 401(k) and Retirement Account Plans, in which personnel of NGAM Advisors have an interest, may invest in the Natixis Funds and other investment companies and invest directly in securities that may be purchased or sold for client accounts. Where appropriate, certain securities held by the Natixis Funds may also be purchased or sold or recommended for purchase or sale, for or on behalf of clients. In no event will NGAM Advisors knowingly recommend or cause a client to enter into transactions for the purpose of benefiting the direct or indirect securities holdings of the NGAM 401(k) and Retirement Account Plans, or other holdings of NGAM Advisors personnel. Further, NGAM Advisors personnel may invest for their own accounts in securities which may also be purchased or sold for NGAM Advisors' clients.

Code of Ethics: It is the policy of NGAM Advisors that no supervised person shall engage in any act, practice, or course of conduct that would violate the Code of Ethics, the fiduciary duty owed by NGAM Advisors and their personnel to clients, any applicable federal securities laws including but not limited to certain sections of and rules promulgated under the Investment Advisers Act of 1940 (as amended; the "**Advisers Act**"), the Employee Retirement Income Security Act of 1974 (as amended; "**ERISA**"), or the provisions of Section 17(j) of the Investment Company Act of 1940, as amended (the "**1940 Act**"), and Rule 17j-1 thereunder. The fundamental position of NGAM Advisors is, and has been, that at all times the interests of their clients are placed first. Accordingly, supervised persons' personal financial transactions (and those of members of their family/household) and related activities must be conducted consistently with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or abuse of NGAM Advisors' position of trust and responsibility.

To comply with applicable securities laws and rules and the NGAM Advisors Code of Ethics, certain NGAM Advisors personnel must complete quarterly reports of security transactions made for their own accounts or any account in which they have a direct or

indirect beneficial interest (collectively, "**Reporting Accounts**"). Exceptions from the reporting requirements include transactions or accounts over which the person has no control, transactions in money market instruments, direct obligations of the United States government, and shares of non-affiliated open-end mutual funds.

Pre-clearance procedures set forth in the NGAM Advisors Code of Ethics have been established to identify and prevent conflicts between personal trading activities of NGAM Advisors personnel and NGAM Advisors trading for its clients. With certain exceptions, NGAM Advisors' personnel are prohibited from trading in a security if such security is being traded on behalf of clients and/or likely to be traded for clients on that day. NGAM Advisors personnel are also restricted from buying or selling a security for their own account within seven (7) days prior to or after a NGAM Advisors' client trades in such security (the "**15 Day Blackout Period**"). However, client account-specific transactions implementing a model portfolio are ignored in applying the Code's restrictions with respect to trades by NGAM Advisors' personnel relative to client trades. Nevertheless, NGAM Advisors will monitor excepted transactions to determine the level of knowledge a person may have with respect to the model portfolio implementation transactions. NGAM Advisors personnel are prohibited from investing in initial public offerings or "private placements" without prior written approval.

NGAM Advisors' Code of Ethics prohibits NGAM Advisors personnel from giving or receiving gifts with a value in excess of one hundred dollars to or from any person that does business with or on behalf of the NGAM Advisors. NGAM Advisors personnel are required to seek pre-approval for all external directorships and such personnel are subject to conflict of interest procedures and a case-by-case due diligence review.

NGAM Advisors personnel must certify annually that they have complied with NGAM Advisors' Code of Ethics and its related procedures regarding personal trading.

A copy of NGAM Advisors' Code of Ethics is available upon request. To obtain a copy of the Code of Ethics, please contact us via phone at 617-449-2813, or by email at: ADVOPS@ngam.natixis.com.

Insider Trading Policy: NGAM Advisors' insider trading policy states that no associate of NGAM Advisors may purchase or sell a security while knowingly in possession of material, nonpublic information ("**MNPI**") relating to such security, or tip the information to others, or affect or recommend purchase or sale of a security for or to any person (including a client) on the basis of that information. Additionally, no associate of NGAM Advisors may knowingly employ a manipulative or deceptive device with respect to a security. Furthermore, all associates of NGAM Advisors shall comply with all applicable requirements set forth in NGAM Advisors' policy, and shall not disclose to others, except in the normal performance of his or her business duties, MNPI relating to the trading activities of client accounts. Additionally, all associates of NGAM Advisors are considered access persons under NGAM Advisors Code of Ethics and access persons shall comply with the procedures for reporting personal securities holdings and transactions as outlined in the Code of Ethics. Whenever an associate of NGAM Advisors receives what he or she believes may be MNPI about a security or becomes aware that such information is to be or has been used by another associate in the purchase or sale of a security, or that another associate is intending to employ, or has employed, a manipulative and deceptive device, he or she shall immediately notify the General Counsel or, in his or her absence, the Compliance Officer and refrain from disclosing the information to anyone else, including other persons within NGAM Advisors. No associate of NGAM Advisors, except in the normal performance of his or her business duties, shall have access to the information maintained for or generated by portfolio managers or research analysts. Also, as part of an organization offering

multiple financial services, NGAM Advisors takes whatever steps may be required to isolate effectively, MNPI about securities in a manner to avoid unnecessary interruption of the free flow of information that is essential to the efficiency of financial markets. While one subsidiary or division of Natixis may be legitimately in possession of MNPI concerning a security, the organization of Natixis as a whole may be at risk because another subsidiary or division has effected a transaction in, or otherwise taken action relating to, that security. Consequently, if an associate of NGAM Advisors is legitimately in possession of MNPI about a security in the normal performance of his or her business duties, he or she shall immediately notify the General Counsel or, in his or her absence, the Compliance Officer (but shall refrain from disclosing it to others) who shall determine the appropriate safeguards to be established. Additionally, so as to limit exposure to insider information, no associate of NGAM Advisors shall become an officer, trustee or director of any company whose shares are publicly traded (except an investment company managed by or distributed by NGAM Distribution or an affiliate of either NGAM Advisors and NGAM Distribution) without the approval of the Compliance Officer. If such approval is obtained, trading by the associate in the securities of that company shall be subject to prior approval by the compliance officer. The associate shall not discuss MNPI concerning that company with other associates of NGAM Advisors at any time.

Unaffiliated Investment Entities: Personnel of NGAM Advisors and its affiliates may invest for their own account through interest in investment partnerships, venture capital vehicles, hedge funds, commingled accounts or investment accounts managed by other investment advisers (“**Unaffiliated Investment Entities**”). Through Unaffiliated Investment Entities NGAM Advisors personnel may purchase or sell securities also purchased or sold or recommended by NGAM Advisors (or its investment advisory affiliates) for purchase or sale by NGAM Advisors' clients.

Generally, NGAM Advisors personnel will have no ability to influence or control transactions in securities by the Unaffiliated Investment Entities, however, if NGAM Advisors personnel do have influence or control over the investment decisions of an Unaffiliated Investment Entity, transactions by such Unaffiliated Investment Entity would be subject to NGAM Advisors' policies on employee trading described above. Where NGAM Advisors or an affiliate serves as investment adviser, administrator, distributor, or subadviser to an investment company or other pooled vehicle in which NGAM Advisors, or any of its personnel have a beneficial interest, transactions by personnel in shares of such mutual fund or other pooled vehicle are subject to restrictions on employee trading. Many of the accounts managed by the affiliated subadvisers and model portfolio providers are accounts of affiliates of NGAM Advisors or of such affiliated subadvisers or model portfolio providers or are accounts in which the affiliates' personnel have ownership interests. Subject to applicable law and such affiliates' policies on personal trading, these accounts may purchase or sell securities contemporaneously being purchased or sold (or recommended for purchase or sale) by NGAM Advisors' clients.

Related Persons Transactions: In connection with providing investment management and advisory services to its clients, NGAM Advisors acts independently of other affiliated investment advisers, except as otherwise set forth herein, and manages the assets of each of its clients in accordance with the investment mandate selected by such clients.

Related persons of NGAM Advisors are engaged in securities transactions. NGAM Advisors and its related persons may invest in the same securities that NGAM Advisors recommends for, purchases for or sells to NGAM Advisors' clients. NGAM Advisors and its related persons (to the extent they have independent relationships with the client)

may give advice to and take action with their own accounts or with other client accounts that may compete or conflict with the advice NGAM Advisors may give to, or an investment action NGAM Advisors may take on behalf of, the client or may involve different timing than with respect to the client. Since the trading activities of NGAM firms are not coordinated, each firm may trade the same security at about the same time, on the same or opposite side of the market, thereby possibly affecting the price, amount or other terms of the trade execution, adversely affecting some or all clients. Similarly, one or more clients of NGAM Advisors' related persons may dilute or otherwise disadvantage the price or investment strategies of another client through their own transactions in investments. NGAM Advisors' management on behalf of its clients may benefit NGAM Advisors or its related persons. For example, clients may, to the extent permitted by applicable law, invest directly or indirectly in the securities of companies in which NGAM Advisors or a related person, for itself or its clients, has an economic interest, and clients, or NGAM Advisors or a related person on behalf its client, may engage in investment transactions which could result in other clients being relieved of obligations, or which may cause other clients to divest certain investments. The results of the investment activities of a client of NGAM Advisors may differ significantly from the results achieved by NGAM Advisors for other current or future clients. Because certain of NGAM Advisors' clients may be related persons, NGAM Advisors may have incentives to resolve conflicts of interest in favor of certain clients over others (*e.g.*, where NGAM Advisors has an incentive to favor one account over another); however, NGAM Advisors has established conflicts of interest policies and procedures that identify and manage such potential conflicts of interest.

Potential conflicts may be inherent in NGAM Advisors' and its related persons' use of multiple strategies. For instance, conflicts could arise where NGAM Advisors and its related persons invest in distinct parts of an issuer's capital structure. Moreover, one or more of NGAM Advisors' clients may own private securities or obligations of an issuer while a client of a related person may own public securities of that same issuer. For example, NGAM Advisors or a related person may invest in an issuer's senior debt obligations for one client and in the same issuer's junior debt obligations for another client. In certain situations, such as where the issuer is financially distressed, these interests may be adverse. NGAM Advisors or a related person may also cause a client to purchase from, or sell assets to, an entity in which other clients may have an interest, potentially in a manner that will adversely affect such other clients. In other cases, NGAM Advisors on behalf of its clients may receive MNPI on behalf of some of its clients, which may prevent NGAM Advisors from buying or selling securities on behalf of other of its clients even when it would be beneficial to do so. Conversely, NGAM Advisors may refrain from receiving MNPI on behalf of clients, even when such receipt would benefit those clients, to prevent NGAM Advisors from being restricted from trading on behalf of its other clients. In all of these situations, NGAM Advisors or its related persons, on behalf of itself or its clients, may take actions that are adverse to some or all of NGAM Advisors' clients. NGAM Advisors will seek to resolve conflicts of interest described herein on a case-by-case basis, taking into consideration the interests of the relevant clients, the circumstances that gave rise to the conflict and applicable laws. There can be no assurance that conflicts of interest will be resolved in favor of a particular client's interests. Moreover, NGAM Advisors typically will not have the ability to influence the actions of its related persons.

In addition, certain related persons of NGAM Advisors may engage in banking or other financial services, and in the course of conducting such business, such persons may take actions that adversely affect NGAM Advisors' clients. For example, a related person engaged in lending may foreclose on an issuer or security in which NGAM Advisors' clients have an interest. As noted above, NGAM Advisors typically will not have the ability to influence the actions of its related persons.

NGAM Advisors from time to time purchases securities in public offerings or secondary offerings on behalf of client accounts in which a related person may be a member in the underwriting syndicate. Such participation is in accordance with NGAM policy and applicable law, and NGAM Advisors does not purchase directly from such related person. NGAM Advisors does not presently enter into transactions with related persons on behalf of clients.

Item 12 – Brokerage Practices

General Brokerage Practices: NGAM Advisors does not enter into agreements with, or make commitments to, any Broker that would bind NGAM Advisors to compensate that Broker, directly or indirectly, for client referrals (or sales of the Funds) through the placement of brokerage transactions. However, where permissible by law, when one or more Broker is believed capable of providing equivalent quality of execution with respect to a particular portfolio transaction, NGAM Advisors may select a Broker in recognition of the past referral of the client for which the transaction is being executed, or of other clients, or in anticipation of possible future referrals from the Broker. In doing so, unless otherwise specifically disclosed to the client, NGAM Advisors does not pay higher commissions, concessions or mark-ups/downs than would otherwise be obtainable from Brokers that do not provide such referrals. Of course, Clients may, as discussed below, limit NGAM Advisors' discretion by directing NGAM Advisors to trade through a particular Broker, including one which may have referred that Client to NGAM Advisors. Additionally, NGAM Advisors may exercise its discretion to execute transactions through any Broker, including one that may have also referred clients or sold Fund shares, in order to fulfill NGAM Advisors' duty to seek best execution. In these circumstances, NGAM Advisors follows procedures reasonably designed to ensure that such referrals or Fund sales are not a factor in the decision to execute a trade, or a particular amount of trades, through such Broker.

There are special considerations when investing in a strategy composed of fixed income securities. Fixed income securities are generally purchased from the issuer or a primary market maker acting as principal on a net basis with no brokerage commission paid by the client. Fixed income trades are usually aggregated and may sometimes be placed as limit orders, as directed by the model portfolio provider. When no limit order is given by the model portfolio provider, NGAM Advisors' trade desk relies upon the sponsor's desk to present bid or ask prices. Generally, NGAM Advisors does not itself present bids for fixed income trades for client specific or otherwise client-directed transactions. Such transactions would be placed with the client-directed Broker. For fixed income trading, other factors may significantly affect NGAM Advisors' evaluation of a Broker's overall ability to deliver best execution. The general illiquidity of certain sectors of the fixed income market often requires specialized Brokers who can transact large trades without causing a significant impact on the price of the security. Fixed income trades may also take longer to complete and NGAM Advisors fixed income transactions are generally conducted no less than every two weeks. Smaller Brokers are not likely to trade in the same volume as large Brokers and, therefore, trading costs on trades with such firms generally are higher. Such securities, as well as equity securities, may also be purchased in public offerings from underwriters at prices which include underwriting commissions and fees.

