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Natixis Funds Trust III

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Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-07345

Natixis Funds Trust III

(Exact name of Registrant as specified in charter)

399 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Coleen Downs Dinneen, Esq.
Natixis Distributors, L.P.
399 Boylston Street
Boston, Massachusetts 02116

(Name and address of agent for service)

Registrant' s telephone number, including area code: (617) 449-2810

Date of fiscal year end: December 31

Date of reporting period: June 30, 2008

Item 1. Reports to Stockholders.

The Registrant' s semi-annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

DIVERSIFIED PORTFOLIOS

SEMIANNUAL REPORT

June 30, 2008

Natixis Income Diversified Portfolio

Active Dividend Equity Discipline
AEW Diversified REIT Discipline
Loomis Sayles Inflation Protected Securities Discipline
Loomis Sayles Multi-Sector Bond Discipline

Natixis Moderate Diversified Portfolio

Active International Discipline
Dreman Mid Cap Value Discipline
Harris Associates Large Cap Value Discipline
Loomis Sayles Core Fixed Income Discipline
Loomis Sayles Large Cap Growth Discipline

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NATIXIS INCOME DIVERSIFIED PORTFOLIO

PORTFOLIO PROFILE

Objective:

Seeks current income with a secondary objective of capital appreciation

Strategy:

Focuses on fixed-income and equity securities through a diversified portfolio of complementary income-producing investment disciplines from specialized money managers

Inception Date:

November 17, 2005

Subadvisors:

AEW Management and Advisors, L.P.

Loomis, Sayles & Company, L.P.

Symbols:

Class A	*IIDPX*
Class C	*CIDPX*

What You Should Know:

One segment of this fund invests in dividend-paying equity securities that can fall out of favor and underperform growth stocks during certain market conditions. One segment of the fund invests in real estate investment trusts (REITs), which are subject to default and prepayment risks, fluctuating property values and changes in interest rates. Two of the fund's segments invest in different types of fixed-income securities that decline in value as interest rates rise. The U.S. government guarantees the timely payment of principal and interest on some of these securities, but the value of fund shares is not guaranteed and will fluctuate. Lower-rated, high-yield securities are considered riskier than higher-quality securities because there is a greater risk of default. Foreign securities are subject to currency fluctuations, differing political and economic conditions and different accounting standards.

Management Discussion

During the first half of 2008, the fixed-income markets faced a steady stream of problems, including the crisis in the credit and housing markets, a slowing economy, rising inflation and mounting unemployment. In the first quarter, investors abandoned assets with even the slightest amount of risk, seeking relative safety in the Treasury market. Early in the second quarter the fixed-income markets stabilized and risk came back into the market. However, in June renewed concerns about credit-market insolvency, along with soaring energy and food prices, triggered another flight to quality.

Natixis Income Diversified Portfolio's four segments include **Active Dividend Equity Discipline**, an indexed portfolio of dividend-paying common stocks based on the Dow Jones Select Dividend Index, tracked by Active Investment Advisors (AIA), a division of Natixis Asset Management Advisors; **AEW Diversified REIT Discipline**, composed of Real Estate Investment Trusts (REITs), managed by AEW Management and Advisors, a specialist in this income-producing equity field; **Loomis Sayles Inflation Protected Securities Discipline**, a portfolio of Treasury Inflation-Protected Securities (TIPS), managed by Loomis Sayles; and **Loomis Sayles Multi-Sector Bond Discipline**, a diversified portfolio of domestic and foreign bonds.

For the six months ended June 30, 2008, the combined return of the fund’ s four segments was -5.29% based on the net asset value of Class A shares, including $0.26 in dividends and $0.10 in capital gains reinvested during the period. The fund’ s primary benchmark, the Lehman Aggregate Bond Index, returned 1.13% for the period, and the return on its secondary benchmark was -4.04%. The fund’ s secondary benchmark is an unmanaged, blended index composed of the following weights: 40% Lehman Aggregate Bond Index; 25% Morgan Stanley Capital International U.S. REIT Index; 20% Dow Jones Select Dividend Index; and 15% Lehman U.S. TIPS Index. The average return on the fund’ s Morningstar peer group, the Conservative Allocation category, was -3.92% for the period.

ACTIVE DIVIDEND EQUITY DISCIPLINE SHIFTED WITH ITS BENCHMARK

This segment fully replicates its benchmark, the Dow Jones Select Dividend Index, holding substantially all of the securities within the index in the same proportions. The benchmark is composed of equity securities that have paid a relatively high dividend yield consistently over time. It includes 100 of the highest dividend-yielding securities (other than REITs) in the Dow Jones Total Market Index – a broad-based index that represents the total market for U.S. equity securities.

As a fully replicating strategy, the segment is designed to mirror the index on a gross of fees basis. Investment management fees, trading costs, cash drag, corporate actions, the timing of index changes and shifting portfolio weightings all have an impact on how well the segment tracks the index. Normally, most security weightings are kept very close to the Index weightings.

Performance is highly sensitive to the financial sector, which accounts for nearly half the stocks in the Index. Difficulties in this sector during the past six months caused the segment and its Index to decline in value. During the six months ended June 30, 2008, 17 adjustments were made to the Index, most of which were made when companies failed to meet dividend requirements. These companies were replaced with higher-yielding entities. Two companies – **Total System Services** and **Philip Morris International** – had spin-offs that were not added to the Index so AIA eliminated them.

STOCK SELECTION, SECTOR ALLOCATION HELPED AEW DIVERSIFIED REIT DISCIPLINE

REITs were not immune to the confluence of problems that affected the broader stock market during the six-month period, including concerns about the health of the economy, soaring commodity costs, falling home prices and credit market difficulties. The U.S. REIT market fell 3.5% over the period, with performance largely driven by an 11% decline in June.

Both stock selection and sector allocation had a modestly positive impact on relative performance during the period. Investments in the industrial, hotel and healthcare sectors were positive, but this was partially offset by negative results in the apartment, triple net lease and shopping center areas. Individual REITs that contributed the most to performance included storage REIT **Public Storage**; **Liberty Property Trust**, an industrial REIT; and **Simon Property Group**, a regional mall REIT. The segment benefited from being overweight relative to the benchmark in the storage sector, which did well, and underweight in the triple net lease sector, which did poorly.

AEW expects volatility within the REIT sector to persist in the near-term, as investors cope with the slowing economy and difficulties in the housing and credit markets. In this environment, the segment will make incremental adjustments as values, prices and catalysts change.

LOOMIS SAYLES INFLATION PROTECTED SECURITIES DISCIPLINE OUTPERFORMED

For the first half of 2008, real yields on five- and 10-year TIPS declined as the yield curve steepened, reflecting concerns about the weak real estate market, rising commodity prices, a contraction in consumer spending and a general decline in economic growth. Because of its longer duration and some opportunistic adjustments, the TIPS Discipline outperformed its benchmark during the period.

The main driver of the segment’ s results was its focus on U.S. TIPS, which produced strong results as interest rates declined and the consumer price index (CPI) rose. Managing the fund’ s duration in response to interest-rate changes was also helpful. The Discipline’ s exposure to U.S. government agency securities, although much smaller than its concentration in TIPS, was disappointing. During the first quarter of 2008, agency spreads (the difference in yield between higher- and lower-quality issues) narrowed, along with spreads on most other debt securities. Spreads widened again in the second quarter, as concerns arose about the liquidity and capital requirements of government-sponsored enterprises, such as Fannie Mae and Freddie Mac.

If the U.S. economy rebounds in 2009, as Loomis Sayles’ economist forecasts, U.S. Treasury returns may be dampened, but return profiles for most other sectors could improve. However, Loomis believes a tough road lies ahead.

LOOMIS SAYLES MULTI-SECTOR BOND DISCIPLINE CAPITALIZED ON VOLATILITY

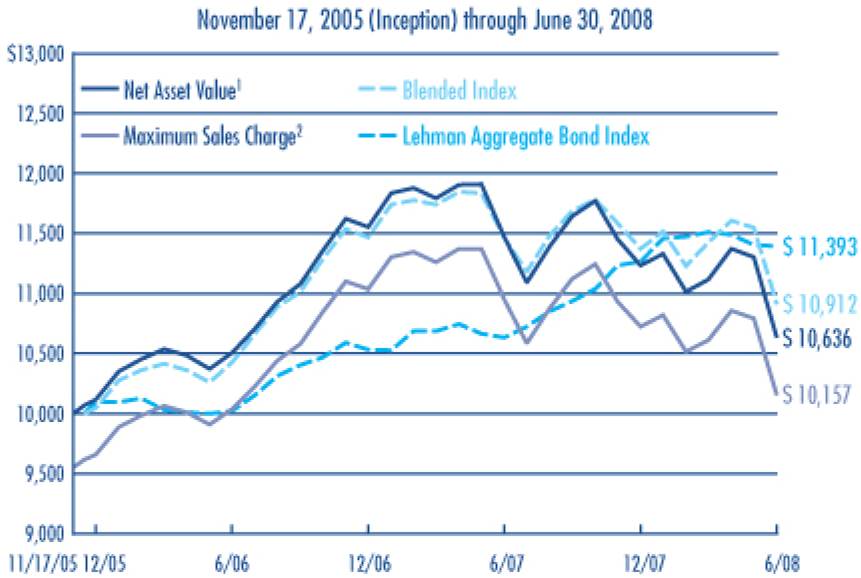
For the six months ended June 30, 2008, this Discipline faced an environment that generally favored safety over yield. During the first quarter, the deterioration of the housing market sparked a “flight to quality,” boosting Treasuries but holding back sectors with even the slightest amount of risk. The Federal Reserve Board aggressively cut interest rates early in the period in an effort to stimulate the economy and support the U.S. dollar. Loomis used this as an opportunity to invest in the corporate investment-grade and high-yield areas while they were out of favor, including select telecommunications and technology companies. As investors’ appetite for risk returned in April and May, the segment’ s long duration strategy performed well, primarily among long Treasuries and investment-grade corporate bonds. Specific convertible securities did especially well.

However, in June mortgage-related problems once again had a negative impact on the credit markets. The segment’ s agency holdings declined in value as concerns mounted that such government-backed enterprises as Fannie Mae and Freddie Mac would have to raise capital to compensate for declines in the value of their mortgage assets. Adding to the turmoil were rising commodity prices, which triggered concerns about the potential for accelerating inflation. Higher commodity prices were constructive for the segment’ s holdings in the strong currencies of Australia, Canada and Brazil. However, they were negative for the retail, airline, automotive and home-building sectors. They also had a negative impact on the performance of the segment’ s high-quality bonds denominated in the currencies of Mexico, Indonesia and South Korea.

PERFORMANCE IN PERSPECTIVE

The charts comparing the fund' s performance to an index provide a general sense of how it performed. The fund' s total return for the period shown below appears with and without sales charges and includes fund expenses and fees. An index measures the performance of a theoretical portfolio. Unlike a fund, an index is unmanaged and does not have expenses that affect the results. It is not possible to invest directly in an index. Investors would incur transaction costs and other expenses if they purchased the securities necessary to match the index.

Growth of a $10,000 Investment in Class A shares[5]



Average Annual Total Returns – June 30, 2008[5]

	6 MONTHS	1 YEAR	SINCE INCEPTION
Class A (Inception 11/17/05)			
Net Asset Value[1]	-5.29 %	-7.24 %	2.39 %
With Maximum Sales Charge[2]	-9.52	-11.41	0.61
Class C (Inception 11/17/05)			
Net Asset Value[1]	-5.65	-7.96	1.62

With CDSC[3]	-6.57	-8.82	1.62

COMPARATIVE PERFORMANCE	6 MONTHS	1 YEAR	SINCE INCEPTION[4]
Lehman Aggregate Bond Index	1.13 %	7.12 %	5.18 %
Blended Index	-4.04	-4.82	3.43
Morningstar Conservative Allocation Fund Avg.	-3.92	-2.51	3.50

All returns represent past performance and do not guarantee future results. Periods of less than one year are not annualized. Share price and return will vary, and you may have a gain or loss when you sell your shares. All results include reinvestment of dividends and capital gains. Current returns may be higher or lower than those noted. For performance current to the most recent month-end, visit www.funds.natixis.com.

The table and graph do not reflect taxes shareholders might owe on any fund distributions or when they redeem their shares.

PORTFOLIO FACTS

	% of Net Assets as of	
FUND COMPOSITION	6/30/08	12/31/07
Common Stocks	37.9	40.3
Preferred Stocks	0.6	0.4
Bond and Notes	59.9	58.6
Short-Term Investments and Other	1.6	0.7
	% of Net Assets as of	
LARGEST HOLDINGS	6/30/08	12/31/07
Equities		
Simon Property Group, Inc.	2.1	1.9
Equity Residential	1.3	1.1

Boston Properties, Inc.	1.3	1.3
Public Storage, Inc.	1.2	1.0
Vornado Realty Trust	1.1	1.0
Fixed-Income		
U.S. Treasury Bond, 3.375%, 4/15/2032	2.5	3.3
U.S. Treasury Note, 1.625%, 1/15/2015	1.4	1.0
HSBC Bank USA, 144A, Zero Coupon, 5/17/2012	1.3	0.9
Federal National Mortgage Association, 4.625%, 10/15/2013	1.2	–
Comcast Corp., 5.650%, 6/15/2035	1.2	1.0

	% of Net Assets as of	
FIVE LARGEST INDUSTRIES	6/30/08	12/31/07
Treasuries	15.3	16.8
Banking	7.7	8.9
Wirelines	4.6	3.2
REITs – Regional Malls	3.7	3.3
REITs – Apartments	3.4	3.0

Portfolio holdings and asset allocations will vary.

FUND EXPENSE RATIOS AS STATED IN THE MOST RECENT PROSPECTUS

Share Class	Gross Expense Ratio[6]	Net Expense Ratio[7]
A	1.10%	1.10%
C	1.85	1.85

NOTES TO CHARTS

See page 7 for a description of the indexes.

1 Does not include a sales charge.

2 Includes the maximum sales charge of 4.50%.

3 Class C share performance assumes a 1.00% contingent deferred sales charge (“CDSC”) applied when you sell shares within one year of purchase.

4 The since-inception comparative performance figures shown for Class A and C shares were calculated from 12/1/05.

5 Fund performance has been increased by expense reductions and reimbursements, without which performance would have been lower.

6 Before reductions and reimbursements.

7 After reductions and reimbursements. Expense reductions are contractual and are set to expire on 4/30/09.

NATIXIS MODERATE DIVERSIFIED PORTFOLIO

PORTFOLIO PROFILE

Objective:

Seeks long-term capital appreciation, with income as a secondary objective

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Strategy:

Combines equity and fixed-income investments through a diversified portfolio of complementary investment disciplines from specialized money managers. Equity disciplines feature U.S. growth and value as well as international investments. The fixed-income discipline focuses on U.S. investment-grade, fixed-income securities

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Inception Date:

July 15, 2004

Subadvisors:

Dreman Value Management, LLC
Harris Associates L.P.
Loomis, Sayles & Company, L.P.

Symbols:

Class A	*AMDPX*
Class C	*CMDPX*

What You Should Know:

Growth stocks focus on future expectations of a security. The fund may be exposed to greater volatility if the expectations are not met. Value stocks can fall out of favor and underperform growth stocks during certain market conditions. Foreign investments involve unique risks, such as currency fluctuations, differing political and economic conditions, and different accounting standards. Fixed-income securities are subject to credit risk, interest rate risk and liquidity risk. Lower-rated securities are considered riskier than investment-grade securities because there is a greater risk of default.

Management Discussion

The financial markets were turbulent during the first half of 2008, as investors grappled with slowing economic growth in the United States, rising inflation worldwide and turmoil in the financial system. In this environment, most stock indexes posted negative results for the period, while fixed-income indexes produced modest gains.

Natixis Moderate Diversified Portfolio combines five investment strategies, each focusing on a different asset class and managed by one of four firms. This multi-advisor approach provides shareholders with exposure to fixed-income, U.S. equity and international securities. **Active International Discipline** invests in stocks believed to be a representative sampling of the S&P ADR Index, tracked by Active Investment Advisors (AIA), a division of Natixis Asset Management Advisors, L.P. **Dreman Mid Cap Value Discipline** features mid-size companies that it believes are undervalued, but which appear to have good prospects for capital appreciation. **Harris Associates Large Cap Value Discipline** focuses on large- and mid-cap companies that it believes are trading at substantial discounts to their “true business value.” Loomis Sayles manages two segments. **Loomis Sayles Core Fixed Income Discipline** invests primarily in U.S. investment-grade, fixed-income securities, including government, corporate, mortgage- and asset-backed securities. **Loomis Sayles Large Cap Growth Discipline** emphasizes common stocks, convertible and other equity securities of larger companies.

For the six months ended June 30, 2008, Class A shares of Natixis Moderate Diversified Portfolio returned -8.86% at net asset value, with $0.10 in dividends and $0.17 in capital gains reinvested during the period. The portfolio held up better than its equity benchmark, the S&P 500 Index, which returned -11.91%, but did not do as well as its fixed-income benchmark, the Lehman Aggregate Bond Index, which was up 1.13%. The portfolio also underperformed the -7.02% average return on the funds in Morningstar's Moderate Allocation category.

THE ACTIVE INTERNATIONAL DISCIPLINE INVESTS IN LARGE, GLOBAL COMPANIES

AIA assumed responsibility for this Discipline at the beginning of August 2007. It uses a sampling approach based on the S&P ADR Index, a U.S.-dollar-denominated version of the broad-based S&P Global 1200, which represents 70% of the world's total market capitalization. The S&P ADR Index includes stocks of foreign companies that offer ADRs (American Depositary Receipts) – certificates that provide U.S. investors with a convenient way to invest in non-U.S. securities. This Discipline emphasizes the largest stocks in all representative sectors of the S&P ADR Index in roughly the same sector weights. As a result, the segment remains relatively compact, in terms of the number of stocks held, while representing the majority of market capitalization of the benchmark index.