As NGAM Advisors handles the investment decision process for both separately managed accounts and investment company clients, and because portfolio managers will handle both types of clients simultaneously, NGAM Advisors has established a trade rotation policy designed to reduce the risk that either product is disadvantaged entering the market simultaneously. Additionally, with respect to managed account Broker selection, so as to oversee selected Brokers, NGAM Advisors trading personnel,

portfolio management and compliance personnel review Brokers, initially and on a periodic basis, to determine whether the quality of brokerage services is satisfactory. In this regard, internal and external execution reviews are conducted and then discussed so as to determine whether the Broker remains on the approved list, is identified as a Broker to watch, or is removed from the approved list. Clients should be aware that Brokers that sell Fund shares may be on the list of approved Brokers for use in brokerage transactions for managed account clients.

Soft Dollars: NGAM Advisors does not participate in soft dollar arrangements. However, some of the model portfolio providers directly hired by NGAM Advisors, who may provide trade execution services, do participate in such arrangements. Additionally, some of the model portfolio providers hired by sponsors and not overseen (due diligence wise) by NGAM Advisors may provide trade execution services and may participate in soft dollar arrangements. For information tied to the soft dollar policies of such model portfolio providers, please see the relevant model portfolio provider's Form ADV Part 2A.

Investment Company Specific Brokerage Practices: NGAM Advisors has both investment discretion and brokerage discretion with respect to the Natixis Funds for which it acts as named investment adviser. In this regard, NGAM Advisors has the authority to determine the securities to be bought or sold, the amount of the securities to be bought or sold, to choose which broker, dealer, or other trading venue (collectively "**Brokers**") to be used and determine the commission rates to be paid by the Natixis Funds without obtaining specific consent from such Natixis Funds. Except with respect to the portion of the Natixis Funds managed directly by AIA, however, NGAM Advisors generally does not exercise its investment or brokerage discretion on a daily basis for investment companies because it normally contracts with subadvisers to perform such portfolio management functions.

Subadvisers to the Natixis Funds have the authority to place portfolio transactions with Brokers selected by such subadvisers, and at commission rates negotiated by such subadvisers. The brokerage policies of the subadvisers are established by such subadvisers, and are disclosed in the subadviser's own disclosure documents and in the respective registration statements of the Natixis Funds. As named investment adviser for certain Natixis Funds, NGAM Advisors may instruct subadvisers to direct brokerage for a particular Natixis Fund or may direct brokerage directly with respect to a Natixis Fund managed by AIA to certain Brokers that have agreed to use a portion of such Natixis Fund's commissions to pay operating expenses to defray that Natixis Fund's expenses. The foregoing practices are subject to guidelines established by, and overseen by, the Board of Trustees of the relevant Natixis Funds.

With respect to the investment company brokerage activities of NGAM Advisors conducted through AIA and/or MPA on behalf of the Natixis Funds, NGAM Advisors' primary objective in the selection of Brokers is to obtain the best combination of price and execution under the particular circumstances. Best price, giving effect to brokerage commissions, if any, and other transaction costs, is normally an important factor in selecting a Broker. However, NGAM Advisors also takes into account the quality of brokerage services, including such factors as timeliness and execution capability, willingness to commit capital, financial stability, and clearance and settlement capability of a Broker. Accordingly, transactions will not always be executed at the lowest available price or commission but will be within a competitive range. NGAM Advisors' trade management oversight committee is responsible for approving the AIA and MPA list of brokers and dealers eligible to trade and for reviewing trading data, including volumes, prices, commissions and other transaction costs as appropriate in order to monitor the quality of trade execution.

Managed Account Specific Brokerage Practices: NGAM Advisors (or, in connection with trades implemented by a model portfolio provider, such model portfolio provider) may, but need not, aggregate or "bunch" orders for accounts which it has investment discretion in circumstances in which NGAM Advisors (or the relevant model portfolio provider) believes that bunching may result in a more favorable overall execution. Where appropriate and practicable, NGAM Advisors (or the relevant model portfolio provider) will allocate such bunched orders at the average price and costs of the aggregated order. NGAM Advisors (or the relevant model portfolio provider) may bunch a client's trades with trades of other clients and with trades of pooled vehicles in which NGAM Advisors' personnel have a beneficial interest pursuant to an allocation process NGAM Advisors (or the relevant model portfolio provider) in good faith considers to be fair and equitable to all clients over time. In instructing a model portfolio provider to implement transactions for NGAM Advisors' managed account clients, NGAM Advisors will endeavor to communicate such instruction as promptly as possible so that such transactions may be aggregated or "bunched" to the extent possible with transactions then being effected by the model portfolio provider for its other clients. Such aggregation or "bunching" of trades may not be possible in some cases, such as when the model portfolio recommends transactions in ADRs and the relevant model portfolio provider is effecting transactions in the related foreign securities or, depending on arrangements with the relevant model portfolio provider, if client or managed account program sponsor restricts the Broker firms that may be used to execute transactions for that client or program. Further, in the event that NGAM Advisors delivers an instruction to a model portfolio provider too late, relative to the model portfolio provider's commencement of transactions for other clients, to bunch such trades in an orderly and efficient manner, such a trade will not be bunched with the model portfolio provider's other trades but will be effected by the model portfolio provider as promptly as practicable. In this circumstance, it may be necessary for the model portfolio provider to complete its transactions for such other clients first before effecting transactions for NGAM Advisors' clients in order to minimize the adverse market price and liquidity impact of attempting to effect both sets of transactions separately but contemporaneously. In such cases the NGAM Advisors' client will not enjoy the benefits that may otherwise have been obtained by "bunching," including lower execution costs, and execution of the NGAM Advisors' client transactions may or may not be on terms as favorable as those executed for the model portfolio provider's clients.

Multi-Tiered Trade Rotation Policy: For its managed account clients and model portfolio clients, NGAM Advisors utilizes a multi-tiered trade rotation policy that seeks to execute the securities transactions of its managed account clients (and certain model portfolio clients for which NGAM Advisors provides trade execution) and disseminate model portfolios to its model portfolio clients in a fair and equitable manner over time. NGAM Advisors utilizes a three-tier trade rotation procedure. Where one or more sponsor's clients in either the first or second tier are expected to be investing in the same security contemporaneously, NGAM Advisors will generate a separate random trade rotation list of sponsors within each tier. The random trade rotation list includes each managed account client or model portfolio client trading in the same security contemporaneously in the tier. Thus, for example, NGAM Advisors will direct the execution of transactions on behalf of the managed account clients (and certain model portfolio clients for which NGAM Advisors provides trade execution) and disseminate the model portfolios to the model portfolio clients in the first tier according to the respective client's placement on the first tier random trade rotation list. After the transactions for each of the clients in the first tier are completed, NGAM Advisors will direct the execution of transactions on behalf of the clients in the second tier according to their order on the second tier random trade rotation list. After the transactions for each of the clients in the second

tier are completed, clients in the third tier will contemporaneously be provided model portfolio information.

Clients who are given priority in terms of the timing of their trades (i.e., clients who are in a tier that trades earlier than another tier) will generally receive more favorable executions than clients whose trades are effected later. Thus, clients in the second tier (clients that direct the use of a particular Broker) and the third tier (model portfolio clients that either cannot meet the conditions for inclusion in the first tier or that do not permit NGAM Advisors to provide trade execution) should be aware that they may receive less favorable execution as a result. For other information regarding Directed Brokerage clients of NGAM Advisors should read the "Directed Brokerage" section set forth below.

Trade Rotation Tier 1: NGAM Advisors' managed account clients that do not direct NGAM Advisors to use specified Brokers are included in the first tier. As noted below, certain model portfolio clients meeting specific criteria may also be included in the first tier. The managed account clients and model portfolio clients included in the first tier will trade or receive model portfolios with which to trade, as the case may be, in random order.

Trade Rotation Tier 2: NGAM Advisors' managed account clients that direct NGAM Advisors to utilize specified Brokers are included in the second tier and will be traded after the first tier clients have completed their transactions. These clients are placed in the second tier because their trading activities may give rise to disadvantages to the other managed account clients of NGAM Advisors that do not direct the use of specified Brokers. For example, trading by managed account clients that direct NGAM Advisors to utilize specified Brokers may: (i) compete in the market with the other managed account clients' orders; (ii) interfere with the random trade rotation program utilized by NGAM Advisors for its other managed account clients because of delays in dealing with such specified Brokers; and/or (iii) result in "information leakage" regarding the model portfolio transactions, which could disadvantage other managed account clients. For these reasons, on days on which NGAM Advisors (or a model portfolio provider) executes trades both for managed account clients who do not direct the use of a specific Broker and clients who do direct the use of a particular Broker, NGAM Advisors (or a model portfolio provider) will give priority (i.e., first tier) to orders for managed account clients who do not direct brokerage. Where NGAM Advisors does not retain brokerage discretion, the managed account client should also review the trade rotation policy of the sponsor or other broker to whom the trades are directed. Clients who do not know whether the program in which they participate requires that they direct brokerage to a particular firm should contact their financial adviser, program sponsor. For additional disclosure relating to managed account program clients that direct NGAM Advisors to utilize specified Brokers, please see "**Directed Brokerage**" section below.

Trade Rotation Tier 3: NGAM Advisors' model portfolio sponsor program clients generally are included in the third tier. The third tier involves the contemporaneous dissemination of investment recommendations and/or model portfolios following the conclusion of NGAM Advisors' first and second tiers of trade rotation. However, if a model portfolio sponsor program client is able to meet all of the following conditions it will be included in NGAM Advisors' first tier trade rotation: (i) the model portfolio sponsor program client agrees to coordinate trading with NGAM Advisors; (ii) the model portfolio sponsor program client makes commercially reasonable efforts to (as practicable) initiate trading immediately, effecting such trades across the trade activity and completing such trade activity promptly within commercially reasonable standards (with consideration to materially relevant facts, including, but not limited to, trade characteristics, liquidity factors, and general market conditions); and (iii) the model

portfolio sponsor program client promptly informs NGAM Advisors once it has completed trading. In addition to the model portfolio sponsor program clients that can meet the above conditions, those model portfolio sponsor program clients that permit NGAM Advisors (or the relevant Model Portfolio Provider) to provide trade execution services will also be randomly rotated within NGAM Advisors' first tier trade rotation.

Directed Brokerage: Clients may instruct NGAM Advisors (or a model portfolio provider) to use one or more Brokers for trading their accounts, or due to requirements of Bundled or Unbundled Program sponsors, NGAM Advisors may be obligated as a practical matter to use such sponsor or its affiliated persons to effect trades. Those clients that direct brokerage may specify that a particular amount of commissions should be sent to those Brokers, that all business should be directed to those Brokers, or merely that those Brokers should be used when all other considerations are equal. Clients may specify that a particular Broker is to be used even though NGAM Advisors (or a model portfolio provider) may be able to obtain a more favorable net price and execution from another Broker in particular transactions. Clients who direct the use of a particular Broker for transactions and clients in Bundled Programs/Unbundled Programs that effectively obligate NGAM Advisors to utilize such sponsor or its affiliates should understand that such direction may prevent NGAM Advisors (or a model portfolio provider) from effectively negotiating brokerage commissions on their behalf and from aggregating orders with other clients. Thus in addition to the second tier rotation sequence in which they are placed (as described above), those clients that direct brokerage business should be aware that they may lose possible advantages that clients who do not direct brokerage may have, such as volume discounts.

Those clients that direct brokerage business should also consider whether the commission expenses, execution, clearance, and settlement capabilities of the brokers to which their brokerage business is directed are comparable to those that NGAM Advisors (or a model portfolio provider) could otherwise attain for them. Similarly, the clients may also receive less favorable execution when they direct the use of Brokers or participate in programs that are not eligible to participate in a portion of a "new issue" or other opportunity that is allocated to NGAM Advisors (or a model portfolio provider). Clients who do not know whether the program in which they participate requires that they direct brokerage to a particular firm should contact their program sponsor.

Model Portfolio Provider Trade Execution: Model portfolio providers are not precluded from purchasing or selling for, or recommending for purchase or sale for, other client accounts any securities that are, that have been or that may in the future be recommended for sale or purchase in the model portfolios supplied to and relied upon by NGAM Advisors. Whether or not executed in "bunched" contemporaneous trades with trades for clients, purchases or sales of securities by other clients of the model portfolio providers may have an adverse effect on the value, price, performance or availability of securities from time to time included in model portfolios. The model portfolio providers are not precluded, by reason of such adverse effects or other possible adverse effects, from effecting such purchases or sales for, or recommending such purchases or sales to, their other client accounts. Model portfolio providers also manage the accounts of other clients, many of which are large institutional accounts which employ the same or similar investment styles and strategies the model portfolio providers may use in constructing the model portfolios supplied to NGAM Advisors. Although the model portfolios and the transactions effected in the NGAM Advisors client accounts may reflect the recommendations being made to, or discretionary investment advisory decisions made for, other clients of the model portfolio providers, the model portfolio providers need not purchase or sell for any particular other client account any particular securities included from time to time in the model portfolios. Further, the model portfolio providers need not include in the model portfolios any particular

security it is buying or selling for, or recommending be bought or sold for, any particular other client account of such model portfolio provider. Significant deviations may develop between the holdings and performance of NGAM Advisors client accounts using model portfolios and the model portfolios themselves and the client accounts of other clients of the model portfolio providers. This may be due to the above-mentioned factors as well as differences in account size, cash flow, the timing and terms of execution of trades by NGAM Advisors and the relevant model portfolio provider, individual client needs, the differences between ADRs and the underlying foreign equity securities, differences between a mutual fund or exchange traded fund and the direct securities holdings of the model portfolio provider's managed account clients in the same strategy and other factors.