During the first half of 2008, the S&P ADR Index declined, hindered by the slowdown in global markets. Financial stocks constitute the largest portion of the Index (almost 24%), followed by energy (about 21%). Financial stocks were among the weakest during the period, while energy stocks generally rose. Great Britain is the largest country in the Index, making up about 27%, followed by Canada with about 16%.

DREMAN MID CAP VALUE DISCIPLINE EMPHASIZED OUT-OF-FAVOR COMPANIES

Stocks in the consumer staples, energy, materials and telecommunication services sectors helped performance. However, the consumer discretionary, financial, and healthcare sectors detracted from results.

Among the worst performing stocks for the period were **CIT Group**, **Men's Wearhouse** and **HCC Insurance**. CIT Group, a commercial finance company, was hurt by the growing number of non-performing assets in the company's portfolio. To shore up its balance sheet, CIT raised capital by selling more shares, which diluted their value. Shares of specialty retailer Men's Wearhouse declined on weak same-store sales comparisons. HCC Insurance, a property/casualty insurer, declined after missing analysts' earnings estimates. All three stocks remain in the segment because Dreman believes they are undervalued in light of their positive outlook for these companies.

The segment' s top performers included **Yamana Gold**, a gold mining company that flourished as the price of gold rose on inflation concerns. **Chesapeake Energy** was also among the top three performers. An oil and natural gas exploration and production company, Chesapeake benefited from record-high oil prices. Dreman sold the stock on strength. Defense manufacturer **DRS Technologies** was another top performer for the period. DRS was acquired by an Italian company at a substantial premium.

Dreman believes investors may be overreacting to current economic news stories, and that this may create opportunities for value-oriented equity investors.

HARRIS ASSOCIATES LOOKED FOR BARGAINS AMONG LARGE-CAP COMPANIES

Careful stock selection and this segment' s lack of exposure to the underperforming telecommunications sector helped performance, although this edge was offset by the segment' s lack of exposure to energy stocks, which performed well. Harris Associates believes energy stocks are overpriced and that there are better investment opportunities elsewhere. **Motorola** and **Sun Microsystems** were the two worst performers and both stocks were sold. **Intel** also fell short of expectations, as the market reacted negatively to the company' s fourth-quarter earnings announcement. However, Harris Associates believes investors may have overreacted to Intel' s announcement and the stock remains in the segment. Largely because of the credit crisis, **Merrill Lynch** had a negative impact on return, but Harris Associates has confidence in the firm' s management team and it too remains in the portfolio.

The best-performing stocks for the period were **Union Pacific**, **Schering-Plough** and **Pulte Homes**. Union Pacific continues to report solid earnings, and Harris Associates believes a strong pricing environment, combined with an aggressive pursuit of operational improvements, should allow the company to expand margins. Research-based pharmaceutical company Schering-Plough beat analysts' earnings forecasts on almost all of its key products, and the firm' s gross margin was better than expected. Pulte Homes rebounded strongly early in the year, but the position was sold on strength as conditions in the housing market weakened.

LOOMIS SAYLES CORE FIXED-INCOME DISCIPLINE GRAPPLED WITH THE CREDIT CRISIS

Both sector allocation and individual security selection held back performance. Relative to its benchmark, this Discipline was underweight in government securities, which did especially well as insecure investors sought quality and liquidity. This underweight was the largest detractor from performance. Loomis chose to pursue attractive yields available from some higher-risk issues, including asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), and investment-grade corporate bonds. Bonds in the home equity ABS industry endured price declines as mortgage delinquencies mounted and market liquidity dried up. Other finance-related areas, such as brokers and finance companies, also did poorly on mortgage-related concerns.

The segment' s holdings in credit-card ABS were positive, and the position was increased as yields rose. U.S. Treasuries were the best performers, especially the position in a long-term STRIP, which was purchased in anticipation of a decline in interest rates. (A STRIP is a Treasury security that has its coupon and principal repayments separated into what effectively becomes a zero-coupon Treasury bond.) By the end of the period, this Discipline had added exposure to investment-grade corporate bonds, and ABS securities in the credit card and automotive areas. It had also reduced its holdings in mortgage-backed securities to take advantage of opportunities in other areas where yield spreads have widened because of a lack of liquidity.

LOOMIS LARGE CAP GROWTH DISCIPLINE FAVORED INDUSTRY LEADERS

Because of the volatility in the equity markets, this Discipline focused on stocks that Loomis believed could inspire confidence. The segment' s exposure to the financials sector was trimmed during the period as performance was held back by investments in various exchanges that dropped in value early in the year. These included **CME Group** (Chicago Mercantile Exchange), the world' s largest futures exchange; **Intercontinental Exchange**, which operates internet-based marketplaces that trade futures and over-the-counter energy and commodity contracts; and **NYMEX Holdings**, parent company of the New York Mercantile Exchange, the world' s largest physical commodities futures and options exchange. All three stocks were sold.

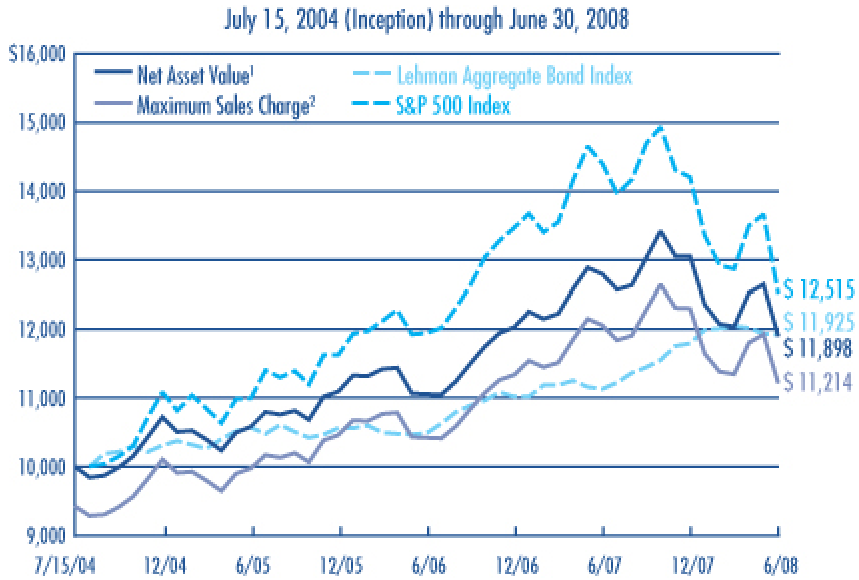
Poor stock selection in the technology sector detracted from results, as **Apple**, **Microsoft** and **MEMC Electronic Materials** all fell short of expectations. Microsoft and MEMC were sold. In the consumer discretionary sector, **Google** and **Amazon.com** also proved disappointing.

However, energy companies that benefited from rising crude oil prices were strongly positive. Top performers included **Southwestern Energy**, an integrated energy company; **XTO Energy**, an oil and gas producer; **Transocean**, an offshore drilling company; and **Flowserve Corporation**, a manufacturer of products used in the energy industry. Investments in the automotive and transportation area were also positive; railroad company **CSX' s** stock rose on earnings guidance that surpassed analysts' expectations. The company also announced that it would increase its dividend and its share buy-back program.

PERFORMANCE IN PERSPECTIVE

The charts comparing the fund' s performance to an index provide a general sense of how it performed. The fund' s total return for the period shown below appears with and without sales charges and includes fund expenses and fees. An index measures the performance of a theoretical portfolio. Unlike a fund, an index is unmanaged and does not have expenses that affect the results. It is not possible to invest directly in an index. Investors would incur transaction costs and other expenses if they purchased the securities necessary to match the index.

Growth of a $10,000 Investment in Class A Shares[5]



Average Annual Total Returns – June 30, 2008[5]

	6 MONTHS	1 YEAR	SINCE INCEPTION
CLASS A (Inception 7/15/04)			
Net Asset Value[1]	-8.86 %	-7.01 %	4.48 %
With Maximum Sales Charge[2]	-14.12	-12.33	2.93
CLASS C (Inception 7/15/04)			
Net Asset Value[1]	-9.24	-7.65	3.71

With CDSC[3]	-10.13	-8.47	3.71

COMPARATIVE PERFORMANCE	6 MONTHS	1 YEAR	SINCE INCEPTION[4]
S&P 500 Index	-11.91 %	-13.12 %	5.89 %
Lehman Aggregate Bond Index	1.13	7.12	4.60
Morningstar Moderate Allocation Fund Avg.	-7.02	-6.54	5.87

All returns represent past performance and do not guarantee future results. Periods of less than one year are not annualized. Share price and return will vary, and you may have a gain or loss when you sell your shares. All results include reinvestment of dividends and capital gains. Current returns may be higher or lower than those noted. For performance current to the most recent month-end, visit www.funds.natixis.com.

The table and graph do not reflect taxes shareholders might owe on any fund distributions or when they redeem their shares.

PORTFOLIO FACTS

	% of Net Assets as of	
FUND COMPOSITION	6/30/08	12/31/07
Common Stocks	62.8	63.0
Bonds and Notes	36.1	30.4
Short-Term Investments and Other	1.1	6.6

	% of Net Assets as of	
LARGEST HOLDINGS	6/30/08	12/31/07
Equities		
Intel Corp.	1.3	2.1
Dell, Inc.	1.1	0.8
McDonald' s Corp.	1.1	1.4

Hewlett-Packard Co.	1.0	1.4
Apple, Inc.	1.0	1.3
Fixed-Income		
FNMA, 5.000%, 7/01/2035	1.5	1.2
FNMA, 4.000%, 2/01/2020	1.4	1.1
FNMA, 5.000%, 8/01/2035	1.3	1.4
FHLMC, 4.500%, 6/01/2035	1.3	1.3
FNMA, 5.500%, 12/01/2035	1.2	1.0

	% of Net Assets as of	
FIVE LARGEST INDUSTRIES	6/30/08	12/31/07
Mortgage Related	17.0	18.5
Oil, Gas & Consumable Fuels	5.5	3.0
Capital Markets	5.5	4.6
Computers & Peripherals	4.4	4.4
Commercial MBS	3.4	3.0

Portfolio holdings and asset allocations will vary.

FUND EXPENSE RATIOS AS STATED IN THE MOST RECENT PROSPECTUS

Share Class	Gross Expense Ratio[6]	Net Expense Ratio[7]
A	1.34%	1.34%

C	2.08	2.08

NOTES TO CHARTS

See page 7 for a description of the indexes.

[1] Does not include a sales charge.

[2] Includes the maximum sales charge of 5.75%.

[3] Class C share performance assumes a 1.00% contingent deferred sales charge (“CDSC”) applied when you sell shares within one year of purchase.

[4] The since-inception comparative performance figures shown for Class A and C shares were calculated from 8/1/04.

[5] Fund performance has been increased by expense reductions and reimbursements, if any, without which performance would have been lower.

[6] Before reductions and reimbursements.

[7] After reductions and reimbursements. Expense reductions are contractual and are set to expire on 4/30/09.

The views expressed in this report reflect those of the portfolio managers as of the dates indicated. The managers' views are subject to change at any time without notice based on changes in market or other conditions. References to specific securities or industries should not be regarded as investment advice. Because the funds are actively managed, there is no assurance that they will continue to invest in the securities or industries mentioned.

For more complete information on any Natixis Fund, contact your financial professional or call Natixis Funds and ask for a free prospectus, which contains more complete information including charges and other ongoing expenses. Investors should consider a fund's objective, risks and expenses carefully before investing. This and other fund information can be found in the prospectus. Please read the prospectus carefully before investing.

INDEX/AVERAGE DESCRIPTIONS:

Blended Index is an unmanaged, blended index comprised of the following weights: 40% Lehman Aggregate Bond Index, 25% Morgan Stanley Capital International U.S. REIT Index, 20% Dow Jones Select Dividend Index, and 15% Lehman U.S. TIPS Index. The four indices comprising the Blended Index measure, respectively, the performance of investment grade fixed income securities, equity REIT securities, dividend-yielding equity securities, and Treasury inflation-protected securities. The weightings of the indices that comprise the Blended Index are rebalanced on a monthly basis to maintain the allocations as described above.

Lehman Aggregate Bond Index is an unmanaged index of investment-grade bonds with one- to ten-year maturities issued by the U.S. government, its agencies and U.S. corporations.

Morningstar Conservative Allocation Fund Average is the average performance without sales charges of funds with similar current investment objectives, as calculated by Morningstar, Inc.

Morningstar Moderate Allocation Fund Average is the average performance without sales charges of funds with similar current investment objectives, as calculated by Morningstar, Inc.

S&P 500 Index is an unmanaged index of U.S. common stocks.

PROXY VOTING INFORMATION

A description of the funds' proxy voting policies and procedures is available without charge, upon request, by calling Natixis Funds at 1-800-225-5478; on the funds' website at www.funds.natixis.com; and on the Securities and Exchange Commission's (SEC) website at www.sec.gov. Information regarding how the funds voted proxies relating to portfolio securities during the 12-month period ended June 30, 2008 is available from the funds' website and the SEC's website.

QUARTERLY PORTFOLIO SCHEDULES

The funds file a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The funds' Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

NOT FDIC INSURED	MAY LOSE VALUE	NO BANK GUARANTEE

UNDERSTANDING FUND EXPENSES

As a mutual fund shareholder, you incur different costs: transaction costs, including sales charges (loads) on purchases and certain exchange fees, and ongoing costs, including management fees, sales and distribution fees (12b-1 fees), and other fund expenses. In addition, each fund assesses a minimum balance fee of $20 on an annual basis for accounts that fall below the required minimum to establish an account. Certain exceptions may apply. These costs are described in more detail in the funds' prospectus. The examples below are intended to help you understand the ongoing costs of investing in the funds and help you compare these with the ongoing costs of investing in other mutual funds.

The first line in the table for each class of fund shares shows the actual account values and actual fund expenses you would have paid on a $1,000 investment in the fund from January 1, 2008 through June 30, 2008. To estimate the expenses you paid over the period, simply divide your account value by $1,000 (for example $8,600 account value divided by $1,000 = 8.6) and multiply the result by the number in the Expenses Paid During Period column as shown below for your class.

The second line in the table for each class of fund shares provides information about hypothetical account values and hypothetical expenses based on the fund' s actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the fund' s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid on your investment for the period. You may use this information to compare the ongoing costs of investing in the fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown reflect ongoing costs only, and do not include any transaction costs such as sales charges or exchange fees. Therefore, the second line in the table is useful in comparing ongoing costs only, and will not help you determine the relative costs of owning different funds. If transaction costs were included, total costs would be higher.

NATIXIS INCOME DIVERSIFIED PORTFOLIO	BEGINNING ACCOUNT VALUE 1/1/08	ENDING ACCOUNT VALUE 6/30/08	EXPENSES PAID DURING PERIOD* 1/1/08 – 6/30/08
CLASS A			
Actual	$1,000.00	$947.40	$5.18
Hypothetical (5% return before expenses)	$1,000.00	$1,019.54	$5.37
CLASS C			
Actual	$1,000.00	$943.70	$8.80
Hypothetical (5% return before expenses)	$1,000.00	$1,015.81	$9.12

* Expenses are equal to the Fund' s annualized expense ratio (after fee reduction/reimbursement): 1.07% and 1.82%, for Class A and Class C, respectively, multiplied by the average account value over the period multiplied by the number of days in the most recent fiscal half-year, divided by 366 (to reflect the half-year period).

NATIXIS MODERATE DIVERSIFIED PORTFOLIO	BEGINNING ACCOUNT VALUE 1/1/08	ENDING ACCOUNT VALUE 6/30/08	EXPENSES PAID DURING PERIOD* 1/1/08 – 6/30/08
CLASS A			
Actual	$1,000.00	$911.40	$6.27
Hypothetical (5% return before expenses)	$1,000.00	$1,018.30	$6.62
CLASS C			
Actual	$1,000.00	$907.60	$9.82
Hypothetical (5% return before expenses)	$1,000.00	$1,014.57	$10.37

* Expenses are equal to the Fund' s annualized expense ratio (after fee reduction/reimbursement): 1.32%, and 2.07% for Class A and C, respectively, multiplied by the average account value over the period multiplied by the number of days in the most recent fiscal half-year, divided by 366 (to reflect the half-year period).

BOARD APPROVAL OF THE EXISTING ADVISORY AND SUB-ADVISORY AGREEMENTS

The Board of Trustees, including the Independent Trustees, considers matters bearing on each Portfolio' s advisory and sub-advisory agreements (collectively, the "Agreements") at most of its meetings throughout the year. Each year, usually in the spring, the Contract Review and Governance Committee of the Board meets to review the Agreements to determine whether to recommend that the full Board approve the continuation of the Agreements, typically for an additional one-year period. After the Committee has made its recommendation, the full Board, including the Independent Trustees, determines whether to approve the continuation of the Agreements.

In connection with these meetings, the Trustees receive materials that the Portfolios' investment advisers believe to be reasonably necessary for the Trustees to evaluate the Agreements. These materials generally include, among other items, (i) information on the investment performance of the Portfolios and the performance of peer groups of funds and the Portfolios' performance benchmarks, (ii) information on the Portfolios' advisory and sub-advisory fees, if any, and other expenses, including information comparing the Portfolios' expenses to those of peer groups of funds and information about any applicable expense caps and fee "breakpoints," (iii) sales and redemption data in respect of the Portfolios, (iv) information about the profitability of the Agreements to the Portfolios' advisers and sub-advisers (collectively, the "Advisers"), and (v) information obtained through the completion of a questionnaire by the Advisers (the Trustees are consulted as to the information requested through that questionnaire). The Board of Trustees, including the Independent Trustees, also consider other matters such as (i) each Adviser' s financial results and financial condition, (ii) each Portfolio' s investment objective and strategies and the size, education and experience of the Advisers' respective investment staffs and their use of technology, external research and trading cost measurement tools, (iii) arrangements in respect of the distribution of the Portfolios' shares and the related costs, (iv) the procedures employed to determine the value of the Portfolios' assets, (v) the allocation of the Portfolios' brokerage, if any, including allocations to brokers affiliated with the Advisers and the use of "soft" commission dollars to pay Portfolio expenses and to pay for research and other similar services, (vi) the resources devoted to, and the record of compliance with, the Portfolios' investment policies and restrictions, policies on personal securities transactions and other compliance policies, and (vii) the general economic outlook with particular emphasis on the mutual fund industry. Throughout the process, the Trustees are afforded the opportunity to ask questions of and request additional materials from the Advisers.