NGAM Advisors (or the relevant model portfolio provider) may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to clients' investments and the performance resulting from such decisions will differ from client to client. NGAM Advisors (or the relevant model portfolio provider) will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients. Further, in many instances, such as purchases of private placements or oversubscribed public offerings, it may not be possible or feasible to allocate a transaction pro rata to all eligible clients. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis. In allocating investments among various clients (including in what sequence orders for trades are placed), however, NGAM Advisors will use its best business judgment and will take into account funds available to each client, the amount already committed by each client to a specific investment and the relative risks of the investment. It is NGAM Advisors' policy to allocate to the extent practicable investment opportunities on a basis that NGAM Advisors in good faith believes is fair and equitable to each client over time. Each model portfolio provider's trading policies are disclosed in that model portfolio providers own Form ADV Part 2A.

Item 13 –Review of Accounts

Investment Company Review of Accounts: NGAM Advisors monitors the day-to-day portfolio management functions provided by the Fund subadvisers, including securities trading, brokerage practices and compliance controls of the subadvisers. NGAM Advisors also monitors portfolio management activities, securities trading, brokerage practices and compliance controls of AIA with respect to the portions of DIF managed by AIA and traded by MPA. Additionally, NGAM Advisors' senior officers, including the Chief Compliance Officer and other legal and compliance staff, monitor the investment performance, compliance controls and operations of the Natixis Funds to ensure that the subadvisers and/or AIA, as applicable, carry out subadvisory functions in accordance with contractual arrangements and relevant securities and tax laws and regulations. The Board of Trustees of the Natixis Funds receives quarterly reports on the performance and operations of the funds for which NGAM Advisors serves as investment adviser. Furthermore, for those accounts that NGAM Advisors does supervise, NGAM Advisors utilizes systems reasonably designed to ensure that each client account is individually managed to meet the investment objectives, guidelines and restrictions established by the client.

Client Reporting: The Funds provide investors, directly or via intermediaries, written prospectuses describing, among other things, a fund's objective, its investment methods, information on how to purchase and redeem shares, information about the investment adviser, the level of risk a fund is willing to assume in pursuit of its objective, and a fund's fees and expenses; and annual and semi-annual reports that

contain recent information on a fund's portfolio, performance, and investment goals and policies. Furthermore, for their direct shareholders, the Funds may also provide a variety of other services and deliverables that are designed to meet shareholder needs, such as: toll-free telephone access, consolidated account statements, tax information, automatic investments and withdrawals, and check writing privileges. Finally, for their direct shareholders, the Funds also provide extensive investor education and shareholder communications, including, but not limited to, websites, newsletters, brochures, and retirement and other planning guides.

Managed Account Review of Accounts: Managed accounts, excluding accounts for which NGAM Advisors has been hired to provide model portfolio vendor services, are under the continuing supervision of NGAM Advisors, through the use of systems reasonably designed to ensure that each account, subject to its investment objectives, guidelines and restrictions, is managed consistently with its investment mandate. Additionally, NGAM Advisors' compliance department, including its Chief Compliance Officer and other senior operational and portfolio management personnel, periodically review accounts for consistency with NGAM Advisors' policies, brokerage instructions, legal requirements and similar matters. Furthermore, on an annual basis NGAM Advisors reviews the performance of each account that utilizes model portfolios. Performance reviews focus on asset and sector categories, quality, diversification and performance dispersion between client accounts using the same model portfolios. Such performance reviews are conducted under the supervision of internal committees of NGAM Advisors. NGAM Advisors also continuously monitors client accounts utilizing model portfolios to ensure the degree of deviation in the holdings of client accounts as compared to the related model portfolios does not exceed a predetermined maximum tolerance trigger. If a client account exceeds a predetermined maximum tolerance trigger; NGAM Advisors will make adjustments to such account's holdings to bring the holdings back in line with the related model portfolio(s). Performance reviews of the AIA client accounts are conducted in a similar manner, but under the supervision of AIA specific internal senior personnel.

NGAM Advisors has no specific policy with respect to the number of accounts assigned to each reviewer, which assignment depends on the nature and complexity of the accounts being reviewed. NGAM Advisors' due diligence committee also monitors the investment advisory services of the model portfolio providers that provide model portfolios to NGAM Advisors for NGAM Advisors' use in sponsored programs. However, as previously discussed, NGAM Advisors does not conduct due diligence on model portfolio providers selected and overseen by sponsors and not by NGAM Advisors. **Appendix 2** to this document lists the model portfolio providers (affiliated and unaffiliated) for which NGAM Advisors has due diligence responsibility.

Client Reporting: Program sponsors are generally responsible for client reporting. NGAM Advisors will typically supply the sponsor with certain information necessary to provide regular reports directly to clients. Upon request or as contractually agreed to, and usually for Unbundled Program clients, NGAM Advisors may provide investment holdings, transactions, and performance reports directly to clients on a periodic basis. With respect to reporting for clients that receive model portfolio vendor services, it is the responsibility of the sponsor that hires NGAM Advisors to provide a model portfolio to provide reporting to such clients. With respect to clients that receive overlay portfolio management services from NGAM Advisors, the reporting responsibilities of NGAM Advisors are contractually determined and are usually based on whether the clients are receiving such overlay portfolio management services via a Bundled or Unbundled Program. Bundled Program clients generally receive reporting from the sponsor that hires NGAM Advisors to provide overlay portfolio management services.

Unbundled Program clients receiving NGAM Advisors' overlay portfolio management services are more likely to receive reporting directly from NGAM Advisors.

Item 14 - Client Referrals and Other Compensation

A part of employee compensation may be based on new business brought by them to NGAM Advisors. This compensation may represent either a specified percentage of the first year's revenues received by the firm from the new account, or a specified percentage of new assets attributable to an individual's efforts. NGAM Advisors may also compensate unaffiliated third parties who solicit clients whom the third party believes would benefit from its investment advisory services. Any such arrangements with an unaffiliated third party will be pursuant to a solicitation agreement which complies with rule 206(4)-3 under the Advisers Act.

NGAM Advisors may in its discretion and out of its own assets compensate third parties, including but not limited to, arrangements involving mutual fund networks or no transaction fee programs, for the sale and marketing of shares of affiliated investment companies. These arrangements, often called "revenue sharing," may have the effect of causing a Broker or other intermediary to favor NGAM Advisors sponsored investment companies over other available investments in making investment decisions for or recommendations to their clients.

NGAM Advisors' sales and relationship management staff may be compensated for new business based upon a percentage of the revenue generated from new client assets. This compensation is payable from NGAM Advisors' advisory fees and not directly by the client. NGAM Advisors is not compensated based upon commission revenue. The receipt of compensation for the promotion of NGAM Advisors' products presents a conflict of interest and gives supervised persons an incentive to recommend investment products based upon the compensation received, rather than a client's needs. NGAM Advisors addresses such potential conflicts of interest by a supervisory structure that reviews the suitability of each investment product for a prospective client, when suitability responsibility falls on NGAM Advisors.

For investment company products, a client could, and generally does, purchase certain of NGAM Advisors' fund products through an unaffiliated entity, although the cost to the client will likely be greater than if the product were purchased directly through NGAM Advisors.

For managed account strategies, a client could, and generally does, purchase the investment advisory services of NGAM Advisors through an unaffiliated entity, although the cost to the client will likely be greater than if NGAM Advisors' investment advisory services for a particular strategy were purchased directly through NGAM Advisors.

Item 15 - Custody

NGAM Advisors generally does not take custody of or have authority to obtain possession of client assets.

Due to certain arrangements, NGAM Advisors may be deemed to have "custody" of client accounts within the meaning of Rule 206(4)-2 under the Advisers Act because NGAM Advisors or one of its related persons may have access to or authority over client funds and securities for purposes other than issuing trading instructions. For example, NGAM Advisors may have authority to cause a custodian to transfer cash from a client account in payment of NGAM Advisors' advisory fees. To the extent that NGAM Advisors is deemed to have custody over a client's account, the client's qualified custodian will send periodic account statements (generally on a quarterly basis) indicating the amounts of any funds or securities in the account as of the end of the

statement period and any transactions in the account during the statement period. Clients should review these statements carefully and should contact NGAM Advisors immediately if account statements are not being provided by the custodian on at least a quarterly basis. As previously noted, NGAM Advisors provides certain reports and information regarding client accounts to clients in Unbundled Programs separate and apart from the account statements provided by the custodian. Clients receiving reports directly from NGAM Advisors are urged to compare carefully reports received from NGAM Advisors to the account statements from the custodian. Clients who believe there may be a discrepancy between the custodial statements and the reports provided by NGAM Advisors should contact NGAM Advisors immediately.

Item 16 – Investment Discretion

As discussed in item 4, above, NGAM Advisors accepts investment discretion for certain client accounts. All clients establishing discretionary accounts are required to execute an investment advisory services agreement, either directly with NGAM Advisors or with one of the sponsors that hires NGAM Advisors to provide discretionary investment advisory services to client accounts. The investment advisory services agreement will grant NGAM Advisors sufficient authority to act as a discretionary investment manager, including granting NGAM Advisors the authority to execute trades. As discussed in item 4, above, NGAM Advisors will accept reasonable limitations on its authority through client guideline restrictions, provided that the restrictions are essentially consistent with NGAM Advisors' investment process.

Item 17 - Voting Client Securities/Proxy Voting Summary

NGAM Advisors' authority to vote client proxies is established by NGAM Advisors' investment advisory agreements or comparable documents. Where it is authorized to vote proxies, NGAM Advisors endeavors to do so in accordance with the best economic interest of its clients. NGAM Advisors endeavors to resolve any conflicts of interest exclusively in the best economic interest of the clients. In order to minimize conflicts of interest, NGAM Advisors has contracted with Broadridge/Glass Lewis ("**Glass Lewis**"), an independent third party service provider, to vote NGAM Advisors' client proxies. NGAM Advisors has a fiduciary responsibility to exercise proxy voting authority, when such authority is granted to it. Glass Lewis may maintain records, provide reports, develop models and research, and vote proxies in accordance with instructions and guidelines provided or approved by NGAM Advisors. These instructions and guidelines shall be consistent with the Proxy Voting Policy of NGAM Advisors, which generally votes "for" proposals that, in the judgment of NGAM Advisors, would serve to enhance shareholder value, and votes "against" proposals that, in the judgment of NGAM Advisors, would impair shareholder value. These instructions and guidelines from Glass Lewis direct Broadridge to vote "for" or "against" specific types of routine proposals, while generally reserving other non-routine proposals for NGAM Advisors to decide on a case-by-case basis. With respect to proposals to be decided by NGAM Advisors on a case-by-case basis, a designated member of the portfolio management team of NGAM Advisors has the responsibility to determine how the proxies should be voted and for directing the proxy voting agent, through other operational personnel of NGAM Advisors, to vote accordingly.

NGAM Advisors reviews its proxy voting policy on a periodic basis, usually annually. Additionally, on a periodic basis, NGAM Advisors reviews reports produced by Broadridge that summarize voting activity. Furthermore, an internal team of NGAM Advisors, which team is composed of legal, compliance, portfolio management, and operational personnel, also conducts periodic reviews of proxy voting activity and issues, if any, that may arise. Finally, compliance conducts a random sampling review of proxy ballots to ascertain whether votes are cast in compliance with NGAM Advisors' proxy voting policy. Upon request, clients may obtain a full and complete copy of the

NGAM Advisors proxy voting policy and a record of how their securities were voted. To obtain a copy of the proxy voting policy or a record of how your securities were voted, please contact us via phone at 617-449-2813, or by email at: ADVOPS@ngam.natixis.com.

Item 18 - Financial Information

Not Applicable.

Appendix 1
Investment Company Strategy List & Strategy Description

Investment Strategy	Subadvisers	Strategy Description
<p>Absolute Asia Dynamic Equity Strategy</p>	<p>Absolute Asia Management Limited ("Absolute Asia")</p>	<p>Under normal market conditions, the strategy expects to invest at least 80% of its net assets (plus any borrowings made for investment purposes) in equity securities of issuers domiciled or principally operating throughout Asia (excluding Japan). The strategy is non-diversified, which means that it may invest a greater percentage of its assets in a particular issuer and may invest in fewer issuers than a diversified strategy. The strategy expects to invest in a stock portfolio, which normally will consist of equity securities of approximately 30 to 40 issuers domiciled or principally operating in countries in Asia, which may include, among others, Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Taiwan, Thailand and Vietnam. Depending on the size of investments, the strategy may invest in more or less than the aforementioned number of issuers. The strategy may invest in companies with any market capitalization although, at times, it may focus its investments in small-capitalization companies. Currently, the strategy defines a small-capitalization company as one whose market capitalization at the time of purchase is \$1 billion or less. Equity securities purchased for the strategy may include common stocks, preferred stocks, depository receipts, warrants, securities convertible into common or preferred stocks, interests in real estate investment trusts ("REITs") and/or real estate-related securities, and other equity-like interests in an issuer.</p>
<p>HGI International Strategy</p>	<p>Hansberger Global Investors, Inc. ("HGI")</p>	<p>The strategy seeks to attain its goal by investing substantially all of its assets in equity securities. The strategy is international, which means that it seeks to invest a significant portion of its net assets in equity securities of companies located outside the United States. The strategy invests in small-, mid-, and large-capitalization companies and expects to invest its assets across developed and emerging markets in Eastern and Western Europe, Asia and the Americas. The strategy's portfolio typically holds approximately 40 to 60 stocks. The strategy may also invest in convertible preferred stock and convertible debt securities. Subject to an allocation policy, NGAM Advisors may also allocate capital investments equally between its two segments, which are managed by HGI as described below. Under the allocation policy, NGAM Advisors may also allocate capital away or towards a segment from time to time.</p> <p><u>Growth Segment:</u> In managing this segment, HGI follows a flexible investment policy that allows it to select those investments it believes are best suited to achieve the strategy's investment objective over the long-term, using a disciplined, long-term approach to international investing. The growth segment will primarily invest in the equity securities of companies organized or headquartered outside of the United States. This segment will invest in at least three different countries and generally expects to be invested in more than three countries, including countries considered to be emerging market countries. In general, HGI seeks companies with the following characteristics, although not all of the companies selected will have these attributes: high secular growth; superior profitability; and medium to large capitalizations. Although there are no limitations on the size of the companies in which the segment may invest, in making investment decisions, HGI generally employs the following methods: securities are selected on the basis of fundamental company-by-company analysis; in choosing equity investments, HGI will typically focus on the market price of a company's securities relative to its evaluation of the company's long-term earnings and cash flow potential; and in addition, a company's valuation measures, including but not limited to price-to-earnings ratio and price-to-book ratio, will customarily be considered.</p>

		<p>Value Segment: In managing this segment, HGI employs an intensive fundamental approach to selecting stocks. HGI seeks to identify stocks with a market value that is believed to be less than a company's intrinsic value, based on its long-term potential. HGI's investment approach integrates extensive research (both internal and external), proprietary valuation screens, and fundamental analysis of stocks with a long-term investment perspective. This analysis involves evaluating a company's prospects by focusing on such factors as the quality of a company's management, the competitive position of a company within its industry, the financial strength of the company, the quality and growth potential of its earnings, and the outlook for the company's future based on these and other similar factors. HGI will also consider other factors in its analysis, including country and political risks, economic and market conditions, the issuer's structural company and industry specific factors, changes in shareholder orientation (for example, a shift from treating all shareholders fairly to disadvantaging minority shareholders), and the company's management.</p> <p>HGI expects to invest in securities across a broad spectrum of market capitalizations. In terms of both industry representation and capitalization, the segment's holdings may differ significantly from those of the typical international equity strategy. HGI generally sells a security if its price target is met, the company's fundamentals change, or if the strategy is fully invested and a better investment opportunity arises. Although the strategy normally invests substantially all of its assets in equity securities, the strategy may temporarily hold up to 20% of its assets in cash (U.S. dollars) and/or invest in money market instruments or other high quality debt securities as it seeks other investment opportunities, and, as a temporary defensive measure, the strategy may hold any portion of its assets in cash (U.S. dollars, foreign currencies or multinational currency units) and/or invest in money market instruments or other high quality debt securities. The strategy may miss certain investment opportunities if it uses such strategies and thus may not achieve its investment objective.</p>
<p>Harris Large Cap Value Strategy</p>	<p>Harris Associates, L.P. ("Harris")</p>	<p>The investment objective for the strategy is long-term capital appreciation. The strategy is developed using an in-depth, internally generated research effort to identify potential investments. The strategy seeks to achieve high returns by identifying companies that are trading at a discount to their intrinsic value and maintains a model portfolio comprised of these companies. The strategy will be invested primarily in U.S. equities and will typically be fully invested. Generally no single position in the portfolio will exceed 7% of the total portfolio value, no single industry will exceed 20% of the total portfolio value, and no economic sector will exceed 35% of the total portfolio value.</p>
<p>Natixis Diversified Income Strategy</p>	<p>Multi-Manager</p>	<p>The strategy is designed to offer investors access to a diversified portfolio of complementary income producing investment disciplines from specialized money managers through investment in a single portfolio. The strategy's disciplines focus on income producing fixed-income and equity securities. This strategy seeks long term growth of capital.</p>
<p>Natixis U.S. Multi-Cap Equity Strategy</p>	<p>Multi-Manager</p>	<p>The strategy seeks long-term of capital. The strategy's investment goal is non-fundamental, which means it may be changed without shareholder approval. This strategy will provide sixty days' prior written notice to shareholders before changing the investment goal.</p>
<p>Natixis Oakmark Global Strategy</p>	<p>Harris</p>	<p>The strategy invests primarily in a diversified portfolio of common stocks of U.S. and non-U.S. companies. The strategy invests in the securities of at least three countries. Typically, the strategy invests between 25-75% of its total assets in securities of U.S. companies and between 25-75% of its total assets in securities of non-U.S. companies. There are no geographic limits on the strategy's non-U.S. investments. The subadviser uses a value investment philosophy in selecting equity securities, such as common stocks, preferred stocks, warrants, and securities convertible into common stocks and preferred stocks. This investment philosophy is based upon the belief that, over time, a company's stock price converges with the company's intrinsic or true business value.</p>

<p>Natixis Oakmark International Strategy</p>	<p>Harris</p>	<p>By "true business value," the subadviser means its estimate of the price a knowledgeable buyer would pay to acquire the entire business. The subadviser believes that investing in securities priced significantly below their true business value presents the best opportunity to achieve the strategy's investment objective. The subadviser uses this value philosophy to identify companies that it believes have discounted stock prices compared to the companies' true business values. In assessing such companies, the subadviser looks for the following characteristics, although not all of the companies selected will have these attributes: (1) free cash flows and intelligent investment of excess cash; (2) earnings that are growing and are reasonably predictable; and (3) high level of manager ownership. Once the subadviser determines that a security is selling at what it believes to be a significant discount and that the issuer has the additional qualities mentioned above, the subadviser generally will consider buying that security for the strategy. The subadviser usually sells a security when the price approaches its estimated worth. The subadviser also monitors each holding and adjusts those price targets as warranted to reflect changes in the issuer's fundamentals. The subadviser believes that holding a relatively small number of stocks allows its "best ideas" to have a meaningful impact on the strategy's performance. Therefore, the strategy's portfolio typically holds 30 to 60 stocks. The percentage limitations set forth herein are not investment restrictions and the strategy may exceed these limits from time to time. As a temporary defensive measure, the strategy may hold any portion of its assets in cash (U.S. dollars, foreign currencies or multinational currency units) and/or invest in money market instruments or high quality debt securities and take other defensive positions as the subadviser deems appropriate. The strategy may miss certain investment opportunities if it uses defensive strategies and thus may not achieve its investment goal.</p>
<p>Natixis Oakmark International Strategy</p>	<p>Harris</p>	<p>The strategy invests primarily in a diversified portfolio of common stocks of non-U.S. companies. The strategy may invest in non-U.S. markets throughout the world, including emerging markets. Ordinarily, the strategy will invest in the securities of at least five countries outside the U.S. There are no geographic limits on the strategy's non-U.S. investments. Although the strategy invests primarily in common stocks of non-U.S. companies it may also invest in the securities of U.S. companies. The strategy may invest in the securities of small-, mid- and large capitalization companies. The subadviser uses a value investment philosophy in selecting equity securities, such as common stocks, preferred stocks, warrants, and securities convertible into common stocks and preferred stocks. This investment philosophy is based upon the belief that, over time, a company's stock price converges with the company's intrinsic or true business value.</p> <p>By "true business value," the subadviser means its estimate of the price a knowledgeable buyer would pay to acquire the entire business. The subadviser believes that investing in securities priced significantly below their true business value presents the best opportunity to achieve the strategy's investment objective. The subadviser uses this value philosophy to identify companies that it believes have discounted stock prices compared to the companies' true business values. In assessing such companies, the subadviser looks for the following characteristics, although not all of the companies selected will have these attributes: (1) free cash flows and intelligent investment of excess cash; (2) earnings that are growing and are reasonably predictable; and (3) high level of manager ownership. Once the subadviser determines that a stock is selling at what it believes to be a significant discount and that the company has the additional qualities mentioned above, the subadviser generally will consider buying that stock for the strategy.</p> <p>The subadviser usually sells a stock when the price approaches its estimated worth. The subadviser also monitors each holding and adjusts those price targets as warranted to reflect changes in the company's fundamentals. The subadviser believes that holding a relatively small number of stocks allows its "best ideas" to have a meaningful impact on the strategy's performance. Therefore, the strategy's portfolio typically holds 30 to 65 stocks. The percentage limitations set forth herein are not investment</p>

		<p>restrictions and the strategy may exceed these limits from time to time. As a temporary defensive measure, the strategy may hold any portion of its assets in cash (U.S. dollars, foreign currencies or multinational currency units) and/or invest in money market instruments or high quality debt securities and take other defensive positions as the subadviser deems appropriate. The strategy may miss certain investment opportunities if it uses defensive strategies and thus may not achieve its investment goal.</p>
<p>VNIM Small Cap Value Strategy</p>	<p>Vaughan Nelson Investment Management, L.P. ("VNIM")</p>	<p>The strategy normally will invest at least 80% of its net assets (plus any borrowings made for investment purposes) in the equity securities, including common stocks and preferred stocks, of "small cap companies." Currently, the strategy defines a small cap company to be one whose market capitalization, at the time of purchase, either falls within the capitalization range of the Russell 2000 Value Index, an unmanaged index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values, or is \$3.5 billion or less. While the market capitalization range for the Russell 2000 Value Index fluctuates, at March 31, 2011, it was \$8 million to \$5 billion. The strategy may, however, invest in companies with large capitalizations. The subadviser invests in small capitalization companies with a focus on absolute return. The subadviser uses a bottom-up value oriented investment process in constructing the strategy's portfolio.</p> <p>The subadviser seeks companies with the following characteristics, although not all of the companies selected will have these attributes: companies earning a positive economic margin with stable-to-improving returns; companies valued at a discount to their asset value; and companies with an attractive and sustainable dividend level. In selecting investments for the strategy, the subadviser generally employs the following strategies: value-driven investment philosophy that selects stocks selling at a relatively low value based on discounted cash flow models; selects companies that it believes are out-of-favor or misunderstood; and starts with an investment universe of 5,000 securities. The subadviser then uses value-driven screens to create a research universe of companies with market capitalizations of at least \$100 million and uses fundamental analysis to construct a portfolio of 60 to 80 securities consisting of quality companies in the opinion of the subadviser.</p> <p>The subadviser will generally sell a stock when it reaches the subadviser's price target, when the issuer shows a deteriorating financial condition, or when it has repeated negative earnings surprises. The strategy may also: invest in convertible preferred stock and convertible debt securities; invest up to 35% of its assets in fixed-income securities, including U.S. government bonds as well as lower quality debt securities; invest in foreign securities, including those of emerging markets; invest in real estate investment trusts ("REITs"); and invest in securities offered in initial public offerings ("IPOs").</p>
<p>VNIM Value Opportunity Strategy</p>	<p>VNIM</p>	<p>Under normal market conditions the strategy will invest primarily in companies that, at the time of purchase, have a market capitalization either within the capitalization range of the Russell Midcap Value Index, an unmanaged index that measures the performance of companies with lower price-to-book ratios and lower forecasted growth values within the broader Russell Midcap Index, or is \$15 billion or less. While the market capitalization range for the Russell Midcap Value Index fluctuates, at March 31, 2011, it was \$192 million to \$19 billion. However, the strategy does not have any market capitalization limits and may invest in companies with smaller or larger capitalizations. The subadviser invests in medium capitalization companies with a focus on absolute return and uses a bottom-up value oriented investment process in constructing the strategy's portfolio. The subadviser seeks companies with the following characteristics, although not all of the companies selected will have these attributes: companies earning a positive economic margin with stable-to-improving returns; companies valued at a discount to their asset value; and companies with an attractive and sustainable dividend level. In selecting investments for the strategy, the subadviser generally employs the following strategies: a value-driven investment philosophy that selects stocks selling at a relatively low value based on business fundamentals, economic margin analysis and discounted cash flow models; selects companies that it believes are out-of-favor or misunderstood; narrows the investment universe by using value-</p>

<p>Westpeak Active Beta Equity Strategy</p>	<p>Westpeak Global Advisors, L.P. ("Westpeak") (Unaffiliated)</p>	<p>driven screens to create a research universe of companies with market capitalizations between \$1 billion and \$20 billion; uses fundamental analysis to construct a portfolio that it believes has attractive return potential; and will generally sell a stock when it reaches the subadviser's price target or when the issuer shows a deteriorating financial condition due to increased competitive pressures or internal or external forces reducing future expected returns.</p> <p>The strategy may also invest in convertible preferred stock and convertible debt securities; invest in foreign securities, including those of emerging markets; invest in other investment companies, to the extent permitted by the Investment Company Act of 1940; invest in real estate investment trusts ("REITs"); and invest in securities offered in initial public offerings ("IPOs") and Rule 144A securities.</p>
		<p>Under normal market conditions, the strategy will invest at least 80% of its net assets (plus any borrowings made for investment purposes) in equity securities (common and preferred stock). The strategy pursues its investment objective by investing in equity securities issued by U.S. large and mid-capitalization companies in the S&P 500 Index. The traditional view of equity management maintains that there are two contributors of returns, "alpha" and "beta." Alpha represents the portion of a strategy's returns considered to be attributable to a portfolio manager's skill and active management while beta is generally considered to be the portion of a strategy's returns that can be explained by the market exposures held in the strategy. The term Active Beta in the strategy's name refers to the portion of alpha that the subadviser considers to be a second layer of beta that can be captured in addition to market beta.</p> <p>In selecting investments for the strategy the subadviser uses its Active Beta methodology, which is based on its research into equity return sources and is designed to identify systematic sources of active equity returns. The methodology ranks each stock in the S&P 500 universe based upon two basic systematic sources of equity returns, momentum and value. In managing the strategy, the subadviser follows the three-step process outlined in the relevant disclosure document. The resulting portfolio typically holds between 250 and 400 positions and takes advantage of the diversifying, negatively correlated nature of momentum and value. The strategy may also engage in active and frequent trading of securities. Frequent trading may produce high transaction costs, which may lower the strategy's return, and realization of greater short-term capital gains, distributions of which are taxable to shareholders who are individuals as ordinary income. Trading costs and tax effects associated with frequent trading may adversely affect the strategy's performance</p>