In addition to the materials requested by the Trustees in connection with the annual consideration of the continuation of the Agreements, the Trustees receive materials in advance of each regular quarterly meeting of the Board of Trustees that provide detailed information about the Portfolios' investment performance and the fees charged to the Portfolios for advisory and other services. This information generally includes, among other things, an internal performance rating for each Portfolio (and segment, in the case of Portfolios managed by multiple sub-advisers) based on agreed-upon criteria, graphs showing performance and fee differentials against each Portfolio' s peer group, performance ratings provided by a third-party, total return information for various periods, and third-party performance rankings for various periods comparing a Portfolio against its peer group. The portfolio management team for each Portfolio makes periodic presentations to the Contract Review and Governance Committee and/or the full Board of Trustees, and Portfolios identified as presenting possible performance concerns may be subject to more frequent board presentations and reviews. In addition, each quarter the Trustees are provided with detailed statistical information about each Portfolio.

The Board of Trustees most recently approved the continuation of the Agreements at their meeting held in June, 2008. The Agreements were continued for a one-year period for all Portfolios. In considering whether to approve the continuation of the Agreements, the Board of Trustees, including the Independent Trustees, did not identify any single factor as determinative. Matters considered by the Trustees, including the Independent Trustees, in connection with their approval of the Agreements included the following:

The nature, extent and quality of the services provided to the Portfolios under the Agreements. The Trustees considered the nature, extent and quality of the services provided by the Advisers and their affiliates to the Portfolios and the resources dedicated to the Portfolios by the Advisers and their affiliates, including recent or planned investments by certain of the Advisers in additional personnel or other resources. They also took note of the competitive market for talented personnel, in particular, for personnel who have contributed to the generation of strong investment performance. They considered the need for the Advisers to offer competitive compensation in order to attract and retain capable personnel.

The Trustees considered not only the advisory services provided by the Advisers to the Portfolios, but also the monitoring and oversight services provided by Natixis Advisors with respect to sub-advised Portfolios and the Portfolios for which Natixis Advisors provides advisory oversight services. They also considered the administrative services provided by Natixis Advisors and its affiliates to the Portfolios.

For each Portfolio, the Trustees also considered the benefits to shareholders of investing in a mutual fund that is part of a family of funds that offers shareholders the right to exchange shares of one type of fund for shares of another type of fund, and provides a variety of fund and shareholder services.

After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding each of the Agreements, that the nature, extent and quality of services provided supported the renewal of the Agreements.

Investment performance of the Portfolios and the Advisers. As noted above, the Trustees received information about the performance of the Portfolios over various time periods, including information which compared the performance of the Portfolios to the performance of peer groups of funds and the Portfolios' respective performance benchmarks. In addition, the Trustees also reviewed data prepared by an independent third party which analyzed the performance of the Portfolios using a variety of performance metrics, including metrics which also measured the performance of the Portfolios on a risk adjusted basis.

With respect to each Portfolio, the Board concluded that the Portfolio's performance and other relevant factors supported the renewal of the Agreement(s) relating to that Portfolio. In the case of each Portfolio that had performance that lagged that of a relevant peer group for certain (although not necessarily all) periods, the Board concluded that other factors relevant to performance supported renewal of the Portfolios' Agreements. These factors varied from Portfolio to Portfolio, but included one or more of the following: (1) that the underperformance was attributable, to a significant extent, to investment decisions (such as security selection or sector allocation) by the Portfolio's Advisers that were reasonable and consistent with the Portfolio's investment objective and policies; (2) that the Natixis Income Diversified Portfolio's relative ranking in its category was largely a function of being compared with funds that have exposure to different types of investments than the Portfolio; and (3) that reductions in the Portfolio's expense levels resulting from decreased expenses and/or increased assets were not yet fully reflected in the Portfolio's performance results.

The Trustees also noted that the Natixis Income Diversified Portfolio was recently formed and therefore performance comparisons were unavailable or related to a time period that was too short for a comparison to be meaningful.

The Trustees also considered each Adviser's performance and reputation generally, the Portfolios' performance as a fund family generally (as noted by certain financial publications), and the historical responsiveness of the Advisers to Trustee concerns about performance and the willingness of the Advisers to take steps intended to improve performance.

After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding each of the Agreements, that the performance of the Portfolios and the Advisers supported the renewal of the Agreements.

The costs of the services to be provided and profits to be realized by the Advisers and their affiliates from their respective relationships with the Portfolios. The Trustees considered the fees charged to the Portfolios for advisory and sub-advisory services as well as the total expense levels of the Portfolios. This information included comparisons (provided both by management and also by an independent third party) of the Portfolios' advisory fees and total expense levels to those of their peer groups and information about the advisory fees charged by the Advisers to comparable accounts. In considering the fees charged to comparable accounts, the Trustees considered, among other things, management's representations about the differences between managing mutual funds as compared to other types of accounts, including the additional resources required to effectively manage mutual fund assets. In evaluating each Portfolio's advisory and sub-advisory fees, the Trustees also took into account the demands, complexity and quality of the investment management of such Portfolio. The Trustees considered that over the past several years, management had made recommendations regarding reductions in advisory fee rates, implementation of advisory fee breakpoints and the institution of advisory fee waivers and expense caps. They noted that the Portfolios currently have expense caps in place, and they considered the amounts waived or reimbursed by the Advisers under these caps.

The Trustees also considered the compensation directly or indirectly received by the Advisers and their affiliates from their relationships with the Portfolios. The Trustees reviewed information provided by management as to the profitability of the Advisers' and their affiliates' relationships with the Portfolios, and information about the allocation of expenses used to calculate profitability. They also reviewed information provided by management about the effect of distribution costs and Portfolio growth on Adviser profitability, including information regarding resources spent on distribution activities and the increase in net sales for the family of funds. When reviewing profitability, the Trustees also considered information about court cases in which adviser profitability was an issue, the performance of the relevant Portfolios, the expense levels of the Portfolios, and whether the Advisers had implemented breakpoints and/or expense caps with respect to such Portfolios.

After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding each of the Agreements, that the advisory fees charged to each of the Portfolios were fair and reasonable, and that the costs of these services generally and the related profitability of the Advisers and their affiliates in respect of their relationships with the Portfolios supported the renewal of the Agreements.

Economies of Scale. The Trustees considered the existence of any economies of scale in the provision of services by the Advisers and whether those economies are shared with the Portfolios through breakpoints in their investment advisory fees or other means, such as expense waivers. The Trustees noted that the Portfolios had breakpoints in their advisory fees were subject to expense caps. The Trustees also considered management' s representation that for certain Portfolios, the Portfolios' Advisers did not benefit from economies of scale in providing services to the Portfolios (because of the investment style of the Portfolio, the small size of the Portfolio or for other reasons) or were capacity constrained with respect to the relevant investment strategy. In considering these issues, the Trustees also took note of the costs of the services provided (both on an absolute and a relative basis) and the profitability to the Advisers and their affiliates of their relationships with the Portfolios, as discussed above.

After reviewing these and related factors, the Trustees considered, within the context of their overall conclusions regarding each of the Agreements, that the extent to which economies of scale were shared with the Portfolios supported the renewal of the Agreements.

The Trustees also considered other factors, which included but were not limited to the following:

- whether each Portfolio has operated in accordance with its investment objective and the Portfolio' s record of compliance with its investment restrictions, and the compliance programs of the Portfolios and the Advisers. They also considered the compliance-related resources the Advisers and their affiliates were providing to the Portfolios.

- the nature, quality, cost and extent of administrative and shareholder services performed by the Advisers and their affiliates, both under the Agreements and under separate agreements covering administrative services.

- so-called "fallout benefits" to the Advisers, such as the engagement of affiliates of the Advisers to provide distribution, administrative and brokerage services to the Portfolios, and the benefits of research made available to the Advisers by reason of brokerage commissions generated by the Portfolios' securities transactions. The Trustees also considered the fact that Natixis Advisors' parent company benefits from the retention of affiliated Advisers. The Trustees considered the possible conflicts of interest associated with these fallout and other benefits, and the reporting, disclosure and other processes in place to disclose and monitor such possible conflicts of interest.

Based on their evaluation of all factors that they deemed to be material, including those factors described above, and assisted by the advice of independent counsel, the Trustees, including the Independent Trustees, concluded that each of the existing advisory and sub-advisory agreements should be continued through June 30, 2009.

NATIXIS INCOME DIVERSIFIED PORTFOLIO – PORTFOLIO OF INVESTMENTS

Investments as of June 30, 2008 (Unaudited)

Shares	Description	Value (†)
Common Stocks – 37.9% of Net Assets		
	Auto Components – 0.1%	
5,179	Superior Industries International, Inc.(b)	$ 87,422
	Automotive – 0.1%	
5,450	General Motors Corp.(b)	62,675
	Banking – 4.4%	
6,677	Associated Bancorp(b)	128,799
5,164	Bank of Hawaii Corp.(b)	246,839
8,219	BB&T Corp.(b)	187,147
7,958	Colonial BancGroup, Inc.(b)	35,174
8,898	Comerica, Inc.(b)	228,056
9,327	F N B Corp.(b)	109,872
9,112	Fifth Third Bancorp(b)	92,760
5,877	First Bancorp(b)	37,260
13,263	First Horizon National Corp.(b)	98,544
6,530	First Midwest Bancorp, Inc.(b)	121,785
8,424	FirstMerit Corp.(b)	137,395
6,355	Frontier Financial Corp.(b)	54,145
7,609	Fulton Financial Corp.(b)	76,470
11,202	Huntington Bancshares, Inc.(b)	64,636
9,533	KeyCorp(b)	104,672
6,670	Marshall & Ilsley Corp.(b)	102,251
6,438	Pacific Capital Bancorp(b)	88,716
6,244	PacWest Bancorp	92,911
5,521	PNC Financial Services Group, Inc.	315,249
9,346	Popular, Inc.(b)	61,590
8,268	Provident Bankshares Corp.(b)	52,750
9,097	Regions Financial Corp.(b)	99,248
6,449	Suntrust Banks, Inc.(b)	233,583
5,259	Synovus Financial Corp.(b)	45,911
7,843	TCF Financial Corp.(b)	94,351
5,387	Trustmark Corp.(b)	95,081
7,262	U.S. Bancorp(b)	202,537
7,473	Umpqua Holdings Corp.(b)	90,648
6,040	UnionBanCal Corp.(b)	244,137
5,783	United Bankshares, Inc.(b)	132,720
6,842	Valley National Bancorp(b)	107,898
9,257	Wachovia Corp.(b)	143,761
6,207	Webster Financial Corp.(b)	115,450
5,825	Wells Fargo & Co.(b)	138,344
5,667	Wilmington Trust Corp.(b)	149,835
		4,330,525
	Building Products – 0.1%	
6,143	Masco Corp.(b)	96,629
	Chemicals – 1.0%	

5,696	Dow Chemical Co. (The)(b)	198,847
4,009	Eastman Chemical Co.(b)	276,060
4,298	PPG Industries, Inc.(b)	246,576
5,417	RPM International, Inc.(b)	111,590
3,687	Sensient Technologies Corp.(b)	103,826
		936,899
	Commercial Services & Supplies – **0.8%**	
4,659	Avery Dennison Corp.	204,670
4,747	Deluxe Corp.	84,592
5,255	Pitney Bowes, Inc.(b)	179,196
4,060	R. R. Donnelley & Sons Co.(b)	120,541
4,088	Waste Management, Inc.(b)	154,158
		743,157

Shares	Description	Value (†)
	Containers & Packaging – **0.1%**	
4,545	Sonoco Products Co.	$ 140,668
	Distributors – **0.2%**	
4,339	Genuine Parts Co.(b)	172,172
	Diversified Financial Services – **0.6%**	
8,789	Bank of America Corp.	209,793
10,204	Citigroup, Inc.	171,019
4,883	JPMorgan Chase & Co.	167,536
		548,348
	Diversified Telecommunication Services – **0.2%**	
4,932	AT&T, Inc.	166,159
	Electric Utilities – **1.2%**	
4,945	DPL, Inc.(b)	130,449
3,603	Entergy Corp.(b)	434,089
3,829	FirstEnergy Corp.	315,241
7,045	Pinnacle West Capital Corp.(b)	216,775
4,166	Unisource Energy Corp.(b)	129,188
		1,225,742
	Food Products – **0.3%**	
3,762	General Mills, Inc.(b)	228,617
3,702	Sara Lee Corp.	45,349
		273,966
	Gas Utilities – **0.7%**	
6,511	AGL Resources, Inc.	225,150
6,079	Nicor, Inc.(b)	258,905
4,583	Oneok, Inc.	223,788
		707,843
	Hotels, Restaurants & Leisure – **0.4%**	
10,500	Starwood Hotels & Resorts Worldwide, Inc.	420,735
	Household Durables – **0.2%**	
6,446	D.R. Horton, Inc.(b)	69,939
375	KB Home(b)	6,349
7,763	Leggett & Platt, Inc.(b)	130,185

		206,473
	Household Products – 0.3%	
4,441	Kimberly-Clark Corp.	265,483
	Insurance – 1.3%	
6,973	Arthur J Gallagher & Co.(b)	168,049
5,202	Cincinnati Financial Corp.(b)	132,131
4,119	Lincoln National Corp.	186,673
6,476	Mercury General Corp.(b)	302,559
6,160	Old Republic International Corp.(b)	72,934
5,810	Unitrin, Inc.(b)	160,182
6,992	Zenith National Insurance Corp.(b)	245,839
		1,268,367
	Leisure Equipment & Products – 0.1%	
5,551	Mattel, Inc.	95,033
	Machinery – 0.1%	
5,575	Briggs & Stratton Corp.(b)	70,691
	Media – 0.3%	
6,308	Gannett Co., Inc.(b)	136,694
7,645	Lee Enterprises, Inc.(b)	30,504
7,784	New York Times Co., Class A(b)	119,796
		286,994

See accompanying notes to financial statements.

Investments as of June 30, 2008 (Unaudited)

Shares	Description	Value (†)
	Multi Utilities – 1.1%	
4,696	Black Hills Corp.(b)	$ 150,554
5,323	Centerpoint Energy, Inc.	85,434
6,632	DTE Energy Co.(b)	281,462
6,429	Energy East Corp.	158,925
6,990	NiSource, Inc.(b)	125,261
6,114	PNM Resources, Inc.	73,123
5,932	SCANA Corp.(b)	219,484
		1,094,243
	Oil, Gas & Consumable Fuels – 0.4%	
3,588	Chevron Corp., ADR	355,678
	Paper & Forest Products – 0.1%	
4,350	Meadwestvaco Corp.(b)	103,704
	Pharmaceuticals – 0.6%	
5,789	Bristol-Myers Squibb Co.	118,848
4,561	Eli Lilly & Co.	210,536
3,705	Merck & Co., Inc.	139,642
7,071	Pfizer, Inc.	123,530
		592,556
	REITs – Apartments – 3.4%	
13,000	Apartment Investment & Management Co., Class A	442,780
9,000	AvalonBay Communities, Inc.(b)	802,440
13,100	Camden Property Trust(b)	579,806
34,100	Equity Residential(b)	1,305,007
7,600	UDR, Inc.(b)	170,088
		3,300,121
	REITs – Diversified – 1.4%	
12,400	BioMed Realty Trust, Inc.(b)	304,172
12,500	Vornado Realty Trust	1,100,000
		1,404,172
	REITs – Healthcare – 1.5%	
9,600	HCP, Inc.(b)	305,376
5,800	Healthcare Realty Trust, Inc.	137,866
19,500	Nationwide Health Properties, Inc.(b)	614,055
21,100	Omega Healthcare Investors, Inc.	351,315
		1,408,612
	REITs – Hotels – 0.9%	
22,000	Ashford Hospitality Trust(b)	101,640
2,100	Hospitality Properties Trust(b)	51,366
49,500	Host Hotels & Resorts, Inc.(b)	675,675
		828,681
	REITs – Industrial – 3.0%	
11,500	AMB Property Corp.	579,370
51,000	DCT Industrial Trust, Inc.(b)	422,280

13,400	First Potomac Realty Trust(b)	204,216
22,000	Liberty Property Trust	729,300
13,200	ProLogis(b)	717,420
4,500	PS Business Parks, Inc.	232,200
		2,884,786
	REITs – Office – 3.0%	
14,300	Boston Properties, Inc.(b)	1,290,146
17,000	Brandywine Realty Trust	267,920
11,500	Corporate Office Properties Trust(b)	394,795
4,000	Digital Realty Trust, Inc.(b)	163,640
12,900	Dupont Fabros Technology, Inc.(b)	240,456

Shares	Description	Value (†)
	REITs – Office – continued	
28,500	HRPT Properties Trust(b)	$192,945
8,800	Kilroy Realty Corp.(b)	413,864
		2,963,766
	REITs – Regional Malls – 3.7%	
13,500	General Growth Properties, Inc.(b)	472,905
11,700	Macerich Co. (The)(b)	726,921
22,500	Simon Property Group, Inc.	2,022,525
8,700	Taubman Centers, Inc.(b)	423,255
		3,645,606
	REITs – Shopping Centers – 2.8%	
20,800	Developers Diversified Realty Corp.(b)	721,968
9,500	Federal Realty Investment Trust(b)	655,500
11,000	Kimco Realty Corp.(b)	379,720
15,700	Kite Realty Group Trust(b)	196,250
12,700	Regency Centers Corp.(b)	750,824
		2,704,262
	REITs – Storage – 1.5%	
19,500	Extra Space Storage, Inc.(b)	299,520
14,500	Public Storage, Inc.(b)	1,171,455
		1,470,975
	REITs – Triple Net Lease – 0.3%	
11,600	iStar Financial, Inc.(b)	153,236
6,000	Realty Income Corp.(b)	136,560
		289,796
	Real Estate Operating Companies – 0.5%	
27,000	Brookfield Properties Corp.	480,330
	Thrifts & Mortgage Finance – 0.7%	
6,542	Astoria Financial Corp.(b)	131,363
7,500	Federal Home Loan Mortgage Corp.(b)	123,000
6,894	First Niagara Financial Group, Inc.(b)	88,657
8,415	New York Community Bancorp, Inc.(b)	150,124
4,719	People' s United Financial, Inc.(b)	73,617
5,893	Washington Federal, Inc.(b)	106,663
		673,424
	Tobacco – 0.3%	

5,670	Altria Group, Inc.	116,575
5,153	Universal Corp.(b)	233,019
		349,594
	Trading Companies & Distributors − 0.2%	
6,000	Watsco, Inc.(b)	250,800
	Total Common Stocks (Identified Cost $50,978,368)	36,907,087
Principal Amount (‡)		
Bonds and Notes − 59.9%		
	ABS Car Loan − 0.1%	
$ 100,000	ARG Funding Corp., 144A, 2.642%, 5/20/2011(c)	91,594
	ABS Credit Card − 0.1%	
100,000	American Express Credit Account Master Trust, 144A, 5.650%, 1/15/2014	95,945
	Aerospace & Defense − 0.3%	
115,000	Bombardier, Inc., 7.350%, 12/22/2026 (CAD)	106,945

See accompanying notes to financial statements.