Appendix 2 Managed Account Strategy List & Strategy Description

Investment Strategy	Model Portfolio Providers	Strategy Description
AIA China ETF Strategy	AIA	This strategy seeks to benefit from the future growth in the Chinese economy and markets with a diversified portfolio using, but not limited to, exchange traded funds.
AIA Dow Jones Select Dividend Strategy	AIA	This strategy seeks to provide an investor with returns similar to the Dow Jones Select Dividend Index by investing in securities from within the index.
AIA Managed ETF Portfolio Conservative Strategy	AIA	This strategy seeks to provide broad diversification, through investment in exchange-traded funds, across various asset classes that may include, but are not limited to domestic and international equities, fixed income, real estate investment trusts (“REITs”) and commodities while maintaining a conservative risk profile.
AIA Managed ETF Portfolio Moderate Strategy	AIA	This strategy seeks to provide broad diversification, through investment in exchange-traded funds, across various asset classes that may include, but are not limited to domestic and international equities, fixed income, REITs and commodities while maintaining a moderate risk profile.
AIA Managed ETF Portfolio Aggressive Strategy	AIA	This strategy seeks to provide broad diversification, through investment in exchange-traded funds, across various asset classes that may include, but are not limited to domestic and international equities, fixed income, REITs and commodities while maintaining a more aggressive risk profile.
AIA Managed ETF Portfolio All Equity Strategy	AIA	This strategy seeks to provide broad diversification, through investment in exchange-traded funds, across various equity asset classes that may include, but are not limited to domestic large, mid, small, and micro cap equities, international developed equities, and international emerging market equities.
AIA Managed ETF Portfolio Income-Conservative Strategy	AIA	This strategy seeks, through investment in exchange-traded funds, higher yield consistent with broad diversification across various asset classes while maintaining a conservative risk profile.
AIA Managed ETF Portfolio Income-Aggressive Strategy	AIA	This strategy seeks, through investment in exchange-traded funds, higher yield consistent with broad diversification across various asset classes while maintaining a more aggressive risk profile.
AIA S&P 400® Mid-Cap Strategy	AIA	This strategy seeks to provide a pre-tax return similar to the S&P 400® index by investing in a subset of securities from within the index.
AIA S&P 500® Strategy	AIA	This strategy seeks to gain broad market exposure to the large capitalization segment of the U.S. equity market. This strategy invests in a subset of securities from within the index.
AIA S&P 600® Small-Cap Index Strategy	AIA	This strategy seeks to provide a pre-tax return similar to the S&P 600® index by investing in a subset of securities from within the index.
AIA S&P 900® Strategy	AIA	This strategy seeks to gain broad market exposure to the large and mid capitalization segment of the U.S. equity market. This strategy invests in a subset of securities from within the index.
AIA S&P 1500® Index Strategy	AIA	This strategy seeks to provide broad proportional market exposure to all capitalization segments of the U.S. equity market. This strategy invests in a subset of securities from within the S&P 1500® index.
AIA S&P ADR/International Index Strategy	AIA	This strategy seeks to gain broad international equity exposure without the costs and complexity of buying local shares through the use of U.S. listed American Depositary Receipts. This strategy invests in a subset of securities from within the index.
AIA S&P Global Index Strategy	AIA	This strategy seeks to gain broad market exposure to the U.S. and international equity markets through the use of U.S. stocks and U.S. listed American Depositary Receipts. This strategy invests in a subset of securities from within the S&P 1500® and the S&P ADR indexes.
AEW Diversified REIT Strategy	AEW	Investments for the strategy will generally be in publicly traded real estate related securities, including securities of companies whose principal activities include development, ownership, construction, management or sale of real estate. Investments for the strategy may be in common stocks, preferred stocks, warrants to purchase common stocks, debt securities convertible into common stock, and other similar instruments. It is currently anticipated that the strategy will be invested primarily in publicly traded shares of REITs. REITs are generally classified as Equity REITs, Mortgage REITs and Hybrid REITs. Equity REITs generally invest the majority of their assets in real

		<p>property and derive their income primarily from rents. Mortgage REITs generally invest the majority of their assets in loans secured by real estate and derive their income primarily from interest payments. Hybrid REITs generally combine the characteristics of Equity and Mortgage REITs. At the present time, it is intended that investments will be primarily in Equity REITs, however, subject to specific investment restrictions in effect from time to time, investments may also be made from time to time in: (i) Mortgage or Hybrid REITs; (ii) other real estate industry companies, including equity and/or debt securities of such companies; and (iii) companies outside of the real estate industry but whose products and/or services are related to the real estate industry, such as manufacturers or distributors of building supplies, financial institutions which make or service mortgage loans, or companies with substantial real estate assets relative to their market capitalization. The adviser shall manage the strategy in a manner consistent with these guidelines, subject to specific investment restrictions in effect from time to time with respect to issuer diversification, sector diversification, illiquid holdings and other matters.</p>
ASG Adaptive Conservative ETF Portfolio Strategy	ASG	<p>Adaptive Asset Allocation represents an approach to asset allocation developed by ASG based on Andrew Lo's Adaptive Markets Hypothesis. Adaptive Asset Allocation starts with a long-horizon strategic portfolio with a target allocation. The strategy may then deviate tactically from the strategic allocation based on a tactical asset allocation mechanism as well as a tactical risk management mechanism. The conservative portfolios target a 6% annualized volatility level.</p>
ASG Adaptive Growth ETF Portfolio Strategy	ASG	<p>Adaptive Asset Allocation represents an approach to asset allocation developed by ASG based on Andrew Lo's Adaptive Markets Hypothesis. Adaptive Asset Allocation starts with a long-horizon strategic portfolio with a target allocation. The strategy may then deviate tactically from the strategic allocation based on a tactical asset allocation mechanism as well as a tactical risk management mechanism. The Aggressive portfolios target a 12% annualized volatility level.</p>
ASG Adaptive Moderate ETF Portfolio Strategy	ASG	<p>Adaptive Asset Allocation represents an approach to asset allocation developed by ASG based on Andrew Lo's Adaptive Markets Hypothesis. Adaptive Asset Allocation starts with a long-horizon strategic portfolio with a target allocation. The strategy may then deviate tactically from the strategic allocation based on a tactical asset allocation mechanism as well as a tactical risk management mechanism. The Moderate portfolios target a 9% annualized volatility level.</p>
HGI Developed Markets Value ADR Strategy	HGI	<p>The investment objective for the strategy is the preservation and long-term growth of capital (sufficient growth to outpace inflation over an extended period of time). The strategy seeks to achieve high returns by identifying attractively valued companies in international markets and creates and maintains a model portfolio of companies so identified. The strategy is comprised primarily of ADRs and securities on non-U.S. issuers listed on U.S. securities exchanges and traded on U.S. over-the-counter markets. The strategy will typically be fully invested in equities. Generally, no single position within the portfolio will exceed 5% of the total portfolio value and no single sector will represent more than 40% of the total portfolio.</p>
HGI Emerging Markets Equity ADR Strategy	HGI	<p>The investment objective for the strategy is the preservation and long-term growth of capital (sufficient growth to outpace inflation over an extended period of time). The strategy seeks to achieve high returns by identifying attractively valued companies in international markets and creates and maintains a model portfolio of companies so identified. The strategy is comprised primarily of ADRs and securities on non-U.S. issuers listed on U.S. securities exchanges and traded on U.S. over-the-counter markets. The strategy will typically be fully invested in equities. Generally, no single position within the portfolio will exceed 5% of the total portfolio value and no single sector will represent more than 40% of the total portfolio.</p>
HGI International Core ADR Strategy	HGI	<p>The investment objective for the strategy is the preservation and long-term growth of capital (sufficient growth to outpace inflation over an extended period of time). The strategy seeks to achieve high returns by identifying high quality, secular growth companies and attractively valued companies in international markets and creates and maintains a model portfolio of companies so identified. The strategy is comprised primarily of ADRs and securities on non-U.S. issuers listed on U.S. securities exchanges and traded on U.S. over-the-counter markets. No U.S. issuers are included in the portfolio. The strategy will typically be fully invested in equities. Generally, no single position within the portfolio will exceed 5% of the total portfolio value and no single sector will represent more than 40% of the total portfolio.</p>

HGI International Growth ADR Strategy	HGI	<p>The investment objective for the strategy is the preservation and long-term growth of capital (sufficient growth to outpace inflation over an extended period of time). The strategy seeks to achieve high returns by identifying high quality, secular growth companies in international markets and creates and maintains a model portfolio of companies so identified. The strategy is comprised primarily of ADRs and securities on non-U.S. issuers listed on U.S. securities exchanges and traded on U.S. over-the-counter markets. No U.S. issuers are included in the portfolio. The strategy will typically be fully invested in equities. Generally, no single position within the portfolio will exceed 5% of the total portfolio value and no single sector will represent more than 40% of the total portfolio.</p> <p>The investment objective for the strategy is the preservation and long-term growth of capital (sufficient growth to outpace inflation over an extended period of time). The strategy seeks to achieve high returns by identifying attractively valued companies in international markets and creates and maintains a model portfolio of companies so identified. The strategy is comprised primarily of ADRs and securities on non-U.S. issuers listed on U.S. securities exchanges and traded on U.S. over-the-counter markets. The strategy will typically be fully invested in equities. Generally, no single position within the portfolio will exceed 5% of the total portfolio value and no single sector will represent more than 40% of the total portfolio.</p>
HGI International Value ADR Strategy	HGI	<p>The investment objective for the strategy is long-term capital appreciation. The strategy is developed using an in-depth, internally generated research effort to identify potential investments. The strategy seeks to achieve high returns by identifying companies that are trading at a discount to their intrinsic value and maintains a model portfolio comprised of these companies. The strategy will be invested primarily in U.S. equities and will typically be fully invested. Generally no single position in the portfolio will exceed 7% of the total portfolio value, no single industry will exceed 20% of the total portfolio value, and no economic sector will exceed 35% of the total portfolio value.</p>
Harris Large Cap Value Strategy	Harris Loomis Sayles	<p>The strategy invests primarily in investment grade fixed income securities of any maturity (including, without limitation, government, corporate, mortgage-backed and asset-backed securities). The strategy seeks to create a portfolio that is generally similar to the Barclays Capital (BarCap) Aggregate Bond Index with respect to weightings among segments of the investment grade bond market and such key investment attributes (within a range) as duration, industry sectors, credit quality, and call protection. The strategy uses proprietary credit rating system to rate bonds and to assess credit upgrade and downgrade potential independently from the rating agencies. Normally, 100% of the portfolio is investment grade quality (at the time of purchase).</p>
Loomis Sayles Core Fixed Income Strategy	Loomis Sayles	<p>The strategy invests in investment grade and below investment grade fixed income securities of any maturity (including, without limitation, government, corporate, mortgage-backed, asset-backed securities, and \$USD denominated non-US debt). The strategy seeks to outperform the Barclays Capital (BarCap) Aggregate Bond Index while maintaining a benchmark aware risk return objective. Typically, duration is within +/- 2 years relative to the index, less than 25% of the strategy is invested in any one corporate industry, and less than 5% is invested in any one issuer (excluding government sponsored enterprise securities). The strategy uses proprietary credit rating system to rate bonds and to assess credit upgrade and downgrade potential independently from the rating agencies. Portfolio construction is also driven by top-down macroeconomic analysis. Up to 10% of the portfolio may be invested in below investment grade issues.</p>
Loomis Sayles Core Total Return Strategy	Loomis Sayles	<p>The strategy seeks to create a portfolio that is believed to have credit upgrade potential, sector diversification, and minimal interest rate risk relative to the BarCap Intermediate Government/Credit Bond Index. The strategy seeks to maintain duration within a range of the index. The strategy uses proprietary credit research to evaluate bonds and to assess credit upgrade and downgrade potential independently from the rating agencies. Normally, 100% of the portfolio is investment grade quality (at the time of purchase). The portfolio management team utilizes fixed income sectors such as governments, agencies, and corporates, typically with maturities of less than 10 years, and maintains the flexibility to overweight sectors that research indicates offer the most value.</p>
Loomis Sayles Intermediate Fixed Income Strategy	Loomis Sayles	<p>The strategy seeks to invest substantially all of its assets in stocks. Investments are selected based on the portfolio manager's evaluation of their growth potential; current income is not a consideration. The strategy generally seeks to invest in companies with capitalizations of \$3 billion or greater that are believed to be well-managed, dominant in their respective industries and capable of long-term</p>
Loomis Sayles Large Cap Growth Strategy	Loomis Sayles	

			earnings growth and price appreciation potential. The strategy typically invests in companies with market capitalizations of \$1 billion or greater that, in the portfolio managers' judgment, trade at a significant discount to their intrinsic value. Exposure to stocks is spread across a variety of sectors as the managers believe that value can be found throughout the market. The strategy is driven by rigorous fundamental and valuation analysis and is implemented through a broad group of stocks. The strategy seeks to add value through stock selection. The portfolio typically has a maximum position size of 5% along with sector restrictions of 25%. The portfolio generally remains fairly full invested with less than 5% cash.
Loomis Sayles Large Cap Value Strategy	Loomis Sayles		The strategy typically invests in companies with market capitalizations of \$3 billion or greater that, in the portfolio managers' judgment, trade at a significant discount to their intrinsic value. Exposure to stocks is spread across a variety of sectors as the managers believe that value can be found throughout the market. The strategy is driven by rigorous fundamental and valuation analysis and is implemented through a broad group of stocks. The strategy seeks to add value through stock selection. The portfolio typically has a maximum position size of 5% along with sector restrictions of 25%. The portfolio seeks to maintain a cash weight of less than 5%.
Loomis Sayles Small Mid Core Strategy	Loomis Sayles		The strategy seeks to outperform the S&P 500 Index while maintaining overall portfolio characteristics similar to those of the index. The strategy begins with alpha forecasts developed by the quantitative equity research group at Credit Suisse, which aim to identify those stocks with better relative return prospects. The process then employs a multifactor risk model and optimizer to construct portfolios. For the tax-managed version of the portfolio, AIA seeks to maximize after-tax returns.
Loomis Sayles Small Mid Core Strategy		AIA	
Natixis U.S. Equity Core Plus Strategy			
VNIM Small Cap Value Strategy		VNIM	The investment objective for the strategy is long-term growth of capital. The strategy seeks to achieve high returns through investments in small capitalization companies with a focus on absolute return. The strategy will typically be fully invested in equities. Normally, investments will be made in companies with a market capitalization below \$1.5 billion at time of purchase. The strategy will not invest in private placements, commodities, options or short sales. Generally, no single position within the portfolio will exceed 5% of the total portfolio at time of purchase and no single industry, as defined by Standard & Poors, will represent more than 15% of the portfolio at time of purchase.
VNIM Value Opportunity Strategy		VNIM	The investment objective for the strategy is long-term growth of capital. The strategy seeks to achieve high returns through investments in small and mid capitalization companies with a focus on absolute return. The strategy will typically be fully invested in equities. Normally, investments will be made in companies with a market capitalization between \$1-\$15 billion at time of purchase. The strategy will not invest in private placements, commodities, options or short sales. Generally, no single position within the portfolio will exceed 5% of the total portfolio at time of purchase.
Unaffiliated Investment Strategy	Model Portfolio Providers	Model Portfolio Providers	Strategy Description
Delafield Small/Mid Cap Value Strategy	Delafield Asset Management, a division of Tocqueville Asset Management, L.P. ("Delafield")		The strategy seeks long-term preservation of capital (sufficient growth to outpace inflation over an extended period of time) and growth of capital. It seeks to achieve its objectives by investing primarily in the equity securities of US companies which the portfolio managers believe to be undervalued or to represent special situations. An example of a special situation is a company undergoing change that might cause its market value to grow at a rate faster than the market generally. The strategy may have a significant allocation to cash.
NGAM Advisors shall manage a Client Account in a manner consistent with the strategy descriptions, subject to specific investment restrictions in effect from time to time with respect to issuer diversification, sector diversification, illiquid holdings and other matters. A Client may notify NGAM Advisors at any time not to invest any funds in the account in specific securities or specific categories of securities or in either or both beyond a certain percentage of the account and NGAM Advisors shall promptly follow those instructions. Past performance does not guarantee future returns. No assurance can be given that the Client's objectives/targets can or will be achieved for any particular period or market cycle.			

Appendix 3

Managed Account Unbundled Program Strategy List & Standard Fee Rate

Investment Strategy	Model Portfolio Providers	Fee Rates
AIA China ETF Strategy	AIA	0.40% on first \$500,000; 0.30% on next \$4.5 Million; 0.20% on next \$5 Million; 0.15% on next \$10 Million; 0.12% thereafter
AIA Dow Jones Select Dividend Strategy	AIA	0.45% on first \$500,000; 0.40% on next \$4.5 Million; 0.35% thereafter
AIA Managed ETF Portfolio Conservative Strategy	AIA	0.30% on first \$500,000; 0.25% on next \$4.5 Million; 0.20% thereafter
AIA Managed ETF Portfolio Moderate Strategy	AIA	0.30% on first \$500,000; 0.25% on next \$4.5 Million; 0.20% thereafter
AIA Managed ETF Portfolio Aggressive Strategy	AIA	0.30% on first \$500,000; 0.25% on next \$4.5 Million; 0.20% thereafter
AIA Managed ETF Portfolio All Equity Strategy	AIA	0.30% on first \$500,000; 0.25% on next \$4.5 Million; 0.20% thereafter
AIA Managed ETF Portfolio Income-Conservative Strategy	AIA	0.25% on first \$500,000; 0.20% on next \$4.5 Million; 0.15% thereafter
AIA Managed ETF Portfolio Income-Aggressive Strategy	AIA	0.25% on first \$500,000; 0.20% on next \$4.5 Million; 0.15% thereafter
AIA S&P 400® Mid-Cap Strategy	AIA	0.45% on first \$500,000; 0.35% on next \$4.5 Million; 0.25% on next \$5 Million; 0.20% on next \$10 Million; 0.17% thereafter
AIA S&P 500® Strategy	AIA	0.40% on first \$500,000; 0.30% on next \$4.5 Million; 0.20% on next \$5 Million; 0.15% on next \$10 Million; 0.12% thereafter
AIA S&P 600® Small-Cap Index Strategy	AIA	0.45% on first \$500,000; 0.35% on next \$4.5 Million; 0.25% on next \$5 Million; 0.20% on next \$10 Million; 0.17% thereafter
AIA S&P 1500® Index Strategy	AIA	0.40% on first \$500,000; 0.30% on next \$4.5 Million; 0.20% on next \$5 Million; 0.15% on next \$10 Million; 0.12% thereafter
AIA S&P ADR/International Index Strategy	AIA	0.45% on first \$500,000; 0.35% on next \$4.5 Million; 0.25% on next \$5 Million; 0.20% on next \$10 Million; 0.17% thereafter
AIA S&P Global Index Strategy	AIA	0.45% on first \$500,000; 0.35% on next \$4.5 Million; 0.25% on next \$5 Million; 0.20% on next \$10 Million; 0.17% thereafter
Natixis/AEW Diversified REIT Strategy	AEW	0.70% on first \$25 Million; 0.60% on next \$25 Million; 0.50% thereafter
Natixis/ASG Adaptive Conservative ETF Portfolio Strategy	ASG	0.65% on first \$1 Million; 0.50% thereafter
Natixis/ASG Adaptive Growth ETF Portfolio Strategy	ASG	0.65% on first \$1 Million; 0.50% thereafter
Natixis/ASG Adaptive Moderate ETF Portfolio Strategy	ASG	0.65% on first \$1 Million; 0.50% thereafter
Natixis/HGI Developed Markets Value ADR Strategy	HGI	1.25% on first \$25 Million; 1.00% on next \$75 Million; 0.85% thereafter
Natixis/HGI International Value ADR Strategy	HGI	0.75% on first \$50 Million; 0.50% on next \$100 Million; 0.40% thereafter
Natixis/Harris Large Cap Value Strategy	Harris	0.75% on first \$15 Million; 0.45% thereafter
Natixis/Loomis Sayles Core Fixed Income Strategy	Loomis Sayles	0.35% on first \$25 Million; 0.25% on next \$75 Million; 0.20% on next \$100 Million; 0.15% thereafter
Natixis/Loomis Sayles Intermediate Fixed Income Strategy	Loomis Sayles	0.35% on first \$25M; 0.25% on next \$75M; 0.20% on next \$100M; 0.15% thereafter
Natixis/Loomis Sayles Large Cap Value Strategy	Loomis Sayles	0.65% on first \$10 Million; 0.50% thereafter
Natixis/VNIM Small Cap Value Strategy	VNIM	1.00% on first \$50 Million; 0.75% thereafter
Natixis/VNIM Value Opportunity Strategy	VNIM	1.00% on first \$50 Million; 0.75% thereafter

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Appendix 4
Investment Company Strategy List & Risk Description

Investment Strategy	Allocation Risk	Credit Risk	Currency Risk	Derivatives Risk	Emerging Markets Risk	Equity Securities Risk	Fixed Income Securities Risk	Focused Risk	Foreign Securities Risk	Inflation-Linked Securities Risk	Leverage Risk	Liquidity Risk	Management Risk	Market Risk	Mortgage Related and Asset-Backed Securities Risk	Non-Diversification Risk	REITs Risk	Small- and Mid-Capitalization Companies Risk	Valuation Risk
Absolute Asia Dynamic Equity Strategy*		X			X	X			X			X	X	X		X	X		
HGI International Strategy		X			X	X	X		X				X	X				X	
Harris Large Cap Value Strategy						X			X				X	X					
Natixis Diversified Income Fund	X	X		X		X	X		X	X			X	X	X		X	X	
Natixis U.S. Multi-Cap Equity Strategy	X			X	X	X	X		X		X		X	X			X	X	
Natixis Oakmark Global Strategy			X		X	X		X	X				X	X					
Natixis Oakmark International Strategy			X		X	X		X	X				X	X					
VNIM Small Cap Value Strategy					X	X	X		X				X	X			X	X	
VNIM Value Opportunity Strategy					X	X			X				X	X			X		
Westpeak Active Beta Equity Strategy						X						X	X						X

Risk Descriptions

Risk is inherent in all investing. The value of your investment as well as the amount of return you receive on your investment may fluctuate significantly from day to day and over time. You may lose part or all of your investment or your investment may not perform as well as other similar investments. The following is a summary description of certain risks of investing.

Allocation Risk: Investment performance depends on how the strategy's assets are allocated. The allocation may not be optimal in every market condition. Investors could lose money on their investment in the strategy as a result of such allocation.

Credit Risk: Credit risk is the risk that the issuer or the guarantor of a fixed-income security, or the counterparty to a derivatives or other transaction, will be unable or unwilling to make timely payments of interest or principal or to otherwise honor its obligations. Below investment-grade fixed-income securities are considered predominantly speculative with respect to the ability of the issuer to make timely principal and interest payments.

Currency Risk: Fluctuations in the exchange rates between different currencies may negatively affect an investment.

Derivatives Risk: Derivatives are subject to changes in the value of the underlying asset or indices on which such transactions are based. There is no guarantee that the use of derivatives will be effective or that suitable transactions will be available. Even a small investment in

derivatives may give rise to leverage risk and can have a significant impact on the investment's exposure to securities markets values, interest rates or currency exchange rates. It is possible that the investment's liquid assets may be insufficient to support obligations under derivatives positions. The use of derivatives for other than hedging purposes may be considered a speculative activity, and involves greater risks than are involved in hedging. The use of derivatives such as forward currency contracts, structured notes, futures transactions and swap transactions involves other risks, such as the credit risk relating to the other party to a derivative contract (which is greater for forward currency contracts, swaps and other over-the-counter traded derivatives), the risk of difficulties in pricing and valuation, the risk that changes in the value of a derivative may not correlate perfectly with relevant assets, rates or indices, liquidity risk, allocation risk and the risk of losing more than the initial margin required to initiate derivatives positions. There is also the risk that the investment manager may be unable to terminate or sell a derivatives position at an advantageous time or price. Moreover, there can be no assurance that the derivative counterparties will not experience financial difficulties, possibly resulting in losses to the investor.

Emerging Markets Risk: Investing in emerging markets companies, which may be smaller and have shorter operating histories than companies in developed markets, involves risks in addition to, and greater than, those generally associated with investing in companies in developed foreign markets. The extent of economic development, political stability, market depth, infrastructure, capitalization and regulatory oversight in emerging market economies is generally less than in more developed markets.

Equity Securities Risk: The value of investments in equity securities could be subject to the risks of unpredictable declines in the value of individual securities and periods of below-average performance in individual securities or in the equity market as a whole. Equity securities may include common stocks, preferred stocks, warrants, securities convertible into common or preferred stocks and other equity-like interests in an entity. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of the issuer's bonds and preferred stock generally take precedence over the claims of those who own common stock. Equity securities may take the form of stock in corporations, REITs or other trusts and other similar securities.

Fixed-Income Securities Risk: Fixed-income securities are subject to credit risk, interest rate risk and liquidity risk. Generally, the value of fixed income securities rises when prevailing interest rates fall and falls when interest rates rise. You may lose money on your investment due to unpredictable drops in a security's value or periods of below-average performance in a given security or in the securities market as a whole. In addition, an economic downturn or period of rising interest rates could adversely affect the market of these securities and reduce the investment manager's ability to sell them. Below investment-grade fixed-income securities may be subject to these risks to a greater extent than other fixed-income securities. These securities are considered predominantly speculative with respect to the issuer's continuing ability to make principal and interest payments. Rule 144A securities and structured notes may be more illiquid than other fixed-income securities.

Focused Risk: Because the strategy may invest in a small number of industries or securities, it may have more risk because the impact of a single economic, political or regulatory occurrence may have a greater adverse impact on the strategy's net asset value.

Foreign Securities Risk: Investments in foreign securities are subject to foreign currency fluctuations. Foreign securities may be subject to higher volatility than U.S. securities, varying degrees of regulation and limited liquidity. Greater political, economic, credit and information risks are also associated with foreign securities.

Inflation-Linked Securities Risk: Unlike conventional bonds, the principal or interest of inflation-linked securities such as TIPS is adjusted periodically to a specified rate of inflation (e.g., Consumer Price Index for all Urban Consumers). There can be no assurance that the inflation index will accurately measure the real rate of inflation. These securities may lose value in the event that the actual rate of inflation is different than the rate of inflation index.