Principal Amount (‡)	Description	Value (†)
	Aerospace & Defense – continued	
$200,000	Embraer Overseas Ltd., 6.375%, 1/24/2017	$195,000
		301,945
	Airlines – 0.9%	
1,547	Continental Airlines, Inc., Series 1999-1, Class C, 6.954%, 8/02/2009	1,452
1,026,321	United Air Lines, Inc., Series 2007-1, Class A, 6.636%, 7/02/2022	839,018
		840,470
	Automotive – 2.1%	
115,000	Cummings Engine, Inc., 7.125%, 3/01/2028(b)	109,118
30,000	Ford Motor Co., 6.375%, 2/01/2029	15,750
15,000	Ford Motor Co., 6.500%, 8/01/2018	8,700
1,805,000	Ford Motor Co., 6.625%, 10/01/2028(b)	965,675
725,000	Ford Motor Co., 7.450%, 7/16/2031(b)	422,313
40,000	Goodyear Tire & Rubber Co., 7.000%, 3/15/2028	33,400
480,000	Harley-Davidson Funding Corp., 144A, 6.800%, 6/15/2018	474,256
		2,029,212
	Banking – 3.3%	
275,000	Bank of America Corp., 5.750%, 12/01/2017	258,257
110,000,000	Barclays Financial LLC, 144A, 4.060%, 9/16/2010 (KRW)	105,946
300,000,000	Barclays Financial LLC, 144A, 4.470%, 12/04/2011 (KRW)	292,414
123,800,000	Barclays Financial LLC, 144A, 4.740%, 3/23/2009 (KRW)	119,510
90,000	Bear Stearns Cos., Inc. (The), 4.650%, 7/02/2018	75,777
90,000	Bear Stearns Cos., Inc. (The), 5.550%, 1/22/2017(b)	83,180
35,000	Citigroup, Inc., 5.000%, 9/15/2014	32,416
145,000	Citigroup, Inc., 5.500%, 2/15/2017	132,232

700,000	HSBC Bank PLC, 144A, Zero Coupon, 4/18/2012	198,935
437,254	HSBC Bank USA,144A, Zero Coupon, 11/28/2011	297,989
4,405,000	HSBC Bank USA, 144A, Zero Coupon, 5/17/2012	1,239,736
425,000	Wachovia Bank NA, 6.600%, 1/15/2038	370,341
		3,206,733
	Brokerage – 1.6%	
65,000	Goldman Sachs Group, Inc.(The), 5.625%, 1/15/2017	60,226
3,339,258,780	JPMorgan Chase & Co., 144A, Zero Coupon, 4/12/2012 (IDR)	229,909

Principal Amount (‡)	Description	Value (†)
	Brokerage – continued	
$ 160,000	Lehman Brothers Holdings, Inc., 5.750%, 1/03/2017	$141,195
175,000	Lehman Brothers Holdings, Inc., 6.000%, 5/03/2032(c)	133,795
255,000	Lehman Brothers Holdings, Inc., 6.875%, 7/17/2037	219,503
200,000	Merrill Lynch & Co., Inc., 6.110%, 1/29/2037	158,841
115,000	Merrill Lynch & Co., Inc., 6.400%, 8/28/2017	106,563
485,000	Merrill Lynch & Co., Inc., 6.875%, 4/25/2018	461,587
		1,511,619
	Building Materials – 0.7%	
170,000	Masco Corp., 5.850%, 3/15/2017	154,086
85,000	Owens Corning, Inc., 6.500%, 12/01/2016	77,391
525,000	USG Corp., 6.300%, 11/15/2016	422,625
		654,102
	Chemicals – 0.3%	
45,000	Borden, Inc., 7.875%, 2/15/2023	27,000
10,000	Borden, Inc., 8.375%, 4/15/2016	6,700
25,000	Borden, Inc., 9.200%, 3/15/2021	15,750
200,000	Hercules, Inc., Subordinated Note, 6.500%, 6/30/2029	162,000
55,000	Methanex Corp., Senior Note, 6.000%, 8/15/2015	51,173

		262,623
	Construction Machinery – **0.4%**	
380,000	Joy Global, Inc.,	
	6.625%, 11/15/2036	370,250
	Consumer Cyclical Services – **0.6%**	
245,000	Kar Holdings, Inc.,	
	10.000%, 5/01/2015	205,800
435,000	Western Union Co.,	
	6.200%, 11/17/2036	405,938
		611,738
	Consumer Products – **0.0%**	
20,000	Hasbro, Inc., Senior Debenture,	
	6.600%, 7/15/2028	18,677
	Electric – **0.3%**	
180,000	Ameren Energy Generating Co., 144A,	
	7.000%, 4/15/2018	180,251
20,000	NGC Corp. Capital Trust I, Series B,	
	8.316%, 6/01/2027	16,525
135,000	TXU Corp., Series Q,	
	6.500%, 11/15/2024	99,603
		296,379
	Entertainment – **1.2%**	
800,000	Time Warner, Inc.,	
	6.500%, 11/15/2036	712,159

See accompanying notes to financial statements.

Principal Amount (‡)	Description	Value (†)
	Entertainment – continued	
$425,000	Time Warner, Inc., 6.625%, 5/15/2029	$386,740
35,000	Time Warner, Inc., 6.950%, 1/15/2028	33,583
		1,132,482
	Food – 0.2%	
190,000	Kraft Foods, Inc., 6.500%, 11/01/2031	175,855
30,000	Sara Lee Corp., 6.125%, 11/01/2032	27,176
		203,031
	Government Guaranteed – 0.3%	
2,625,000	Kreditanstalt fuer Wiederaufbau, Series E, (MTN), 8.500%, 7/16/2010 (ZAR)	308,462
	Government Owned – No Guarantee – 0.3%	
320,000	DP World Ltd., 144A, 6.850%, 7/02/2037	274,583
	Government Sponsored – 0.2%	
200,000	Federal National Mortgage Association, 2.290%, 2/19/2009 (SGD)	147,483
	Healthcare – 2.6%	
655,000	Amgen, Inc., 6.375%, 6/01/2037	625,497
265,000	HCA, Inc., 6.375%, 1/15/2015	219,950
610,000	HCA, Inc., 6.500%, 2/15/2016(b)	507,825
25,000	HCA, Inc., 7.050%, 12/01/2027	18,932
5,000	HCA, Inc., 7.500%, 12/15/2023	4,066
460,000	HCA, Inc., 7.500%, 11/06/2033	354,200
135,000	HCA, Inc., 7.580%, 9/15/2025	109,498
310,000	HCA, Inc., 7.690%, 6/15/2025	253,508
30,000	HCA, Inc., 7.750%, 7/15/2036	23,725
20,000	HCA, Inc., 8.360%, 4/15/2024	17,023
345,000	Owens & Minor, Inc., 6.350%, 4/15/2016	338,855

Principal Amount (‡)	Description	Value (†)
110,000	UnitedHealth Group, Inc., 6.500%, 6/15/2037	100,309
		2,573,388
	Home Construction – 1.4%	
175,000	Centex Corp., 5.250%, 6/15/2015	138,250
50,000	DR Horton, Inc., Senior Note, 5.250%, 2/15/2015	39,750
25,000	DR Horton, Inc., 5.625%, 9/15/2014	20,250
30,000	DR Horton, Inc., Guaranteed Note, 5.625%, 1/15/2016	23,400

Principal Amount (‡)	Description	Value (†)
	Home Construction – continued	
$275,000	K. Hovnanian Enterprises, Inc., Senior Note, 6.250%, 1/15/2016	$170,500
25,000	K. Hovnanian Enterprises, Inc., Guaranteed Note, 6.375%, 12/15/2014	16,250
100,000	K. Hovnanian Enterprises, Inc., Guaranteed Note, 6.500%, 1/15/2014	65,000
20,000	K. Hovnanian Enterprises, Inc., 7.500%, 5/15/2016(b)	13,300
175,000	KB Home, Guaranteed Note, 5.875%, 1/15/2015	145,250
125,000	KB Home, Guaranteed Note, 6.250%, 6/15/2015	105,000
105,000	KB Home, Guaranteed Note, 7.250%, 6/15/2018	90,825
140,000	Lennar Corp., Series B, Guaranteed Note, 5.600%, 5/31/2015	102,375
10,000	Pulte Homes, Inc., 5.200%, 2/15/2015	8,150
80,000	Pulte Homes, Inc., 6.000%, 2/15/2035	62,400
470,000	Pulte Homes, Inc., 6.375%, 5/15/2033	364,250
25,000	Toll Brothers Financial Corp., 5.150%, 5/15/2015	21,650
		1,386,600
	Independent Energy – 0.5%	
410,000	Pioneer Natural Resources Co., 7.200%, 1/15/2028	361,975
50,000	Talisman Energy, Inc., 5.850%, 2/01/2037	43,080
120,000	Talisman Energy, Inc., 6.250%, 2/01/2038	110,306
		515,361
	Insurance – 0.5%	

55,000	Fund American Cos., Inc.,	
	5.875%, 5/15/2013	53,206
465,000	White Mountains RE Group, 144A,	
	6.375%, 3/20/2017	416,064
		469,270
	Lodging – 0.0%	
35,000	Royal Caribbean Cruises Ltd.,	
	7.500%, 10/15/2027(b)	28,175
	Media Cable – 1.3%	
1,370,000	Comcast Corp.,	
	5.650%, 6/15/2035	1,164,138
65,000	Comcast Corp.,	
	6.450%, 3/15/2037	60,495
80,000	Comcast Corp.,	
	6.500%, 11/15/2035	76,050
		1,300,683
	Media Non-Cable – 0.8%	
80,000	Intelsat Corp.,	
	6.875%, 1/15/2028	62,000
520,000	News America, Inc.,	
	6.200%, 12/15/2034	479,534

See accompanying notes to financial statements.

Principal Amount (‡)	Description	Value (†)
	Media Non-Cable – continued	
$125,000	News America, Inc., 6.400%, 12/15/2035	$118,290
270,000	Tribune Co., 5.250%, 8/15/2015(b)	107,325
		767,149
	Mining – 0.4%	
310,000	Newmont Mining Corp., 5.875%, 4/01/2035	265,323
185,000	Vale Overseas, Ltd., 6.875%, 11/21/2036	171,816
		437,139
	Mortgage Related – 1.2%	
1,150,000	FNMA, 4.625%, 10/15/2013	1,172,301
	Municipal – 0.0%	
50,000	Michigan Tobacco Settlement Finance Authority, Taxable Turbo Series A, 7.309%, 6/01/2034	45,779
	Non-Captive Consumer – 2.4%	
555,000	American General Finance Corp., 6.900%, 12/15/2017	483,719
20,000	Capital One Bank, 5.125%, 2/15/2014	19,444
325,000	Countrywide Financial Corp., 6.250%, 5/15/2016(b)	289,362
65,000	Ford Motor Credit Co., 5.700%, 1/15/2010	55,456
230,000	Ford Motor Credit Co., 8.000%, 12/15/2016	167,155
110,000,000	SLM Corp., (EMTN), 1.530%, 9/15/2011 (JPY)	808,540
85,000	SLM Corp., (MTN), 5.050%, 11/14/2014	72,190
87,000	SLM Corp., (MTN), 5.625%, 8/01/2033	65,507
70,000	SLM Corp., Series A, (MTN), 5.000%, 10/01/2013	60,526
90,000	SLM Corp., Series A, (MTN), 5.000%, 4/15/2015	76,155
25,000	SLM Corp., Series A, (MTN), 5.000%, 6/15/2018	19,092
10,000	SLM Corp., Series A, (MTN), 5.375%, 5/15/2014	8,785

165,000	SLM Corp., Series A, (MTN), 6.500%, 6/15/2010 (NZD)	111,975
125,000	SLM Corp., Series A, (MTN), 8.450%, 6/15/2018	119,917
		2,357,823
	Non-Captive Diversified – 2.8%	
25,000	CIT Group, Inc., 4.750%, 12/15/2010	20,389
10,000	CIT Group, Inc., (GMTN), 5.000%, 2/13/2014(b)	7,181
20,000	CIT Group, Inc., (GMTN), 5.000%, 2/01/2015	13,829
10,000	CIT Group, Inc., (MTN), 5.125%, 9/30/2014(b)	7,162

Principal Amount (‡)	Description	Value (†)
	Non-Captive Diversified – continued	
$ 5,000	CIT Group, Inc., 5.400%, 2/13/2012	$3,969
20,000	CIT Group, Inc., 5.400%, 1/30/2016	13,774
5,000	CIT Group, Inc., 5.650%, 2/13/2017	3,449
30,000	CIT Group, Inc., 5.800%, 10/01/2036	23,091
5,000	CIT Group, Inc., 5.850%, 9/15/2016	3,450
515,000	CIT Group, Inc., 7.625%, 11/30/2012(b)	428,057
900,000	General Electric Capital Corp., Series G, (MTN), 2.960%, 5/18/2012	633,558
800,000	General Electric Capital Corp., Series G, (MTN), 3.485%, 3/08/2012	573,825
405,000	GMAC LLC, 6.000%, 12/15/2011	278,698
190,000	GMAC LLC, 6.625%, 5/15/2012	130,343
225,000	GMAC LLC, (MTN), 6.750%, 12/01/2014	148,600
105,000	GMAC LLC, 8.000%, 11/01/2031(b)	68,311
15,000	iStar Financial, Inc., 3.198%, 10/01/2012(c)	11,700
85,000	iStar Financial, Inc., 5.150%, 3/01/2012	70,125
35,000	iStar Financial, Inc., 5.375%, 4/15/2010	31,500
105,000	iStar Financial, Inc., 5.650%, 9/15/2011	89,775

25,000	iStar Financial, Inc., 5.800%, 3/15/2011	21,250
10,000	iStar Financial, Inc., Series B, 5.125%, 4/01/2011	8,550
120,000	iStar Financial, Inc., Series B, 5.950%, 10/15/2013	98,400
		2,688,986
	Paper – 1.0%	
115,000	Bowater, Inc., 6.500%, 6/15/2013	72,450
5,000	Georgia-Pacific Corp., 7.250%, 6/01/2028	4,175
25,000	Georgia-Pacific Corp., 7.375%, 12/01/2025	21,125
385,000	Georgia-Pacific Corp., 7.750%, 11/15/2029	338,800
400,000	Georgia-Pacific Corp., 8.000%, 1/15/2024	370,000
95,000	Georgia-Pacific Corp., 8.875%, 5/15/2031(b)	87,875
60,000	International Paper Co., 7.950%, 6/15/2018	59,666
20,000	Westvaco Corp., 8.200%, 1/15/2030	19,362
10,000	Weyerhaeuser Co., 6.875%, 12/15/2033	9,285
		982,738

See accompanying notes to financial statements.

Principal Amount (‡)	Description	Value (†)
	Pharmaceuticals – 0.7%	
$255,000	Elan Finance PLC, Senior Note, 7.750%, 11/15/2011	$247,350
5,000	EPIX Pharmaceuticals, Inc., Senior Note, Convertible, 3.000%, 6/15/2024	3,025
480,000	Valeant Pharmaceuticals International, Subordinated Note, 4.000%, 11/15/2013	411,600
		661,975
	Pipelines – 1.1%	
75,000	DCP Midstream LP, 144A, 6.450%, 11/03/2036	68,373
20,000	Kinder Morgan Energy Partners, LP, Senior Note, 5.000%, 12/15/2013	19,168
100,000	Kinder Morgan Energy Partners, LP, 5.800%, 3/15/2035	86,761
800,000	Kinder Morgan Energy Partners, LP, (MTN), 6.950%, 1/15/2038	794,018
45,000	ONEOK Partners LP, 6.650%, 10/01/2036	42,891
60,000	Transcontinental Gas Pipe Line Corp., 6.400%, 4/15/2016	59,925
		1,071,136
	Retailers – 2.0%	
400,000	Dillard`s, Inc., 6.625%, 1/15/2018(b)	292,000
205,000	Dillard`s, Inc., Class A, 7.000%, 12/01/2028	129,150
186,000	Home Depot, Inc., 5.875%, 12/16/2036	151,948
715,000	J.C. Penney Corp., Inc., Senior Note, 6.375%, 10/15/2036	597,164
100,000	Macy`s Retail Holdings, Inc., 6.790%, 7/15/2027	81,984
225,000	Macy`s Retail Holdings, Inc., 6.900%, 4/01/2029	190,139
725,000	Toys R Us, Inc., 7.375%, 10/15/2018	536,500
5,000	Toys R Us, Inc., 7.875%, 4/15/2013(b)	4,088
		1,982,973
	Sovereigns – 2.1%	
265,000	Canadian Government, 5.250%, 6/01/2012 (CAD)	276,999

130,000	Canadian Government, 5.750%, 6/01/2033 (CAD)	159,859
115,000(††)	Mexican Fixed Rate Bonds, Series M-10, 8.000%, 12/17/2015 (MXN)	1,048,962
20,000(††)	Mexican Fixed Rate Bonds, Series M-10, 9.000%, 12/20/2012 (MXN)	194,845
400,000	Republic of Brazil, 12.500%, 1/05/2016 (BRL)	248,244
1,145,000	Republic of South Africa, 13.000%, 8/31/2010 (ZAR)	149,415
		2,078,324
	Supermarkets – 0.6%	
340,000	Albertson' s, Inc., Senior Note, 7.450%, 8/01/2029	321,626

Principal Amount (‡)	Description	Value (†)
	Supermarkets – continued	
$320,000	Albertson' s, Inc., Series C, (MTN), 6.625%, 6/01/2028	$274,445
		596,071
	Supranational – 1.7%	
2,763,000,000	European Investment Bank, 144A, Zero Coupon, 4/24/2013	171,803
1,000,000	European Investment Bank, 144A, 4.600%, 1/30/2037 (CAD)	944,229
38,500,000	International Bank for Reconstruction & Development, 9.500%, 5/27/2010 (ISK)	490,297
		1,606,329
	Technology – 2.0%	
10,000	Affiliated Computer Services, Inc., 5.200%, 6/01/2015	8,525
340,000	Avnet, Inc., 6.000%, 9/01/2015	329,600
110,000	Freescale Semiconductor, Inc., 10.125%, 12/15/2016(b)	83,875
15,000	Kulicke & Soffa Industries, Inc., Convertible, 1.000%, 6/30/2010	13,200
920,000	Lucent Technologies, Inc., 6.450%, 3/15/2029(b)	703,800
390,000	Lucent Technologies, Inc., 6.500%, 1/15/2028	298,350
25,000	Nortel Networks Corp., 6.875%, 9/01/2023	17,750
40,000	Northern Telecom Capital Corp., 7.875%, 6/15/2026	28,600
450,000	Xerox Corp., 6.350%, 5/15/2018	444,195
		1,927,895
	Transportation – 0.4%	

55,000	Canadian Pacific Railway Co.,	
	5.950%, 5/15/2037	45,636
445,000	CSX Corp.,	
	6.000%, 10/01/2036(b)	385,607
		431,243
	Transportation Services – 0.1%	
30,000	Erac USA Finance Co., 144A,	
	6.375%, 10/15/2017	26,808
40,000	Erac USA Finance Co., 144A,	
	7.000%, 10/15/2037	33,271
		60,079
	Treasuries – 15.3%	
649,285	U.S. Treasury Bond,	
	2.000%, 1/15/2026(b)(d)	643,756
1,563,712	U.S. Treasury Bond,	
	2.375%, with various maturities to 2027(b)(d)(e)	1,639,735
1,929,997	U.S. Treasury Bond,	
	3.375%, 4/15/2032(d)	2,428,628
645,889	U.S. Treasury Bond	
	1.625%, 1/15/2018(d)	656,132
590,691	U.S. Treasury Bond	
	2.625%, 7/15/2017(d)	652,436
1,299,166	U.S. Treasury Note,	
	1.625%, 1/15/2015(b)(d)	1,341,693

See accompanying notes to financial statements.

Investments as of June 30, 2008 (Unaudited)

Principal Amount (‡)	Description	Value (†)
	Treasuries – continued	
$2,169,024	U.S. Treasury Note, 1.875%, with various maturities to 2015(b)(d)(e)	$2,282,048
2,526,006	U.S. Treasury Note, 2.000%, with various maturities to 2016(b)(d)(e)	2,679,018
926,290	U.S. Treasury Note, 2.375%, with various maturities to 2017(b)(d)(e)	995,354
606,205	U.S. Treasury Note, 2.500%, 7/15/2016(b)(d)	662,374
836,184	U.S. Treasury Note, 3.000%, 7/15/2012(b)(d)	918,299
		14,899,473
	Wireless – 1.5%	
5,000,000	America Movil SAB de CV, 8.460%, 12/18/2036	396,439
420,000	Nextel Communications, Inc., Series F, 5.950%, 3/15/2014	337,050
790,000	Sprint Capital Corp., 6.875%, 11/15/2028	657,675
109,000	Sprint Nextel Corp., 6.000%, 12/01/2016	93,740
		1,484,904
	Wirelines – 4.6%	
25,000	AT&T Corp., 6.500%, 3/15/2029	23,737
30,000	AT&T, Inc., 6.150%, 9/15/2034	28,031
425,000	BellSouth Corp., 6.000%, 11/15/2034(b)	389,199
475,000	Citizens Communications Co., 7.125%, 3/15/2019	425,125
340,000	Embarq Corp., 7.995%, 6/01/2036	321,634
100,000	Level 3 Communications, Inc., 2.875%, 7/15/2010	83,625
820,000	Level 3 Communications, Inc., 6.000%, 3/15/2010(b)	762,600
135,000	Level 3 Financing, Inc., 8.750%, 2/15/2017(b)	116,100
70,000	Level 3 Financing, Inc., 9.250%, 11/01/2014	63,700
75,000	Motorola, Inc., 5.220%, 10/01/2097	41,723

125,000	Motorola, Inc., 6.500%, 11/15/2028(b)	97,645
135,000	Motorola, Inc., 6.625%, 11/15/2037	106,205
140,000	Nortel Networks Ltd., 10.125%, 7/15/2013	136,850
215,000	Qwest Capital Funding, Inc., Guaranteed Note, 6.500%, 11/15/2018	176,300
315,000	Qwest Capital Funding, Inc., 7.750%, 2/15/2031	268,537
265,000	Qwest Capital Funding, Inc., Guaranteed Note, 6.875%, 7/15/2028(b)	212,000
15,000	Qwest Capital Funding, Inc., Guaranteed Note, 7.625%, 8/03/2021	12,938
130,000	Qwest Corp., 6.875%, 9/15/2033	107,250

Principal Amount (‡)	**Description**	**Value (†)**
	Wirelines – continued	
$235,000	Qwest Corp., Senior Note, 6.500%, 6/01/2017	$209,738
59,000	Telecom Italia Capital, 6.000%, 9/30/2034	50,493
122,000	Telecom Italia Capital, 6.375%, 11/15/2033	108,613
550,000	Telus Corp., 4.950%, 3/15/2017	500,539
85,000	Verizon Global Funding Corp., Senior Note, 5.850%, 9/15/2035	74,918
130,000	Verizon Maryland, Inc., Series B, Senior Note, 5.125%, 6/15/2033	100,387
30,000	Verizon New York, Inc., Series A, 7.375%, 4/01/2032	30,475
		4,448,362
	Total Bonds and Notes (Identified Cost $61,508,888)	58,331,484

Shares		
Preferred Stocks – 0.6%		
	Capital Markets – 0.1%	
70	Lehman Brothers Holdings, Inc., 7.250%	56,310
1,100	Lehman Brothers Holdings, Inc., 6.500%	18,799
250	Lehman Brothers Holdings, Inc., 5.670%	7,518
500	Lehman Brothers Holdings, Inc., 7.950%	10,175
		92,802
	Financial Other – 0.1%	

4,125	Countrywide Capital IV, 6.750%	73,177
	Household Products – 0.0%	
625	Newell Financial Trust I, Convertible, 5.250%	28,125
	Thrifts & Mortgage Finance – 0.4%	
8,000	Federal Home Loan Mortgage Corp., Series Z, (fixed rate to 12/31/2012, variable rate thereafter), 8.375%(b)	194,400
7,000	Federal National Mortgage Association, (fixed rate to 12/13/2010, variable rate thereafter), 8.250%(b)	160,650
		355,050
	Total Preferred Stocks (Identified Cost $576,755)	549,154

Shares/ Principal Amount		
Short-Term Investments – 26.1%		
24,820,537	State Street Navigator Securities Lending Prime Portfolio(f)	24,820,537
$580,123	Tri-Party Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/30/2008 at 1.300% to be repurchased at $580,143 on 7/01/2008, collateralized by $595,000 Federal Home Loan Mortgage Corp., 3.500% due 5/05/2011 valued at $599,463 including accrued interest (Note 2g of Notes to Financial Statements)	580,123
	Total Short-Term Investments (Identified Cost $25,400,660)	25,400,660
	Total Investments – 124.5% (Identified Cost $138,464,671)(a)	121,188,385
	Other assets less liabilities–(24.5)%	(23,883,309)
	Net Assets – 100%	$97,305,076

See accompanying notes to financial statements.

Investments as of June 30, 2008 (Unaudited)

(‡)	Principal amount is in U.S. dollars unless otherwise noted.
(†)	See Note 2a of Notes to Financial Statements.
(††)	Amount shown represents units. One unit represents a principal amount of 100.
(a)	Federal Tax Information (Amounts exclude certain adjustments made at the end of the Fund' s fiscal year for tax purposes. Such adjustments are primarily due to wash sales and return of capital included in dividends received from the Fund' s investments in REITs. Amortization of premium on debt securities is excluded for tax purposes.):
	At June 30, 2008, the net unrealized depreciation on investments based on a cost of $138,639,784 for federal income tax purposes was as follows:

Aggregate gross unrealized appreciation for all investments in which there is an excess of value over tax cost	$ 1,700,766
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	(19,152,165)
Net unrealized depreciation	$ (17,451,399)

(b)	All or a portion of this security was on loan to brokers at June 30, 2008.
(c)	Variable rate security. Rate as of June 30, 2008 is disclosed.
(d)	Treasury Inflation Protected Security (TIPS).
(e)	All separate investments in U.S. Treasury securities which have the same coupon rate have been aggregated for the purpose of presentation in the portfolio of investments.
(f)	Represents investment of securities lending collateral.
144A	Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registrations, normally to qualified institutional buyers. At June 30, 2008, the value of these securities amounted to $5,261,616 or 5.4% of net assets.
ADR	An American Depositary Receipt is a certificate issued by a custodian bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the United States.
ABS	Asset Backed Security
EMTN	Euro Medium Term Note
GMTN	Global Medium Term Note
MTN	Medium Term Note
REITs	Real Estate Investment Trusts
BRL	Brazilian Real
CAD	Canadian Dollar
IDR	Indonesian Rupiah
ISK	Iceland Krona
JPY	Japanese Yen
KRW	South Korean Won
MXN	Mexican Peso
NZD	New Zealand Dollar
SGD	Singapore Dollar
ZAR	South African Rand

Net Asset Summary at June 30, 2008 (unaudited)

Treasuries	15.3	%
Banking	7.7	
Wirelines	4.6	
REITs – Regional Malls	3.7	

REITs – Apartments	3.4
REITs – Industrial	3.0
REITs – Office	3.0
Non-Captive Diversified	2.8
REITs – Shopping Centers	2.8
Healthcare	2.6
Non-Captive Consumer	2.4
Automotive	2.2
Sovereigns	2.1
Retailers	2.0
Technology	2.0
Other Investments, less than 2% each	38.8
Short-Term Investments	26.1
Total Investments	124.5
Other assets less liabilities	(24.5)
Net Assets	100.0 %

See accompanying notes to financial statements.

NATIXIS MODERATE DIVERSIFIED PORTFOLIO – PORTFOLIO OF INVESTMENTS

Investments as of June 30, 2008 (Unaudited)

Shares	Description	Value (†)
Common Stocks – 62.8% of Net Assets		
	Aerospace & Defense – 0.4%	
650	Alliant Techsystems, Inc.(b)(c)	$ 66,092
950	DRS Technologies, Inc.	74,784
1,000	L-3 Communications Holdings, Inc.(b)	90,870
		231,746
	Air Freight & Logistics – 0.6%	
4,600	FedEx Corp.(b)	362,434
	Auto Components – 0.2%	
2,100	Autoliv, Inc.(b)	97,902
	Automotive – 0.7%	
986	DaimlerChrysler AG	60,807
4,800	Harley-Davidson, Inc.(b)	174,048
1,565	Honda Motor Co. Ltd., Sponsored ADR(b)	53,257
1,434	Nissan Motor Co. Ltd., Sponsored ADR	23,589
1,178	Toyota Motor Corp., Sponsored ADR(b)	110,732
		422,433
	Banking – 0.4%	
2,750	Comerica, Inc.(b)	70,482
7,000	KeyCorp(b)	76,860
4,748	Marshall & Ilsley Corp.(b)	72,787
		220,129
	Beverages – 0.3%	
900	Coca-Cola Co. (The)	46,782
1,595	Diageo PLC, Sponsored ADR(b)	117,823
		164,605
	Biotechnology – 1.0%	
3,150	Celgene Corp.(c)	201,191
7,399	Gilead Sciences, Inc.(c)	391,777
		592,968
	Capital Markets – 5.5%	
13,400	Bank of New York Mellon Corp.	506,922
1,835	BlackRock, Inc.(b)	324,795
12,700	Charles Schwab Corp. (The)(b)	260,858
1,741	Credit Suisse Group, Sponsored ADR	78,885
755	Deutsche Bank AG, Registered	64,439
2,100	Franklin Resources, Inc.(b)	192,465
1,400	Goldman Sachs Group, Inc. (The)	244,860
7,800	Legg Mason, Inc.(b)	339,846
17,400	Merrill Lynch & Co., Inc.(b)	551,754
6,800	Morgan Stanley(b)	245,276
4,231	T Rowe Price Group, Inc.(b)	238,925
3,387	UBS AG(b)(c)	69,975
		3,119,000

	Chemicals – 2.2%	
650	CF Industries Holdings, Inc.(b)	99,320
7,400	Dow Chemical Co. (The)(b)	258,334
3,748	Monsanto Co.	473,897
1,890	Mosaic Co. (The)(c)	273,483
365	Potash Corp. of Saskatchewan, Inc.	83,428
1,350	PPG Industries, Inc.(b)	77,450
		1,265,912
	Commercial Banks – 1.4%	
4,106	Banco Bilbao Vizcaya Argentaria SA, Sponsored ADR	77,891
6,147	Banco Santander Central Hispano SA, ADR(b)	111,814
2,547	Barclays PLC, Sponsored ADR(b)	58,963
2,169	HSBC Holdings PLC, Sponsored ADR(b)	166,362

Shares	Description	Value (†)
	Commercial Banks – continued	
10,197	Mitsubishi UFJ Financial Group, Inc., ADR	$ 89,734
8,376	Mizuho Financial Group, Inc., ADR(b)	77,646
1,551	Royal Bank of Canada(b)	69,283
17,856	Royal Bank of Scotland Group PLC(b)	76,602
807	Westpac Banking Corp., Sponsored ADR(b)	76,899
		805,194
	Commercial Services & Supplies – 0.3%	
3,500	Allied Waste Industries, Inc.(c)	44,170
3,650	R. R. Donnelley & Sons Co.	108,368
		152,538
	Communications Equipment – 2.1%	
3,700	Alcatel-Lucent, Sponsored ADR(c)	22,348
7,566	Cisco Systems, Inc.(b)(c)	175,985
9,746	Corning, Inc.	224,645
6,498	Juniper Networks, Inc.(b)(c)	144,126
3,565	Nokia Corp., Sponsored ADR	87,342
9,422	QUALCOMM, Inc.	418,054
560	Research In Motion Ltd.(b)(c)	65,464
3,294	Telefonaktiebolaget LM Ericsson, Sponsored ADR(b)	34,258
		1,172,222
	Computers & Peripherals – 4.4%	
3,383	Apple, Inc.(c)	566,450
28,800	Dell, Inc.(b)(c)	630,144
10,886	EMC Corp.(b)(c)	159,915
13,500	Hewlett-Packard Co.	596,835
3,750	International Business Machine Corp.	444,487
4,650	Seagate Technology(b)	88,955
		2,486,786
	Construction & Engineering – 0.4%	
1,152	Fluor Corp.	214,364
	Construction Materials – 0.1%	
1,466	Cemex SAB de CV, Sponsored ADR(b)(c)	36,210
	Consumer Finance – 1.6%	
7,800	American Express Co.	293,826

10,900	Capital One Financial Corp.(b)	414,309
17,400	Discover Financial Services(b)	229,158
		937,293
	Diversified Financial Services – 0.9%	
6,150	CIT Group, Inc.(b)	41,881
3,380	ING Groep NV, Sponsored ADR(b)	106,639
10,400	JPMorgan Chase & Co.(b)	356,824
		505,344
	Diversified Telecommunication Services – 0.7%	
1,068	BT Group PLC, Sponsored ADR(b)	42,432
3,519	Deutsche Telekom AG, Sponsored ADR	57,606
1,877	France Telecom SA, Sponsored ADR	55,615
2,031	Nippon Telegraph & Telephone Corp., Sponsored ADR	49,353
1,434	Telefonica SA, Sponsored ADR	114,118
8,700	Windstream Corp.(b)	107,358
		426,482
	Electric Utilities – 0.5%	
2,050	Edison International	105,329
1,950	PPL Corp.(b)	101,926
2,000	Progress Energy, Inc.(b)	83,660
		290,915

See accompanying notes to financial statements.