Leverage Risk: This is the risk associated with securities or practices (e.g., borrowing and the use of certain derivatives) and investment in certain types of derivatives that multiply small index or market movements into larger changes in value. Use of derivative instruments may involve leverage. When a derivative is used as a hedge against and offsetting position that the Fund also holds, any loss generated by the derivative should be substantially offset by gains on the hedged instrument, and vice versa. To the extent that the Fund uses a derivative for purposes other than as a hedge, or if the Fund hedges imperfectly, the Fund is directly exposed to the risks of that derivative and any loss generated by the derivative will not be offset by a gain. Futures and forward currency contracts are derivatives and may be subject to this type of risk.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the investment manager from selling these illiquid securities at an advantageous price or at the time desired. A lack of liquidity may also cause the value of

<p>investments to decline. Illiquid investments may also be difficult to value. Investments in foreign securities tend to have greater exposure to liquidity risk than domestic securities.</p>
<p>Management Risk: A strategy used by the investment manager may fail to produce the intended result.</p>
<p>Market Risk: The market value of a security will move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition, as well as overall market and economic conditions.</p>
<p>Mortgage-Related and Asset-Backed Securities Risk: In addition to the risks associated with investments in fixed-income securities generally (for example, credit, liquidity and valuation risk), mortgage-related and asset-backed securities are subject to the risks of the mortgages and assets underlying the securities as well as prepayment risk, the risk that the securities may be prepaid and result in the reinvestment of the prepaid amounts in securities with lower yields than the prepaid obligations. Conversely, there is a risk that an unexpected rise in interest rates will extend the life of a mortgage-related or asset-backed security beyond the expected prepayment time, typically reducing the security's value. The investor also may incur a loss when there is a prepayment of securities that were purchased at a premium. The investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.</p>
<p>Non Diversification Risk: Compared with other mutual funds, the Fund may invest a greater percentage of its assets in a particular issuer and may invest in fewer issuers. Therefore, the Fund may have more risk because changes in the value of a single security or the impact of a simple economic, political or regulatory occurrence may have a greater adverse impact on the Fund's net asset value.</p>
<p>Real Estate Risk: The real estate industry is particularly sensitive to economic downturns. Securities of companies in the real estate industry, including REITs, are sensitive to factors such as changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use and rents, and the management skill and creditworthiness of the issuer. Companies in the real estate industry may also be subject to liabilities under environmental and hazardous waste laws. In addition, the value of a REIT is affected by changes in the value of the properties owned by the REIT or securing mortgage loans held by the REIT. Many REITs are highly leveraged, increasing the risk. Your investment will indirectly bear its proportionate share of expenses, including management fees, paid by each REIT in which it invests.</p>
<p>Small-Cap and Mid-Cap Companies Risk: These companies are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Stocks of these companies often trade less frequently and in limited volume, and their prices may fluctuate more than stocks of larger companies. Stocks of small companies may therefore be more vulnerable to adverse developments than those of larger companies. Small-capitalization companies in foreign countries may be relatively smaller than those in the United States.</p>
<p>Valuation Risk: This is the risk that the Fund has valued certain securities at a higher price than the price at which they can be sold. This risk may be especially pronounced for investments that may be illiquid or which may become illiquid.</p>
<p>*Special Considerations Regarding Asia: The Asian countries in which this strategy may invest include countries in all stages of economic development. Many Asian economies are characterized by overextension of credit; frequent currency fluctuations, devaluations and restrictions; rising unemployment; rapid fluctuation in, among other things, inflation; reliance on exports; and less efficient markets. Currency devaluations in any one country in the region may have a significant effect on currencies and economies throughout the entire region. The legal systems in many Asian countries are still developing, making it more difficult to obtain and/or enforce judgments. Recently, the securities markets of many Asian countries have suffered significant downturns as well as significant volatility. Social, political and economic conditions in one Asian country could significantly affect the markets or economy of the entire region. Similarly, increased political and social unrest in some Asian countries could cause further economic and market uncertainty other Asian countries.</p>

Appendix 5
Managed Account Strategy List & Risk Description

Investment Strategy																
	Allocation Risk	Below Investment Grade Fixed Inc. Sec Risk	Credit Risk	Derivatives Risk	Emerging Markets Risk	Equity Securities Risk	Fixed Income Securities Risk	Foreign Securities Risk	Interest Rate Risk	Issuer Risk	Liquidity Risk	Management Risk	Market Risk	Mortgage Related and Asset-Backed Securities Risk	REITS Risk	Small Cap Companies Risk
Affiliated Investment Strategies																
AIA China ETF Strategy	X			X	X	X		X		X		X	X			X
AIA Dow Jones Select Dividend Strategy						X		X				X	X			
AIA Managed ETF Portfolio Conservative Strategy	X	X	X	X	X	X	X	X	X			X	X	X	X	X
AIA Managed ETF Portfolio Moderate Strategy	X	X	X	X	X	X	X	X	X			X	X	X	X	X
AIA Managed ETF Portfolio Aggressive Strategy	X		X	X	X	X	X	X	X			X	X	X	X	X
AIA Managed ETF Portfolio All Equity Strategy	X		X	X	X	X	X	X	X			X	X	X	X	X
AIA Managed ETF Portfolio Income-Conservative Strategy	X	X	X	X	X	X	X	X	X			X	X	X	X	X
AIA Managed ETF Portfolio Income-Aggressive Strategy	X	X	X	X	X	X	X	X	X			X	X	X	X	X
AIA S&P 400® Mid-Cap Strategy						X						X	X			
AIA S&P 500® Strategy						X						X	X			
AIA S&P 600® Small-Cap Index Strategy						X						X	X			X
AIA S&P 900® Strategy						X						X	X			X
AIA S&P 1500® Index Strategy						X						X	X			X
AIA S&P ADR/International Index Strategy					X	X		X				X	X			X
AIA S&P Global Index Strategy	X				X	X		X				X	X			X
AEW Diversified REIT Strategy						X						X	X			
ASG Adaptive Conservative ETF Portfolio Strategy	X	X	X		X	X		X	X			X	X	X		X
ASG Adaptive Growth ETF Portfolio Strategy	X	X	X		X	X		X	X			X	X	X		X
ASG Adaptive Moderate ETF Portfolio Strategy	X	X	X		X	X		X	X			X	X	X		X
HGI Developed Markets Value ADR Strategy						X		X				X	X			
HGI Emerging Markets Equity ADR Strategy					X	X		X				X	X			
HGI International Core ADR Strategy					X	X		X				X	X			
HGI International Growth ADR Strategy					X	X		X				X	X			
HGI International Value ADR Strategy					X	X		X				X	X			
Harris Large Cap Value Strategy						X		X				X	X			
Loomis Sayles Core Fixed Income Strategy		X	X	X			X		X	X		X	X	X		
Loomis Sayles Core Total Return Strategy		X	X	X			X		X	X	X	X	X	X		
Loomis Sayles Focused Research Core Strategy						X						X	X			
Loomis Sayles Focused Value Strategy						X						X	X			
Loomis Sayles Intermediate Fixed Income Strategy		X	X				X		X	X		X	X			
Loomis Sayles Large Cap Growth Strategy						X		X				X	X			

Loomis Sayles Large Cap Value Strategy					X							X	X		
Loomis Sayles Small Mid Core Strategy					X					X		X	X		
Natixis U.S. Equity Core Plus Strategy					X								X		X
VNIM Small Cap Value Strategy					X					X		X	X		X
VNIM Value Opportunity Strategy					X					X		X	X		X

Unaffiliated Investment Strategies															
Delafield Small/Mid Cap Value Strategy					X						X		X		X

Risk Descriptions

Risk is inherent in all investing. The value of your investment as well as the amount of return you receive on your investment may fluctuate significantly from day to day and over time. You may lose part or all of your investment or your investment may not perform as well as other similar investments. You should be prepared to bear the risk of loss, including through diversification. The following is a summary description of certain risks of investing.

Allocation Risk: Investment performance depends on how the strategy's assets are allocated. The allocation may not be optimal in every market condition. Investors could lose money on their investment in the strategy as a result of such allocation.

Below Investment-Grade Fixed-Income Securities Risk: Investments in below investment-grade fixed income securities, also known as "junk bonds," may be subject to greater risks than other fixed-income securities, including being subject to greater levels of interest rate risk, credit risk (including a greater risk of default) and liquidity risk. The ability of the issuer to make principal and interest payments is predominantly speculative for below investment-grade fixed-income securities.

Credit Risk: Credit risk is the risk that the issuer or the guarantor of a fixed-income security, or the counterparty to a derivatives or other transaction, will be unable or unwilling to make timely payments of interest or principal or to otherwise honor its obligations. Below investment-grade fixed-income securities are considered predominantly speculative with respect to the ability of the issuer to make timely principal and interest payments.

Derivatives Risk: Derivatives are subject to changes in the value of the underlying asset or indices on which such transactions are based. There is no guarantee that the use of derivatives will be effective or that suitable transactions will be available. Even a small investment in derivatives may give rise to leverage risk and can have a significant impact on the investment's exposure to securities markets values, interest rates or currency exchange rates. It is possible that the investment's liquid assets may be insufficient to support obligations under derivatives positions. The use of derivatives for other than hedging purposes may be considered a speculative activity, and involves greater risks than are involved in hedging. The use of derivatives such as forward currency contracts, structured notes, futures transactions and swap transactions involves other risks, such as the credit risk relating to the other party to a derivative contract (which is greater for forward currency contracts, swaps and other over-the-counter traded derivatives), the risk of difficulties in pricing and valuation, the risk that changes in the value of a derivative may not correlate perfectly with relevant assets, rates or indices, liquidity risk, allocation risk and the risk of losing more than the initial margin required to initiate derivatives positions. There is also the risk that the investment manager may be unable to terminate or sell a derivatives position at an advantageous time or price. Moreover, there can be no assurance that the derivative counterparties will not experience financial difficulties, possibly resulting in losses to the investor.

Emerging Markets Risk: Investing in emerging markets companies, which may be smaller and have shorter operating histories than companies in developed markets, involves risks in addition to, and greater than, those generally associated with investing in developed foreign markets. The extent of economic development, political stability, market depth, infrastructure, capitalization and regulatory oversight in emerging market economies is generally less than in more developed markets.

Equity Securities Risk: The value of investments in equity securities could be subject to the risks of unpredictable declines in the value of individual securities and periods of below-average performance in individual securities or in the equity market as a whole. Equity securities may include common stocks, preferred stocks, warrants, securities convertible into common or preferred stocks and other equity-like interests in an entity. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of the issuer's bonds and preferred stock generally take precedence over the claims of those who own common stock. Equity securities may take the form of stock in corporations, REITs or other trusts and other similar securities.

Fixed-Income Securities Risk: Fixed-income securities are subject to credit risk, interest rate risk and liquidity risk. Generally, the value of fixed income securities rises when prevailing interest rates fall and falls when interest rates rise. You may lose money on your investment due to unpredictable drops in a security's value or periods of below-average performance in a given security or in the securities market as a whole. In addition, an economic downturn or period of rising interest rates could adversely affect the market of these securities and reduce the investment manager's ability to sell them. Below investment-grade fixed-income securities may be subject to these risks to a greater extent than other fixed-income securities. These securities are considered predominantly speculative with respect to the issuer's continuing ability to make principal and interest payments. Rule 144A securities and structured notes may be more illiquid than other fixed-income securities.

Foreign Securities Risk: Investments in foreign securities are subject to foreign currency fluctuations. Foreign securities may be subject to higher volatility than U.S. securities, varying degrees of regulation and limited liquidity. Greater political, economic, credit and information risks are also associated with foreign securities.

Interest Rate Risk: Changes in interest rates may cause the value of investments to decrease. Generally, the value of fixed-income securities rises when prevailing interest rates fall and falls when interest rates rise. A period of low interest rates may cause your investment to have a low or negative yield, potentially reducing the value of your investment.

Issuer Risk: The value of investments may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the investment manager from selling these illiquid

<p>securities at an advantageous price or at the time desired. A lack of liquidity may also cause the value of investments to decline. Illiquid investments may also be difficult to value. Investments in foreign securities tend to have greater exposure to liquidity risk than domestic securities.</p>
<p>Management Risk: A strategy used by the investment manager may fail to produce the intended result.</p>
<p>Market Risk: The market value of a security will move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition, as well as overall market and economic conditions.</p>
<p>Mortgage-Related and Asset-Backed Securities Risk: In addition to the risks associated with investments in fixed-income securities generally (for example, credit, liquidity and valuation risk), mortgage-related and asset-backed securities are subject to the risks of the mortgages and assets underlying the securities as well as prepayment risk, the risk that the securities may be prepaid and result in the reinvestment of the prepaid amounts in securities with lower yields than the prepaid obligations. Conversely, there is a risk that an unexpected rise in interest rates will extend the life of a mortgage-related or asset-backed security beyond the expected prepayment time, typically reducing the security's value. The investor also may incur a loss when there is a prepayment of securities that were purchased at a premium. The investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.</p>
<p>Real Estate Risk: The real estate industry is particularly sensitive to economic downturns. Securities of companies in the real estate industry, including REITs, are sensitive to factors such as changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use and rents, and the management skill and creditworthiness of the issuer. Companies in the real estate industry may also be subject to liabilities under environmental and hazardous waste laws. In addition, the value of a REIT is affected by changes in the value of the properties owned by the REIT or securing mortgage loans held by the REIT. Many REITs are highly leveraged, increasing the risk. Your investment will indirectly bear its proportionate share of expenses, including management fees, paid by each REIT in which it invests.</p>
<p>Small-Cap Companies Risk: These companies are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Stocks of these companies often trade less frequently and in limited volume, and their prices may fluctuate more than stocks of larger companies. Stocks of small companies may therefore be more vulnerable to adverse developments than those of larger companies. Small-capitalization companies in foreign countries may be relatively smaller than those in the United States.</p>

Appendix 6

Bundled, Unbundled, Model Portfolio & Overlay Program Participation

Bundled Programs

Brinker Capital, Inc.
Charles Schwab & Co., Inc.
Citigroup Global Markets, Inc.
Envestnet Asset Management, Inc.
FundQuest Incorporated
Goldman, Sachs & Co.
JP Morgan Clearing Corp.
Linsco Financial Services
Lockwood Advisors, Inc.
Lockwood Financial Services, Inc.
Lockwood Financial Services, Inc./Credit Suisse Securities (USA) LLC
Morgan Stanley DW Inc.
Raymond James & Associates, Inc.
RBC Dain Rauscher Incorporated
UBS Financial Services, Inc.
Wells Fargo Advisors, LLC
Wells Fargo Bank, N.A.
Wells Fargo Investments, LLC

Unbundled Programs

Bear Stearns Securities Corp.
Callan Associates, Inc.
Charles Schwab & Company, Inc.
Citigroup Global Markets, Inc.
Fidelity Investments Institutional Brokerage Group
Merrill Lynch Pierce Fenner & Smith, Inc.
Morgan Stanley DW Inc.
UBS Financial Services, Inc.
Wachovia Corporation

Model Portfolio Programs

Callan Associates, Inc.
Cathay United Bank
FDx Advisors, Inc.
Fortigent, LLC
Linsco Financial Services
Managed Account Advisors, LLC (Merrill Lynch Pierce Fenner & Smith, Inc.)
Parametric Portfolio Associates LLC
Pitcairn Trust Company
Raymond James & Associates, Inc.
RBC Dain Rauscher Incorporated

Overlay Portfolio Management Programs

Brinker Capital, Inc.
Callan Associates, Inc.
Credit Suisse Securities (USA) LLC
Edward D. Jones & Co., L.P.
FundQuest Incorporated



Firm Brochure
Part 2B

**NGAM Advisors, L.P. (“NGAM Advisors”)
Managed Portfolio Advisors, a division of NGAM Advisors (“MPA”)
Active Investment Advisors, a division of NGAM Advisors (“AIA”)**

Boston Office

399 Boylston Street
Boston, MA 02116
Phone: 617-449-2813
Fax: 617-369-9794

Oakland Office

1999 Harrison Street
Oakland, CA 94612
Phone: 617-449-2813
Fax: 617-369-9794

www.ngam.natixis.com

This brochure provides information about the qualifications and business practices of NGAM Advisors. If you have any questions about the contents of this brochure, please contact us at: 617-449-2813, or by email at: ADVOPS@ngam.natixis.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about NGAM Advisors is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration does not imply any particular level of skill or training has been met by NGAM Advisors or its personnel.