Shares	Description	Value (†)
	Electrical Equipment – 1.1%	
2,191	ABB Ltd., Sponsored ADR	$ 62,049
2,400	Cooper Industries Ltd., Class A(b)	94,800
1,020	First Solar, Inc.(b)(c)	278,276
1,650	General Cable Corp.(b)(c)	100,403
2,250	Hubbell, Inc., Class B(b)	89,708
		625,236
	Electronic Equipment & Instruments – 0.9%	
3,228	Amphenol Corp., Class A(b)	144,873
1,050	Anixter International, Inc.(b)(c)	62,465
2,850	Arrow Electronics, Inc.(b)(c)	87,552
2,570	Dolby Laboratories, Inc., Class A(c)	103,571
433	Hitachi Ltd, Sponsored ADR	31,037
1,700	Tyco Electronics Ltd.	60,894
		490,392
	Energy Equipment & Services – 1.2%	
1,700	BJ Services Co.(b)	54,298
1,950	Superior Energy Services, Inc.(b)(c)	107,523
3,435	Transocean, Inc.(b)(c)	523,460
		685,281
	Food & Staples Retailing – 1.4%	
3,753	Costco Wholesale Corp.(b)	263,235
2,100	CVS Caremark Corp.	83,097
3,250	SUPERVALU, Inc.(b)	100,393
5,176	Wal-Mart Stores, Inc.	290,891
1,700	Walgreen Co.(b)	55,267
		792,883
	Food Products – 0.6%	
1,100	Corn Products International, Inc.(b)	54,021
2,550	Hormel Foods Corp.(b)	88,255
1,850	J.M. Smucker Co. (The)	75,184
2,050	Unilever NV	58,220
1,490	Unilever PLC, Sponsored ADR	42,331
		318,011
	Health Care Equipment & Supplies – 1.4%	
850	Beckman Coulter, Inc.(b)	57,401
2,050	Cooper Cos., Inc. (The)(b)	76,157
1,001	Intuitive Surgical, Inc.(b)(c)	269,669
1,250	Kinetic Concepts, Inc.(b)(c)	49,888
6,900	Medtronic, Inc.	357,075
		810,190
	Health Care Providers & Services – 0.1%	
2,000	CIGNA Corp.	70,780
	Hotels, Restaurants & Leisure – 2.7%	

16,600	Carnival Corp.(b)	547,136
11,160	McDonald' s Corp.	627,415
1,700	Royal Caribbean Cruises Ltd.(b)	38,199
5,000	Starwood Hotels & Resorts Worldwide, Inc.(b)	200,350
3,145	Yum! Brands, Inc.	110,358
		1,523,458
	Household Durables – **0.7%**	
4,550	Fortune Brands, Inc.(b)	283,965
2,064	Matsushita Electric Industrial Co. Ltd., Sponsored ADR	44,211
1,267	Sony Corp., Sponsored ADR(b)	55,419
700	Whirlpool Corp.(b)	43,211
		426,806
Shares	**Description**	**Value (†)**
	Independent Power Producers & Energy Traders – **0.0%**	
764	TransAlta Corp.	$ 27,687
	Industrial Conglomerates – **0.2%**	
1,140	Koninklijke (Royal) Philips Electronics NV	38,532
807	Siemens AG, Sponsored ADR	88,875
		127,407
	Insurance – **0.8%**	
5,388	Allianz SE, ADR	94,021
2,378	Axa SA, Sponsored ADR(b)	69,961
1,900	Cincinnati Financial Corp.(b)	48,260
4,950	HCC Insurance Holdings, Inc.(b)	104,643
1,821	Manulife Financial Corp.	63,207
1,650	Protective Life Corp.	62,782
		442,874
	Internet & Catalog Retail – **1.1%**	
4,583	Amazon.com, Inc.(b)(c)	336,071
2,712	Priceline.com, Inc.(b)(c)	313,128
		649,199
	Internet Software & Services – **0.8%**	
923	Google, Inc., Class A(c)	485,886
	IT Services – **1.7%**	
2,000	Affiliated Computer Services, Inc., Class A(c)	106,980
1,789	MasterCard, Inc., Class A(b)	475,015
4,708	Visa, Inc., Class A(c)	382,808
		964,803
	Leisure Equipment & Products – **0.2%**	
6,750	Mattel, Inc.(b)	115,560
	Life Sciences Tools & Services – **0.4%**	
2,449	Illumina, Inc.(b)(c)	213,332
	Machinery – **2.1%**	
2,041	Bucyrus International, Inc.(b)	149,034
3,699	Cummins, Inc.	242,358
750	Eaton Corp.	63,727
2,921	Flowserve Corp.(b)	399,301
1,374	Parker Hannifin Corp.	97,994

1,846	SPX Corp.	243,174
		1,195,588
	Media – 2.3%	
2,500	CBS Corp., Class B(b)	48,725
8,100	Comcast Corp., Special Class A(b)	151,956
2,665	Liberty Media Corp. - Capital, Series A(b)(c)	38,376
5,100	Omnicom Group, Inc.	228,888
494	Reed Elsevier PLC, Sponsored ADR	22,502
53	Thomson Reuters PLC, Sponsored ADR(b)	8,601
13,300	Time Warner, Inc.(b)	196,840
4,600	Viacom, Inc., Class B(c)	140,484
14,579	Walt Disney Co. (The)	454,865
		1,291,237
	Metals & Mining – 2.2%	
3,184	Anglo American PLC, ADR	112,873
1,733	BHP Billiton Ltd., Sponsored ADR	147,634
1,257	BHP Billiton PLC, ADR	97,392
1,908	Companhia Vale do Rio Doce, ADR(b)	68,345
2,767	Freeport-McMoRan Copper & Gold, Inc.	324,265
423	POSCO, ADR	54,897
239	Rio Tinto PLC, Sponsored ADR	118,305

See accompanying notes to financial statements.

Shares	Description	Value (†)
	Metals & Mining – continued	
5,275	Steel Dynamics, Inc.(b)	$ 206,094
8,200	Yamana Gold, Inc.	135,628
		1,265,433
	Multi Utilities – 0.5%	
1,950	Ameren Corp.(b)	82,349
2,700	Integrys Energy Group, Inc.(b)	137,241
293	National Grid PLC, Sponsored ADR	19,329
498	Veolia Environnement	27,813
		266,732
	Office Electronics – 0.2%	
1,199	Canon, Inc., Sponsored ADR	61,401
4,400	Xerox Corp.(b)	59,664
		121,065
	Oil, Gas & Consumable Fuels – 5.5%	
1,733	Apache Corp.	240,887
3,393	BP PLC, Sponsored ADR	236,051
2,550	Cameco Corp.	109,318
1,250	Cimarex Energy Co.	87,088
2,051	CONSOL Energy, Inc.(b)	230,471
1,213	EnCana Corp.	110,298
1,737	Eni SpA, Sponsored ADR(b)	128,938
2,316	EOG Resources, Inc.(b)	303,859
1,650	Newfield Exploration Co.(c)	107,663
1,250	Noble Energy, Inc.	125,700
2,331	Petroleo Brasileiro SA, ADR	135,081
2,144	Royal Dutch Shell PLC, Class A, ADR	175,186
1,820	Royal Dutch Shell PLC, Class B, ADR	145,800
8,221	Southwestern Energy Co.(b)(c)	391,402
2,649	Total SA, ADR(b)	225,880
5,647	XTO Energy, Inc.(b)	386,876
		3,140,498
	Paper & Forest Products – 0.1%	
2,000	International Paper Co.(b)	46,600
	Pharmaceuticals – 2.2%	
1,445	AstraZeneca PLC, Sponsored ADR(b)	61,456
4,950	Biovail Corp.	47,768
8,791	GlaxoSmithKline PLC, Sponsored ADR(b)	388,738
4,400	Mylan, Inc.(b)	53,108
2,531	Novartis AG, ADR	139,306
494	Novo Nordisk A/S, Sponsored ADR	32,604
1,906	Sanofi-Aventis, ADR	63,336
24,100	Schering-Plough Corp.(b)	474,529
		1,260,845

	REITs – Heath Care – 0.2%	
2,150	Ventas, Inc.	91,525
	REITs – Hotels – 0.1%	
1,700	Hospitality Properties Trust(b)	41,582
	Road & Rail – 1.3%	
540	Canadian National Railway Co.	25,963
3,801	CSX Corp.(b)	238,741
6,200	Union Pacific Corp.(b)	468,100
		732,804
	Semiconductors & Semiconductor Equipment – 2.4%	
9,093	Broadcom Corp., Class A(c)	248,148
35,400	Intel Corp.	760,392

Shares	Description	Value (†)
	Semiconductors & Semiconductor Equipment – continued	
5,217	Taiwan Semiconductor Manufacturing Co. Ltd., Sponsored ADR(b)	$56,917
9,900	Texas Instruments, Inc.(b)	278,784
		1,344,241
	Software – 1.7%	
6,862	Activision, Inc.(c)	233,788
5,050	Check Point Software Technologies Ltd.(c)	119,534
16,727	Oracle Corp.(c)	351,267
3,044	Salesforce.com, Inc.(b)(c)	207,692
930	SAP AG, ADR(b)	48,462
		960,743
	Specialty Retail – 1.6%	
5,100	Best Buy Co., Inc.(b)	201,960
8,000	Home Depot, Inc.	187,360
5,400	Limited Brands, Inc.(b)	90,990
4,150	Men' s Wearhouse, Inc. (The)(b)	67,604
1,850	Sherwin-Williams Co. (The)(b)	84,970
1,600	TJX Cos., Inc.(b)	50,352
7,351	Urban Outfitters, Inc.(b)(c)	229,278
		912,514
	Textiles, Apparel & Luxury Goods – 0.6%	
6,116	NIKE, Inc., Class B(b)	364,575
	Thrifts & Mortgage Finance – 0.1%	
5,300	Federal Home Loan Mortgage Corp.(b)	86,920
	Tobacco – 0.1%	
830	British American Tobacco PLC, Sponsored ADR(b)	57,478
	Trading Companies & Distributors – 0.1%	
83	Mitsui & Co. Ltd., Sponsored ADR	36,848
	Wireless Telecommunication Services – 0.5%	
1,303	America Movil SAB de CV, Series L, ADR	68,733
1,399	China Mobile Ltd., Sponsored ADR(b)	93,663
4,680	Vodafone Group PLC, ADR	137,873
		300,269
	Total Common Stocks (Identified Cost $36,592,775)	35,791,759

Preferred Stocks – 0.1%

	Metals & Mining – 0.1%	
2,366	Companhia Vale do Rio Doce, Sponsored ADR	70,601
	Total Preferred Stocks (Identified Cost $25,436)	70,601
Principal Amount		
Bonds and Notes – 36.1%		
	ABS Car Loan – 1.2%	
$305,000	Americredit Automobile Receivables Trust, Series 2007-DF, Class A3A, 5.490%, 7/06/2012	309,570
75,000	Capital Auto Receivables Asset Trust, 5.420%, 12/15/2014	75,642
200,000	Capital One Auto Finance Trust, Series 2007-C, Class A3A, 5.130%, 4/16/2012	189,109
80,000	Daimler Chrysler Auto Trust, 5.320%, 11/10/2014	80,492
		654,813
	ABS Credit Card – 1.4%	
100,000	Capital One Multi-Asset Execution Trust, Series 2007-A5, Class A5, 2.511%, 7/15/2020(d)	91,423

See accompanying notes to financial statements.

Principal Amount	Description	Value (†)
	ABS Credit Card – continued	
$ 100,000	Capital One Multi-Asset Execution Trust, Series 2008-A5, Class A5, 4.850%, 2/18/2014	$ 100,440
230,000	Chase Issuance Trust, 2.721%, 4/15/2019(d)	183,634
150,000	Discover Card Master Trust, Series 2007-A2, Class A2, 3.116%, 6/15/2015(d)	146,870
135,000	Discover Card Master Trust, Series 2008-A4, Class A4, 5.650%, 12/15/2015	135,053
90,000	Discover Card Master Trust I, Series 2007-3, Class A2, 2.521%, 10/16/2014(d)	86,125
90,000	MBNA Credit Card Master Note Trust, Series 2004-A3, Class A3, 2.731%, 8/16/2021(d)	81,986
		825,531
	ABS Home Equity – 0.2%	
195,000	Countrywide Asset-Backed Certificates, Series 2006-S4, Class A3, 5.804%, 7/25/2034	134,285
	ABS Other – 0.3%	
70,000	CIT Equipment Collateral, 6.590%, 12/22/2014	69,548
75,000	CNH Equipment Trust, 5.600%, 11/17/2014	75,093
		144,641
	Banking – 1.7%	
100,000	Bank of America Corp., 5.750%, 12/01/2017	93,912
140,000	Bank of America NA, 5.300%, 3/15/2017(b)	128,513
30,000	Bear Stearns Cos., Inc. (The), 5.300%, 10/30/2015	28,081
140,000	Bear Stearns Cos., Inc. (The), 5.550%, 1/22/2017(b)	129,392
140,000	Citigroup, Inc., 5.300%, 10/17/2012	136,562
65,000	Citigroup, Inc., 6.125%, 11/21/2017	62,381
120,000	Credit Suisse NY, 6.000%, 2/15/2018	115,550
110,000	HSBC Holdings PLC, 6.800%, 6/01/2038(b)	103,589
185,000	Wells Fargo & Co., 5.625%, 12/11/2017	178,995
		976,975
	Brokerage – 1.8%	

75,000	Goldman Sachs Group, Inc. (The), 5.950%, 1/18/2018	71,997
155,000	Goldman Sachs Group, Inc. (The), 6.150%, 4/01/2018	150,375
45,000	JPMorgan Chase & Co., 5.150%, 10/01/2015	43,328
40,000	JPMorgan Chase & Co., 6.125%, 6/27/2017(b)	39,364
10,000	Lehman Brothers Holdings, Inc., 5.750%, 1/03/2017(b)	8,825
115,000	Lehman Brothers Holdings, Inc., 6.500%, 7/19/2017	106,389
110,000	Lehman Brothers Holdings, Inc., 6.875%, 5/02/2018	106,491

Principal Amount	Description	Value (†)
	Brokerage – continued	
$205,000	Merrill Lynch & Co., Inc., 6.400%, 8/28/2017	$189,959
55,000	Merrill Lynch & Co., Inc., 6.875%, 4/25/2018	52,345
240,000	Morgan Stanley, 6.000%, 4/28/2015	229,444
		998,517
	Chemicals – 0.3%	
155,000	PPG Industries, Inc., 5.750%, 3/15/2013(b)	157,598
	Commercial MBS – 3.4%	
105,000	Greenwich Capital Commercial Funding Corp., Series 2007-GG9, Class A4, 5.444%, 3/10/2039	97,838
200,000	GS Mortgage Securities Corp. II, 5.506%, 4/10/2038	199,776
300,000	GS Mortgage Securities Corp. II, Series 2006-GG8, Class A4, 5.560%, 11/10/2039	287,200
300,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2006-LDP7, Class A4, 5.875%, 4/15/2045(d)	294,685
90,000	LB-UBS Commercial Mortgage Trust, Series 2005-C3, Class A5, 4.739%, 7/15/2030	84,361
530,000	LB-UBS Commercial Mortgage Trust, Series 2007-C2, Class A2, 5.303%, 2/15/2040	516,944
300,000	LB-UBS Commercial Mortgage Trust, Series 2006-C4, Class A4, 5.883%, 6/15/2038(d)	295,422
180,000	Merrill Lynch/Countrywide Commercial Mortgage Trust, Series 2007-6, Class A4, 5.485%, 3/12/2051	167,630
		1,943,856
	Construction Machinery – 0.4%	
185,000	Caterpillar Financial Services Corp., 4.850%, 12/07/2012	184,452

70,000	John Deere Capital Corp.,	
	4.500%, 4/03/2013(b)	69,126
		253,578
	Consumer Products – **0.2%**	
120,000	Newell Rubbermaid, Inc.,	
	5.500%, 4/15/2013	118,057
	Electric – **0.5%**	
120,000	Progress Energy, Inc.,	
	7.100%, 3/01/2011	126,268
130,000	Virginia Electric and Power Co.,	
	5.100%, 11/30/2012(b)	130,065
		256,333
	Entertainment – **0.5%**	
180,000	Time Warner, Inc.,	
	6.500%, 11/15/2036	160,236
130,000	Time Warner, Inc.,	
	7.625%, 4/15/2031	131,982
		292,218
	Food & Beverage – **0.8%**	
185,000	General Mills, Inc.,	
	5.650%, 9/10/2012	188,637

See accompanying notes to financial statements.

Principal Amount	Description	Value (†)
	Food & Beverage – continued	
$120,000	Kellogg Co., 4.250%, 3/06/2013	$116,574
120,000	Kellogg Co., 5.125%, 12/03/2012	121,578
50,000	Kraft Foods, Inc., 6.500%, 8/11/2017	50,064
		476,853
	Health Care – 0.2%	
110,000	Cardinal Health, Inc., 5.850%, 12/15/2017(b)	107,580
	Independent Energy – 0.1%	
15,000	Talisman Energy, Inc., 5.850%, 2/01/2037	12,924
50,000	Talisman Energy, Inc., 6.250%, 2/01/2038	45,961
		58,885
	Media Cable – 0.4%	
140,000	Comcast Corp., 5.650%, 6/15/2035	118,963
95,000	Time Warner Cable, Inc., 6.200%, 7/01/2013	96,602
		215,565
	Mortgage Related – 17.0%	
290,682	FHLMC, 4.000%, 5/01/2020	273,640
810,939	FHLMC, 4.500%, 6/01/2035	752,922
560,731	FHLMC, 5.500%, with various maturities from 2019 to 2037(e)	557,813
514,623	FHLMC, 6.000%, with various maturities from 2035 to 2037(e)	520,503
713,349	FHLMC, 6.500%, with various maturities from 2033 to 2035(e)	739,270
1,207,316	FNMA, 4.000%, with various maturities from 2019 to 2020(e)	1,139,322
616,736	FNMA, 4.500%, 9/01/2035	572,336
1,704,973	FNMA, 5.000%, with various maturities from 2035 to 2036(e)	1,639,948
2,367,654	FNMA, 5.500%, with various maturities from 2017 to 2035(e)	2,382,749
247,530	FNMA, 6.045%, 2/01/2037(d)	253,243

765,246	FNMA,	
	6.500%, with various maturities from 2032 to 2036(e)	793,206
82,812	GNMA,	
	6.500%, 10/20/2034	85,577
		9,710,529
	Non-Captive Consumer – 0.8%	
155,000	American Express Co.,	
	6.150%, 8/28/2017(b)	151,395
115,000	American General Finance Corp.,	
	5.850%, 6/01/2013	101,421
120,000	Capital One Financial Corp.,	
	6.150%, 9/01/2016	105,785

Principal Amount	Description	Value (†)
	Non-Captive Consumer – continued	
$30,000	SLM Corp.,	
	5.450%, 4/25/2011	$27,397
15,000	SLM Corp., (MTN),	
	5.125%, 8/27/2012	13,052
50,000	SLM Corp., Series A, (MTN),	
	5.400%, 10/25/2011	45,660
		444,710
	Non-Captive Diversified – 1.0%	
10,000	CIT Group, Inc.,	
	5.650%, 2/13/2017(b)	6,898
275,000	CIT Group, Inc.,	
	5.800%, 7/28/2011(b)	222,467
10,000	CIT Group, Inc.,	
	5.850%, 9/15/2016	6,900
215,000	General Electric Capital Corp., (MTN),	
	6.000%, 6/15/2012	222,178
100,000	iStar Financial, Inc.,	
	8.625%, 6/01/2013	91,500
		549,943
	Pipelines – 0.5%	
140,000	Energy Transfer Partners LP,	
	6.000%, 7/01/2013	141,258
140,000	ONEOK Partners LP,	
	6.150%, 10/01/2016	137,961
		279,219
	Property & Casualty Insurance – 0.2%	
130,000	Willis North America, Inc.,	
	6.200%, 3/28/2017	114,874
	Railroads – 0.4%	
110,000	Burlington Northern Santa Fe Corp.,	
	5.750%, 3/15/2018	107,515
110,000	Canadian Pacific Railway Co.,	
	5.750%, 5/15/2013	109,366
		216,881

	REITs – 0.2%	
30,000	Camden Property Trust, 5.700%, 5/15/2017	26,236
115,000	ERP Operating LP, 5.125%, 3/15/2016	103,703
		129,939
	Retailers – 0.6%	
140,000	CVS Caremark Corp., 5.750%, 6/01/2017	137,697
150,000	Home Depot, Inc., 5.875%, 12/16/2036(b)	122,539
130,000	J.C. Penney Corp., Inc., Senior Note, 6.375%, 10/15/2036	108,575
		368,811
	Technology – 0.7%	
50,000	Equifax, Inc., 7.000%, 7/01/2037	46,016
120,000	Oracle Corp., 4.950%, 4/15/2013	121,160

See accompanying notes to financial statements.

NATIXIS MODERATE DIVERSIFIED PORTFOLIO – PORTFOLIO OF INVESTMENTS (continued)

Investments as of June 30, 2008 (Unaudited)

Principal Amount	Description	Value (†)
	Technology – continued	
$140,000	Pitney Bowes, Inc., 5.250%, 1/15/2037	$137,784
110,000	Xerox Corp., 5.650%, 5/15/2013	108,906
		413,866
	Treasuries – 0.7%	
50,000	U.S. Treasury Bond, 3.875%, 5/15/2018	49,582
55,000	U.S. Treasury Bond, 4.750%, 2/15/2037(b)	56,796
40,000	U.S. Treasury Bond, 5.000%, 5/15/2037(b)	42,987
845,000	U.S. Treasury STRIPS, 4.375%, 2/15/2038	220,312
		369,677
	Wireless – 0.2%	
135,000	Vodafone Group PLC, 6.150%, 2/27/2037(b)	123,460
	Wirelines – 0.4%	
140,000	Embarq Corp., 7.995%, 6/01/2036	132,438
107,000	Telecom Italia Capital SA, 4.950%, 9/30/2014	97,932
		230,370
	Total Bonds and Notes (Identified Cost $21,076,367)	20,567,564

Shares/ Principal Amount		
Short-Term Investments – 25.8%		
14,632,997	State Street Navigator Securities Lending Prime Portfolio(f)	14,632,997
$101,745	Tri-Party Repurchase Agreement with Fixed Income Clearing Corporation, dated 6/30/2008 at 1.300% to be repurchased at $101,748 on 7/1/2008, collateralized by $105,000 Federal Home Loan Mortgage Corp., 3.500% due 5/05/2011 valued at $105,788 including accrued interest (Note 2g of Notes to Financial Statements)	101,745
	Total Short-Term Investments (Identified Cost $14,734,742)	14,734,742
	Total Investments – 124.8% (Identified Cost $72,429,320)(a)	71,164,666
	Other assets less liabilities–(24.8)%	(14,134,695)
	Net Assets – 100%	$57,029,971

(†) See Note 2a of Notes to Financial Statements.

(a)	Federal Tax Information (Amounts exclude certain adjustments made at the end of the Fund' s fiscal year for tax purposes. Such adjustments are primarily due to wash sales. Amortization of premium on debt securities is excluded for tax purposes.): At June 30, 2008, the net unrealized depreciation on investments based on a cost of $72,447,617 for federal income tax purposes was as follows:	
	Aggregate gross unrealized appreciation for all investments in which there is an excess of value over tax cost	$3,332,503
	Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	(4,615,454)
	Net unrealized depreciation	$(1,282,951)

(b)	All or a portion of this security was on loan to brokers at June 30, 2008.
(c)	Non-income producing security.
(d)	Variable rate security. Rate as of June 30, 2008 is disclosed.
(e)	The Fund' s investment in mortgage related securities of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Government National Mortgage Association are interests in separate pools of mortgages. All separate investments in securities of each issuer which have the same coupon rate have been aggregated for the purpose of presentation in the schedule of investments.
(f)	Represents investment of securities lending collateral.

ADR	An American Depositary Receipt is a certificate issued by a custodian bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the United States.

ABS	Asset Backed Security
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
GNMA	Government National Mortgage Association
MBS	Mortgage Backed Security
MTN	Medium Term Note
REITs	Real Estate Investment Trusts
STRIPS	Separate Trading of Registered Interest and Principal of Securities

Net Asset Summary at June 30, 2008 (unaudited)

Mortgage Related	17.0 %
Oil, Gas & Consumable Fuels	5.5
Capital Markets	5.5
Computers & Peripherals	4.4
Commercial MBS	3.4
Hotels, Restaurants & Leisure	2.7
Chemicals	2.5
Semiconductors & Semiconductor Equipment	2.4
Metals & Mining	2.3
Media	2.3
Pharmaceuticals	2.2
Banking	2.1
Machinery	2.1
Communications Equipment	2.1
Other Investments, less than 2% each	42.5
Short-Term Investments	25.8
Total Investments	124.8
Other assets less liabilities	(24.8)
Net Assets	100.0 %

See accompanying notes to financial statements.

Statements of Assets and Liabilities

June 30, 2008 (Unaudited)

	Natixis Income Diversified Portfolio	Natixis Moderate Diversified Portfolio
ASSETS		
Investments at cost	$ 138,464,671	$ 72,429,320
Net unrealized depreciation	(17,276,286)	(1,264,654)
Investments at value(a)	121,188,385	71,164,666
Foreign currency at value (identified cost $53,923, $0)	53,923	–
Receivable for Fund shares sold	29,078	33,064
Receivable for securities sold	289,414	967,767
Dividends and interest receivable	1,024,922	191,663
Tax reclaims receivable	–	11,376
Securities lending income receivable	12,479	6,848
TOTAL ASSETS	122,598,201	72,375,384
LIABILITIES		
Collateral on securities loaned, at value (Note 2)	24,820,537	14,632,997
Payable for securities purchased	33,768	124,744
Payable for Fund shares redeemed	158,194	198,312

Payable to custodian bank	134,368	279,399
Management fees payable (Note 5)	61,997	34,787
Deferred Trustees' fees (Note 5)	24,144	44,016
Administrative fees payable (Note 5)	4,439	2,632
Other accounts payable and accrued expenses	55,678	28,526
TOTAL LIABILITIES	25,293,125	15,345,413
NET ASSETS	$ 97,305,076	$ 57,029,971
NET ASSETS CONSIST OF:		
Paid-in capital	$ 117,170,622	$ 59,356,439
Overdistributed net investment income (loss)	(26,483)	(38,639)
Accumulated net realized loss on investments and foreign currency transactions	(2,561,079)	(1,023,445)
Net unrealized depreciation on investments and foreign currency translations	(17,277,984)	(1,264,384)
NET ASSETS	$ 97,305,076	$ 57,029,971
COMPUTATION OF NET ASSET VALUE AND OFFERING PRICE:		
Class A shares:		
Net assets	$ 46,439,311	$ 13,391,285
Shares of beneficial interest	4,950,003	1,445,334

Net asset value and redemption price per share	$ 9.38	$ 9.27
Offering price per share (100/[100-maximum sales charge] of net asset value) (Note 1)	$ 9.82	$ 9.84
Class C shares: (redemption price per share is equal to net asset value less any applicable contingent deferred sales charge) (Note 1)		
Net assets	$ 50,865,765	$ 43,638,686
Shares of beneficial interest	5,434,545	4,727,013
Net asset value and offering price per share	$ 9.36	$ 9.23
(a) Including securities on loan with market values of:	$ 24,090,231	$ 14,224,599

See accompanying notes to financial statements.

Statements of Operations

For the Six Months Ended June 30, 2008 (Unaudited)

	Natixis Income Diversified Portfolio	Natixis Moderate Diversified Portfolio
INVESTMENT INCOME		
Dividends	$ 1,011,555	$ 403,104
Interest	2,345,736	633,213
Securities lending income (Note 2)	92,731	47,781
Less net foreign taxes withheld	(1,550)	(15,467)
	3,448,472	1,068,631
Expenses		
Management fees (Note 5)	305,335	228,467
Service fees - Class A (Note 5)	63,676	20,309
Service and distribution fees - Class C (Note 5)	300,452	245,144
Trustees` fees and expenses (Note 5)	5,569	5,122
Administrative fees (Note 5)	28,626	16,830
Custodian fees and expenses	13,889	19,959
Transfer agent fees and expenses - Class A (Note 5)	20,021	6,229
Transfer agent fees and expenses - Class C (Note 5)	23,643	18,844
Audit and tax services fees	19,506	19,614

Legal fees	3,427	1,687
Shareholder reporting expenses	16,988	10,481
Registration fees	15,337	15,466
Miscellaneous expenses	6,428	6,925
Total expenses	822,897	615,077
Less fee reduction and/or expense reimbursement (Note 5)	(5,353)	(902)
Net expenses	817,544	614,175
Net investment income	2,630,928	454,456
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS		
Net realized gain (loss) on:		
Investments	(2,249,367)	(889,892)
Foreign currency transactions	1,713	28
Net change in unrealized appreciation (depreciation) on:		
Investments	(6,233,457)	(6,066,367)
Foreign currency translations	(2,681)	141
Net realized and unrealized loss on investments and foreign currency transactions	(8,483,792)	(6,956,090)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (5,852,864)	$ (6,501,634)

See accompanying notes to financial statements.

Statements of Changes in Net Assets

	Natixis Income Diversified Portfolio		Natixis Moderate Diversified Portfolio	
	Six Months Ended June 30, 2008 (unaudited)	Year Ended December 31, 2007	Six Months Ended June 30, 2008 (unaudited)	Year Ended December 31, 2007
FROM OPERATIONS:				
Net investment income	$ 2,630,928	$4,594,686	$454,456	$682,679
Net realized gain (loss) on investments and foreign currency transactions	(2,247,654)	3,022,082	(889,864)	8,389,937
Net change in unrealized depreciation on investments and foreign currency translations	(6,236,138)	(14,317,501)	(6,066,226)	(2,145,241)
Net increase (decrease) in net assets resulting from operations	(5,852,864)	(6,700,733)	(6,501,634)	6,927,375
FROM DISTRIBUTIONS TO SHAREHOLDERS:				
Net investment income				
Class A	(1,321,079)	(2,462,923)	(153,793)	(378,625)
Class C	(1,316,884)	(2,698,232)	(299,552)	(600,202)
Net realized capital gain				
Class A	(481,930)	(761,717)	(282,858)	(1,794,967)
Class C	(559,123)	(993,931)	(840,916)	(5,536,380)
Total distributions	(3,679,016)	(6,916,803)	(1,577,119)	(8,310,174)

NET INCREASE (DECREASE) IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS (NOTE 9)	(18,074,985)	52,385,464	(10,397,032)	(21,829,949)
Net increase (decrease) in net assets	(27,606,865)	38,767,928	(18,475,785)	(23,212,748)
NET ASSETS				
Beginning of the period	124,911,941	86,144,013	75,505,756	98,718,504
End of the period	$ 97,305,076	$124,911,941	$57,029,971	$75,505,756
OVERDISTRIBUTED NET INVESTMENT INCOME (LOSS)	$ (26,483)	$(19,448)	$(38,639)	$(39,750)

See accompanying notes to financial statements.

Financial Highlights

For a share outstanding throughout each period.

	Net asset value, beginning of the period	Income (Loss) from Investment Operations: Net investment income (loss) (b)	Net realized and unrealized gain (loss)	Total from investment operations	Less Distributions: Dividends from net investment income	Distributions from net realized capital gains	Total distributions
Natixis Income Diversified Portfolio							
Class A							
6/30/2008(l)	$ 10.26	$ 0.26	$ (0.78)	$ (0.52)	$ (0.26)	$ (0.10)	$ (0.36)
12/31/2007	11.15	0.41	(0.71)	(0.30)	(0.45)	(0.14)	(0.59)
12/31/2006	10.07	0.29	1.12	1.41	(0.32)	(0.01)	(0.33)
12/31/2005(g)	10.00	0.04	0.08	0.12	(0.05)	–	(0.05)
Class C							
6/30/2008(l)	10.24	0.22	(0.78)	(0.56)	(0.22)	(0.10)	(0.32)
12/31/2007	11.12	0.33	(0.70)	(0.37)	(0.37)	(0.14)	(0.51)
12/31/2006	10.07	0.22	1.09	1.31	(0.25)	(0.01)	(0.26)
12/31/2005(g)	10.00	0.04	0.07	0.11	(0.04)	–	(0.04)
Natixis Moderate Diversified Portfolio							
Class A							

6/30/2008(l)	$ 10.46	$ 0.09	$ (1.01)	$ (0.92)	$ (0.10)	$ (0.17)	$ (0.27)
12/31/2007	10.82	0.15	0.78	0.93	(0.20)	(1.09)	(1.29)
12/31/2006	10.94	0.15	0.74	0.89	(0.20)	(0.81)	(1.01)
12/31/2005	10.70	0.07	0.30	0.37	(0.08)	(0.05)	(0.13)
12/31/2004(e)	10.00	0.03 (h)	0.69	0.72	(0.02)	–	(0.02)
Class C							
6/30/2008(l)	10.42	0.06	(1.02)	(0.96)	(0.06)	(0.17)	(0.23)
12/31/2007	10.79	0.07	0.76	0.83	(0.11)	(1.09)	(1.20)
12/31/2006	10.90	0.07	0.75	0.82	(0.12)	(0.81)	(0.93)
12/31/2005	10.67	(0.01)	0.30	0.29	(0.01)	(0.05)	(0.06)
12/31/2004(e)	10.00	0.01 (h)	0.67	0.68	(0.01)	–	(0.01)

(a) A sales charge for Class A shares and a contingent deferred sales charge for Class C shares are not reflected in total return calculations. Periods less than one year, if applicable, are not annualized.

(b) Per share net investment income (loss) has been calculated using the average shares outstanding during the period.

(c) The investment adviser and/or administrator has agreed to reimburse a portion of the Portfolio' s expenses and/or reduce its fees during the period. Without this reimbursement/fee reduction, if applicable, expenses would have been higher.

(d) Had certain expenses not been reduced during the period, if applicable, total return would have been lower.

(e) For the period July 15, 2004 (inception) through December 31, 2004.

(f) Computed on an annualized basis for periods less than one year, if applicable.

See accompanying notes to financial statements.

			Ratios to average net assets:			
Net asset value, end of the period	Total return (%) (a)(d)	Net assets, end of the period (000' s)	Net expenses (%) (c)(f)	Gross expenses (%) (f)	Net investment income (loss) (%) (f)	Portfolio turnover rate (%)
$ 9.38	(5.3)	$ 46,439	1.07	1.08	5.17	11
10.26	(2.8)	54,733	1.08 (j)	1.09 (j)	3.76	50
11.15	14.2	37,117	1.25	1.30	2.72	52
10.07	1.2	5,074	1.25	9.57	3.61	2
9.36	(5.6)	50,866	1.82	1.83	4.38	11
10.24	(3.5)	70,179	1.83 (j)	1.84 (j)	3.00	50
11.12	13.3	49,027	2.00	2.05	2.02	52
10.07	1.1	39	2.00	10.31	3.25	2
$ 9.27	(8.9)	$ 13,391	1.32	1.32	1.96	45
10.46	8.5	18,413	1.37	1.37	1.31	91
10.82	8.4	26,978	1.31 (k)	1.31	1.38	89
10.94	3.5	47,908	1.58 (i)	1.59 (i)	0.62	88
10.70	7.2	25,660	1.65	3.51	0.71 (h)	33
$ 9.23	(9.2)	$ 43,639	2.07	2.07	1.21	45
10.42	7.8	57,093	2.11	2.11	0.58	91
10.79	7.6	71,740	2.06 (k)	2.06	0.63	89
10.90	2.7	88,269	2.32 (i)	2.33 (i)	(0.13)	88
10.67	6.8	47,173	2.40	4.26	0.12 (h)	33

(g) For the period November 17, 2005 (inception) through December 31, 2005.

(h) Includes special one-time distribution from Microsoft Corp. Without this distribution, net investment income (loss) per share would have been $0.02 and $(0.01) for Class A and Class C shares, respectively, and the ratio of net investment loss to average net assets would have been 0.51% and (0.14)% for Class A and Class C shares, respectively.

(i) Includes expense recapture of 0.22%.

(j) Includes expense recapture of 0.01%.

(k) Effect of voluntary waiver of expenses by advisor was less than 0.005%.

(l) For the six months ended June 30, 2008 (Unaudited).