March 30, 2012

Curt Overway, CFA

Supervised Person's name and business address:

Curt Overway
Managed Portfolio Advisors
1999 Harrison Street, Suite 1300
Oakland, CA 94612
Phone: 510-285-4901
Fax: 617-425-9031

The date of this brochure supplement is March 30, 2012. This brochure supplement provides information about Curt Overway that supplements the NGAM Advisors brochure. You should have received a copy of that brochure. Please contact ADVOPS@ngam.natixis.com if you did not receive NGAM Advisors' brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Year of Birth: 1962

Formal Education After High School

University of Michigan, B.S. Industrial & Operations Engineering 1984
University of California at Berkeley, MBA 1994
Chartered Financial Analyst 1999
University of London, MS Development Finance 2009

Business Background For Preceding Five Years

President of Active Investment Advisors since 2006
President of Managed Portfolio Advisors since 2005
Formerly SVP of IXIS Asset Management Advisors, L.P. ("IXIS-AMA") and IXIS Asset Management Distributors, L.P. ("IXIS-AMD") 2003-2005

NGAM Advisors does not have specific educational or business requirements for personnel providing investment advice to managed account clients, but does generally require that its personnel have an undergraduate degree in business, accounting, finance or related areas, or equivalent investment advisory experience.

Disciplinary Information

Not applicable.

Other Business Activities

Not applicable.

Additional Compensation

Not applicable.

Supervision

NGAM Advisors supervises Curt Overway and monitors the advice Curt Overway provides to his clients through regular reviews of client trading and positions for adherence to NGAM Advisors' stated guidelines. The name and contact information for the person responsible for supervising Curt Overway's advisory activities is: David Giunta, 617-449-2503.

Requirement for State-Registered Advisers

Not applicable.

Professional Credentials

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Dan Price, CFA

Supervised Person's name and business address:

Dan Price
Managed Portfolio Advisors
1999 Harrison Street, Suite 1300
Oakland, CA 94612
Phone: 510-285-4904
Fax: 617-425-9113

The date of this brochure supplement is March 30, 2012. This brochure supplement provides information about Dan Price that supplements the NGAM Advisors brochure. You should have received a copy of that brochure. Please contact ADVOPS@ngam.natixis.com if you did not receive NGAM Advisors' brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Year of Birth: 1974

Formal Education After High School

Middlebury College, B.A. Biology 1996
Chartered Financial Analyst 2002

Business Background For Preceding Five Years

SVP and Portfolio Manager of NGAM Advisors since 2010
Formerly VP and Portfolio Manager of Natixis Asset Management Advisors, L.P. ("Natixis Advisors") since 2006-2010
Formerly Director of Charles Schwab & Co., Inc.'s Managed Account Research Center 2005-2006

NGAM Advisors does not have specific educational or business requirements for personnel providing investment advice to managed account clients, but does generally require that its personnel have an undergraduate degree in business, accounting, finance or related areas, or equivalent investment advisory experience.

Disciplinary Information

Not applicable.

Other Business Activities

Not applicable.

Additional Compensation

Not applicable.

Supervision

NGAM Advisors supervises Dan Price and monitors the advice Dan Price provides to his clients through regular reviews of client trading and positions for adherence to NGAM Advisors' stated guidelines. The name and contact information for the person responsible for supervising Dan Price's advisory activities is: Curt Overway, 510-285-4901.

Requirement for State-Registered Advisers

Not applicable.

Professional Credentials

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Jim Marquis

Supervised Person's name and business address:

Jim Marquis
Managed Portfolio Advisors
1999 Harrison Street, Suite 1300
Oakland, CA 94612
Phone: 510-285-4906
Fax: 617-425-9023

The date of this brochure supplement is March 30, 2012. This brochure supplement provides information about Jim Marquis that supplements the NGAM Advisors brochure. You should have received a copy of that brochure. Please contact ADVOPS@ngam.natixis.com if you did not receive NGAM Advisors' brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Year of Birth: 1960

Formal Education After High School

California State University Fresno- B.S. Electrical Engineering 1989
St. Mary's College of California, MBA 1993
University of California at Berkeley, MS Financial Engineering 2003

Business Background For Preceding Five Years

VP and Portfolio Manager of NGAM Advisors since 2008
Formerly VP, Wells Fargo Home Equity Capital Markets Group 2005-2008

NGAM Advisors does not have specific educational or business requirements for personnel providing investment advice to managed account clients, but does generally require that its personnel have an undergraduate degree in business, accounting, finance or related areas, or equivalent investment advisory experience.

Disciplinary Information

Not applicable.

Other Business Activities

Not applicable.

Additional Compensation

Not applicable.

Supervision

NGAM Advisors supervises Jim Marquis and monitors the advice Jim Marquis provides to his clients through regular reviews of client trading and positions for adherence to NGAM Advisors' stated guidelines. The name and contact information for the person responsible for supervising Jim Marquis' advisory activities is: Curt Overway, 510-285-4901.

Requirement for State-Registered Advisers

Not applicable.

Professional Credentials

Not applicable.

Peter Klos, CFA

Supervised Person's name and business address:

Peter Klos
Managed Portfolio Advisors
1999 Harrison Street, Suite 1300
Oakland, CA 94612
Phone: 510-285-4905
Fax: 510-285-4997

The date of this brochure supplement is March 30, 2012. This brochure supplement provides information about Peter Klos that supplements the NGAM Advisors brochure. You should have received a copy of that brochure. Please contact ADVOPS@ngam.natixis.com if you did not receive NGAM Advisors' brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Year of Birth: 1978

Formal Education After High School

Villanova University – B.A. Finance w/ Minor in History 2000
Chartered Financial Analyst 2007

Business Background For Preceding Five Years

VP, Portfolio Manager of NGAM Advisors since 2012
Formerly AVP and Portfolio Manager of NGAM Advisors since 2010
Formerly Associate Portfolio Manager at Natixis Advisors 2008-2010
Formerly Portfolio Associate at Natixis Advisors 2006-2008
Formerly Client Service Associate of Natixis Advisors 2004-2006

NGAM Advisors does not have specific educational or business requirements for personnel providing investment advice to managed account clients, but does generally require that its personnel have an undergraduate degree in business, accounting, finance or related areas, or equivalent investment advisory experience.

Disciplinary Information

Not applicable.

Other Business Activities

Not applicable.

Additional Compensation

Not applicable.

Supervision

NGAM Advisors supervises Peter Klos and monitors the advice Peter Klos provides to his clients through regular reviews of client trading and positions for adherence to NGAM Advisors' stated guidelines. The name and contact information for the person responsible for supervising Peter Klos' advisory activities is: Dan Price, 510-285-4904.

Requirement for State-Registered Advisers

Not applicable.

Professional Credentials

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Kevin MaedaSupervised Person's name and business address:

Kevin Maeda
Active Investment Advisors
1999 Harrison Street, Suite 1300
Oakland, CA 94612
Phone: 510-285-4930
Fax: 617-425-9146

The date of this brochure supplement is March 30, 2012. This brochure supplement provides information about Kevin Maeda that supplements the NGAM Advisors brochure. You should have received a copy of that brochure. Please contact ADVOPS@ngam.natixis.com if you did not receive NGAM Advisors' brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience**Year of Birth: 1972****Formal Education After High School**

University of California, Los Angeles, MBA 2001
University of California, Berkeley, B.S. Industrial Engineering & Operations Research 1994

Business Background For Preceding Five Years

Chief Investment Officer ("CIO") of Active Investment Advisors since 2006
Senior Portfolio Manager and Director of Product Management of Active Investment Advisors 2004-2006

NGAM Advisors does not have specific educational or business requirements for personnel providing investment advice to managed account clients, but does generally require that its personnel have an undergraduate degree in business, accounting, finance or related areas, or equivalent investment advisory experience.

Disciplinary Information

Not applicable.

Other Business Activities

Not applicable.

Additional Compensation

Not applicable.

Supervision

NGAM Advisors supervises Kevin Maeda and monitors the advice Kevin Maeda provides to his clients through regular reviews of client trading and positions for adherence to NGAM Advisors' stated guidelines. The name and contact information for the person responsible for supervising Kevin Maeda's advisory activities is: Curt Overway, 510-285-4901.

Requirement for State-Registered Advisers

Not applicable.

Professional Credentials

Not applicable.

Serena Stone, CFA

Supervised Person's name and business address:

Serena Stone
Active Investment Advisors
1999 Harrison Street, Suite 1300
Oakland, CA 94612
Phone: 510-285-4931
Fax: 510-285-4996

The date of this brochure supplement is March 30, 2012. This brochure supplement provides information about Serena Stone that supplements the NGAM Advisors brochure. You should have received a copy of that brochure. Please contact ADVOPS@ngam.natixis.com if you did not receive NGAM Advisors' brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Year of Birth: 1976

Formal Education After High School

University of California, Los Angeles- B.S. Physiological Science 1998
Chartered Financial Analyst 2003

Business Background For Preceding Five Years

AVP and Portfolio Manager of Active Investment Advisors since 2009
Associate Portfolio Manager at Active Investment Advisors 2005-2009
Formerly Portfolio Associate at Morgan & Co 2004-2005

NGAM Advisors does not have specific educational or business requirements for personnel providing investment advice to managed account clients, but does generally require that its personnel have an undergraduate degree in business, accounting, finance or related areas, or equivalent investment advisory experience.

Disciplinary Information

Not applicable.

Other Business Activities

Not applicable.

Additional Compensation

Not applicable.

Supervision

NGAM Advisors supervises Serena Stone and monitors the advice Serena Stone provides to her clients through regular reviews of client trading and positions for adherence to NGAM Advisors' stated guidelines. The name and contact information for the person responsible for supervising Serena Stone's advisory activities is: Kevin Maeda, 510-285-4930.

Requirement for State-Registered Advisers

Not applicable.

Professional Credentials

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.



NGAM Advisors, L.P.

Privacy Notice

For purposes of this notice, the term “we” includes NGAM Advisors, L.P., and its internal divisions and advisory affiliates.

Notice of Privacy Policies and Practices

We consider client relationships to be the hallmark of our business and are dedicated to protecting the confidentiality of any nonpublic personal information provided by our customers. We understand the trust that our customers place in us and are committed to earning that trust well into the future.

Types of Information Gathered

We collect personal information on applications, forms, documents, transaction histories and correspondence (electronic, written and telephonic) with customers. Through our websites we gather information about visitors and their needs submitted through answers to surveys, data input to calculators, and information entered onto forms. This information includes but is not limited to name, postal address, e-mail address, and Social Security number. Much of the data collected is statistical in nature and is not generally attributable to any specific customer.

How We Use the Information

We use the information gathered to service your account and to provide you with additional information about products and services. We do not disclose any nonpublic information about current or former customers to any unaffiliated third party except as permitted by law, or at the specific request of the customer. The information we collect, as described above, may be shared with our corporate affiliates in the financial services industry in order to enhance and improve customer communications, services, and products designed to meet our customers’ needs. We may disclose some or all of the above information to affiliated and unaffiliated companies that perform marketing and other services (such as preparing and mailing reports and account statements and conducting research on client satisfaction on our or our clients’ behalf) or to other financial institutions with whom we have joint marketing agreements. These parties that are not affiliated with us have agreed not to use this information for any other purpose.

Policies and Practices to Protect Confidential Information

Only those employees that have a business need for personally identifiable data about our customers are given access to that information. We maintain physical, electronic and procedural safeguards that comply with federal standards to protect your nonpublic personal information. For example, we take precautions to help keep our information systems secure, including the use of firewalls for our Internet-based systems. We also use, when appropriate, encryption technologies, user authentication systems, and access control mechanisms.

If you should have further questions, please email us at ADVOPS@ngam.natixis.com or call 617-449-2813.

Natixis Global Asset Management consists of Natixis Global Asset Management, S.A., NGAM Distribution, L.P., NGAM Advisors, L.P., NGAM International, LLC, NGAM, S.A., and NGAM, S.A.’s business development units across the globe, each of which is an affiliate of Natixis Global Asset Management, S.A. Natixis Distributors, L.P. and NGAM Advisors, L.P. are located at 399 Boylston Street, Boston, MA 02116. Managed Portfolio Advisors and Active Investment Advisors are divisions of NGAM Advisors, L.P. and located at 1999 Harrison Street, Suite 1300, Oakland, CA 94612.