June 30, 2008 (Unaudited)

1. Organization. Natixis Funds Trust I and Natixis Funds Trust III (the "Trusts" and each a "Trust") are each organized as a Massachusetts business trust. Each Trust is registered under the Investment Company Act of 1940, as amended ("1940 Act"), as an open-end investment management company. Each Declaration of Trust permits the Board of Trustees to authorize the issuance of an unlimited number of shares of the Trust in multiple series. Information presented in these financial statements pertains to certain Diversified Portfolios of the Trusts; the financial statements for the other funds of the Trusts are presented in separate reports. The following Portfolios (individually, a "Portfolio" and collectively, the "Portfolios") are included in this report:

Natixis Funds Trust I:
Natixis Income Diversified Portfolio (the "Income Diversified Portfolio")

Natixis Funds Trust III:
Natixis Moderate Diversified Portfolio (the "Moderate Diversified Portfolio")

Each Portfolio offers Class A and Class C shares. Class A shares of the Moderate Diversified Portfolio are sold with a maximum front-end sales charge of 5.75% and Class A shares of Income Diversified Portfolio are sold with a maximum front-end sales charge of 4.50%. Class C shares do not pay a front-end sales charge, pay higher ongoing 12b-1 fees than Class A shares and may be subject to a contingent deferred sales charge ("CDSC") of 1.00% if those shares are redeemed within one year.

Most expenses of the Trusts can be directly attributed to a fund. Expenses which cannot be directly attributed to a fund are generally apportioned based on the relative net assets of each of the funds in the Trusts. Expenses of a fund are borne pro rata by the holders of each class of shares, except that each class bears expenses unique to that class (including the Rule 12b-1 service and distribution fees). In addition, each class votes as a class only with respect to its own Rule 12b-1 Plan. Shares of each class would receive their pro rata share of the net assets of a fund if the fund were liquidated. The Trustees approve separate dividends from net investment income on each class of shares.

2. Significant Accounting Policies. The following is a summary of significant accounting policies consistently followed by each Portfolio in the preparation of its financial statements. The Portfolios' financial statements are prepared in accordance with accounting principles generally accepted in the United States of America which require the use of management estimates that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

a. Security Valuation. Equity securities, including closed-end investment companies and exchange-traded funds, for which market quotations are readily available are valued at market value, as reported by pricing services recommended by the investment adviser and subadvisers and approved by the Board of Trustees. Such pricing services generally use the security's last sale price on the exchange or market where the security is primarily traded or, if there is no reported sale during the day, the closing bid price. Securities traded on the NASDAQ Global Select Market, NASDAQ Global Market and NASDAQ Capital Market are valued at the NASDAQ Official Closing Price ("NOCP"), or if lacking a NOCP, at the most recent bid quotation on the applicable NASDAQ Market. Debt securities (other than short-term obligations purchased with an original or remaining maturity of sixty days or less) are generally valued on the basis of evaluated bids furnished to the Portfolios by a pricing service recommended by the investment adviser and subadvisers and approved by the Board of Trustees, which service determines valuations for normal, institutional-size trading units of such securities using market information, transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders. Broker-dealer bid quotations may also be used to value debt and equity securities where a pricing service does not price a security or where a pricing service does not provide a reliable price for the security. In instances where broker-dealer bid quotations are not available, certain securities held by the Portfolios may be valued on the basis of a price provided by a principal market maker. Short-term obligations purchased with an original or remaining maturity of sixty days or less are valued at amortized cost, which approximates market value. Securities for which market quotations are not readily available are valued at fair value as determined in good faith by the Portfolios' subadvisers using consistently applied procedures under the general supervision of the Board of Trustees. Investments in other open-end investment companies are valued at their net asset value each day.

Certain Portfolios may hold securities traded in foreign markets. Foreign securities are valued at the market price in the foreign market. However, if events occurring after the close of the foreign market (but before the close of regular trading on the New York Stock Exchange) are believed to materially affect the value of those securities, such securities are fair valued pursuant to procedures approved by the Board of Trustees. When fair valuing equity securities, the Portfolios may, among other things, use modeling tools or other processes that may take into account factors such as securities market activity and/or significant events that occur after the close of the foreign market and before the Portfolios calculate their net asset values.

b. Security Transactions and Related Investment Income. Security transactions are accounted for on trade date. Dividend income is recorded on ex-dividend date, or in the case of certain foreign securities, as soon as the Portfolio is notified, and interest income is recorded on an accrual basis. Interest income is increased by the accretion of discount and decreased by the amortization of premium. Investment income is recorded net of foreign taxes withheld when applicable. In determining net gain or loss on securities sold, the cost of securities has been determined on an identified cost basis. Investment income, non-class specific expenses and realized and unrealized gains and losses are allocated on a pro rata basis to each class based on the relative net assets of each class to the total net assets of the Portfolio.

c. Foreign Currency Translation. The books and records of the Portfolios are maintained in U.S. dollars. The value of securities, currencies and other assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon foreign exchange rates prevailing at the end of the period. Purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions.

Since the values of investment securities are presented at the foreign exchange rates prevailing at the end of the period, it is not practical to isolate that portion of the results of operations arising from changes in exchange rates from fluctuations which arise due to changes in market prices of the investment securities. Such changes are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currency, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Portfolios' books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, other than investment securities, at the end of the fiscal period, resulting from changes in exchange rates.

Each Portfolio may use foreign currency exchange contracts to facilitate transactions in foreign-denominated investments. Losses may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Each Portfolio may purchase investments of foreign issuers. Investing in securities of foreign issuers involves special risks and considerations not typically associated with investing in U.S. companies and securities of the U.S. government. These risks include revaluation of currencies and the risk of appropriation. Moreover, the markets for securities of many foreign issuers may be less liquid and the price of such securities may be more volatile than those of comparable U.S. companies and the U.S. government.

d. Forward Foreign Currency Contracts. Each Portfolio may enter into forward foreign currency contracts. Contracts to buy generally are used to acquire exposure to foreign currencies, while contracts to sell generally are used to hedge a Portfolio's investments against currency fluctuation. Also, a contract to buy or sell can offset a previous contract. These contracts involve market risk in excess of the unrealized gain or loss reflected in the Portfolios' Statements of Assets and Liabilities. The U.S. dollar value of the currencies a Portfolio has committed to buy or sell represents the aggregate exposure to each currency a Portfolio has acquired or hedged through currency contracts outstanding at period end.

All contracts are "marked-to-market" daily at the applicable exchange rates and any gains or losses are recorded for financial statement purposes as unrealized until settlement date. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. At June 30, 2008, there were no open forward currency contracts.

e. Federal and Foreign Income Taxes. Each Trust treats each Portfolio as a separate entity for federal income tax purposes. Each Portfolio intends to meet the requirements of the Internal Revenue Code applicable to regulated investment companies, and to distribute to its shareholders substantially all of its net investment income and any net realized capital gains, at least annually. Management has performed an analysis of the Fund's tax positions taken on federal and state tax returns that remain subject to examinations (tax years December 31, 2004 – 2007) and has concluded that no provisions for income tax are required. Fund management is not aware of any events that are reasonably possible to occur in the next six months that would result in the amounts of any unrecognized tax benefits significantly increasing or decreasing for the Fund. However, management's conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws and accounting regulations and interpretations thereof.

A Portfolio may be subject to foreign taxes on income and gains on investments that are accrued based upon the Portfolio's understanding of the tax rules and regulations that exist in the countries in which the Portfolio invests. Foreign governments may also impose taxes or other payments on investments with respect to foreign securities. Such taxes are accrued as applicable.

f. Dividends and Distributions to Shareholders. Dividends and distributions are recorded on ex-dividend date. The timing and characterization of certain income and capital gain distributions are determined in accordance with federal tax regulations, which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for book and tax purposes of items such as paydowns on mortgage-backed securities, Treasury Inflation Protected Securities (TIPs) adjustments, gains realized from passive foreign investment companies, distribution redesignations, capital gain and return of capital distributions from REITs, foreign currency gains and losses and premium amortization accruals. Permanent book and tax basis differences relating to shareholder distributions, net investment income, and net realized gains will result in reclassifications to capital accounts. Temporary differences between book and tax distributable earnings are primarily due to deferred Trustees' fees, TIPs adjustments, wash sales, gains realized from passive foreign investment companies, and premium amortization. Distributions from net investment income and short-term capital gains are considered to be ordinary income for tax purposes.

The tax characterization of distributions is determined on an annual basis. The tax character of distributions paid to shareholders during the year ended December 31, 2007 was as follows:

	2007 Distributions Paid From:		
Portfolio	Ordinary Income	Long-Term Capital Gains	Total
Income Diversified Portfolio	$5,539,820	$1,376,983	$6,916,803
Moderate Diversified Portfolio	3,621,011	4,689,163	8,310,174

g. Repurchase Agreements. Each Portfolio, through its custodian, receives delivery of the underlying securities collateralizing repurchase agreements. It is each Portfolio' s policy that the market value of the collateral be at least equal to 100% of the repurchase price, including interest. Certain repurchase agreements are tri-party arrangements whereby the collateral is held at the custodian bank in a segregated account for the benefit of the Portfolio and on behalf of the counterparty. It is each Portfolio' s policy, regarding tri-party arrangements, that the market value of the collateral be at least equal to 102% of the repurchase price, including interest. Repurchase agreements could involve certain risks in the event of default or insolvency of the counterparty including possible delays or restrictions upon a Portfolio' s ability to dispose of the underlying securities.

h. Securities Lending. The Portfolios have entered into an agreement with State Street Bank and Trust Company ("State Street Bank"), as agent of the Portfolios, to lend securities to certain designated borrowers. The loans are collateralized with cash or securities in an amount equal to at least 105% or 102% of the market value of the loaned international or domestic securities, respectively, when the loan is initiated. Thereafter, the value of the collateral must remain at least 102% of the market value of loaned securities for U.S. equities and U.S. corporate debt; at least 105% of the market value of loaned securities for non-U.S. equities; and at least 100% of the market value of loaned securities for U.S. government securities, sovereign debt issued by non- U.S. governments and non-U.S. corporate debt. In the event that the market value of the collateral falls below the required percentages described above, the borrower will deliver additional collateral on the next business day. As with other extensions of credit, the Portfolios may bear the risk of loss with respect to the investment of the collateral. The Portfolios invest cash collateral in short-term investments, a portion of the income from which is remitted to the borrowers and the remainder allocated between the Portfolios and State Street Bank as lending agent. The value of securities on loan to borrowers and the value of collateral held by the Portfolios with respect to such loans at June 30, 2008 were as follows:

Portfolio	Value of Securities on Loan	Value of Collateral
Income Diversified Portfolio	$24,090,231	$24,820,537
Moderate Diversified Portfolio	14,224,599	14,632,997

i. Delayed Delivery Commitments. Each Portfolio may purchase or sell securities on a when-issued or forward commitment basis. Payment and delivery may take place a month or more after the date of the transaction. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract. Collateral consisting of liquid securities or cash and cash equivalents is maintained in an amount at least equal to these commitments with the custodian. At June 30, 2008, there were no delayed delivery commitments.

j. Indemnifications. Under the Trusts' organizational documents, their officers and Trustees are indemnified against certain liability arising out of the performance of their duties to the Portfolios. Additionally, in the normal course of business, the Portfolios enter into contracts with service providers that contain general indemnification clauses. The Portfolios' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolios that have not yet occurred. However, based on experience, the Portfolios expect the risk of loss to be remote.

k. New Accounting Pronouncement. In March 2008, Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("FAS 161"), was issued and will be effective for fiscal years and interim periods beginning after November 15, 2008. FAS 161 requires enhanced disclosures about funds' derivative and hedging activities. Management is currently evaluating the impact the adoption of FAS 161 will have on the Funds' financial statement disclosures.

3. Fair Value Measurements. Each Portfolio adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("FAS 157"), effective January 1, 2008. For net asset value determination purposes, various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in the three broad levels listed below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (which could include quoted prices for similar investments, interest rates, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The following is a summary of the inputs used as of June 30, 2008 in valuing the Portfolios' investments carried at value:

Income Diversified Portfolio

Valuation Inputs	Investments in Securities
Level 1 – Quoted Prices	$ 62,668,126
Level 2 – Other Significant Observable Inputs	58,203,060
Level 3 – Significant Unobservable Inputs	317,199
Total	$ 121,188,385

Moderate Diversified Portfolio

Valuation Inputs	Investments in Securities
Level 1 – Quoted Prices	$ 50,597,102
Level 2 – Other Significant Observable Inputs	20,228,678
Level 3 – Significant Unobservable Inputs	338,886
Total	$ 71,164,666

Following is a summary of activity for investments for which significant unobservable inputs (Level 3) were used in determining value:

Income Diversified Portfolio

Assets	Investments in Securities
Balance as of December 31, 2007	$ –
Realized gain (loss)	–
Change in unrealized appreciation (depreciation)(a)	(36,360)
Net purchases (sales)	291,709
Net reclassifications to/from Level 3	61,850
Balance as of June 30, 2008	$ 317,199

Moderate Diversified Portfolio

Assets	Investments in Securities
Balance as of December 31, 2007	$ 163,700
Realized gain (loss)	–
Change in unrealized appreciation (depreciation)(a)	(29,665)
Net purchases (sales)	204,851
Net reclassifications to/from Level 3	–
Balance as of June 30, 2008	$ 338,886

(a) Change in unrealized appreciation (depreciation) is included in net change in unrealized appreciation (depreciation) on investments within the Statement of Operations.

4. Purchases and Sales of Securities. For the six months ended June 30, 2008, purchases and sales of securities (excluding short-term investments and including paydowns) were as follows:

	U.S. Government and Agency Securities		Other Securities	
Portfolio	Purchases	Sales	Purchases	Sales
Income Diversified Portfolio	$ 4,446,081	$ 10,321,569	$7,884,567	$22,339,660
Moderate Diversified Portfolio	2,292,996	5,439,429	26,524,608	30,510,596

5. Management Fees and Other Transactions with Affiliates.

a. Management Fees. Natixis Asset Management Advisors, L.P. ("Natixis Advisors") serves as investment adviser to each Portfolio. Under the terms of the management agreements, each Portfolio pays a management fee at the following annual rates, calculated daily and payable monthly, based on each Portfolio's average daily net assets:

	Percentage of Average Daily Net Assets	
Portfolio	First $1 billion	Over $1 billion

Income Diversified Portfolio	0.55 %	0.50 %
Moderate Diversified Portfolio	0.70 %	0.65 %

Natixis Advisors has entered into subadvisory agreements for each Portfolio as listed below.

Income Diversified Portfolio	AEW Management and Advisors, L.P. ("AEW")
	Loomis, Sayles & Company, L.P. ("Loomis Sayles")
Moderate Diversified Portfolio	Dreman Value Management, LLC ("Dreman")
	Harris Associates L.P. ("Harris Associates")
	Loomis Sayles

Payments to Natixis Advisors are reduced in the amount of payments to the subadvisors. Natixis Advisors voluntarily agreed to waive a portion of the management fee it retains for the Income Diversified Portfolio and Moderate Diversified Portfolio after payment to subadvisers.

Natixis Advisors has given binding undertakings to the Portfolios to reduce its management fees, and/or reimburse certain expenses associated with these Portfolios to limit their operating expenses. These undertakings are in effect until April 30, 2009 and will be reevaluated on an annual basis. For the six months ended June 30, 2008, the expense limits as a percentage of average daily net assets under the expense limitation agreements were as follows:

	Expense Limit as a Percentage of Average Daily Net Assets	
Portfolio	Class A	Class C
Income Diversified Portfolio	1.25%	2.00%
Moderate Diversified Portfolio	1.45%	2.20%

For the six months ended June 30, 2008, the management fees and reductions of management fees for each Portfolio were as follows:

				Percentage of Average Daily Net Assets	
Portfolio	Gross Management Fee	Voluntary Reductions of Management Fee	Net Management Fee	Gross	Net

Income Diversified Portfolio	$ 305,335	$ 3,945	$ 301,390	0.55	%	0.54	%
Moderate Diversified Portfolio	228,467	74	228,393	0.70	%	0.70	%

For the six months ended June 30, 2008, no expenses have been reimbursed for the Portfolios.

Natixis Advisors is permitted to recover expenses they have borne under the expense limitation agreement (whether through a reduction of its management fee or otherwise) on a class basis in later periods to the extent the expenses of a class fall below a class' expense limits, provided, however, that a class is not obligated to pay such reduced fees/expenses more than one year after the end of the fiscal year in which the fee/expense was reduced. There are no amounts subject to possible reimbursement under the expense limitation agreements at June 30, 2008.

Certain officers and directors of Natixis Advisors and its affiliates are also Trustees of the Portfolios. Natixis Advisors, Harris Associates, Loomis Sayles and AEW are subsidiaries of Natixis Global Asset Management, L.P. ("Natixis US"), which is part of Natixis Global Asset Management, an international asset management group based in Paris, France.

b. Administrative Expense. Natixis Advisors provides certain administrative services for the Portfolios and has subcontracted with State Street Bank to serve as sub-administrator. Natixis Advisors is a wholly-owned subsidiary of Natixis US. Pursuant to an agreement among Natixis Funds Trust I , Natixis Funds Trust II , Natixis Funds Trust III , Natixis Funds Trust IV , Natixis Cash Management Trust, Gateway Trust ("Natixis Funds Trusts"), Loomis Sayles Funds I, Loomis Sayles Funds II ("Loomis Sayles Funds Trusts"), Hansberger International Series and Natixis Advisors (the "Administrative Services Agreement"), each Portfolio pays Natixis Advisors monthly its pro rata portion of fees equal to an annual rate of 0.0675% of the first $5 billion of the average daily net assets of the Natixis Funds Trusts, Loomis Sayles Funds Trusts and Hansberger International Series, 0.0625% of the next $5 billion, 0.0500% of the next $20 billion, and 0.0450% of such assets in excess of $30 billion, subject to an annual aggregate minimum fee for the Natixis Funds Trusts, Loomis Sayles Funds Trusts and Hansberger International Series of $5 million, which is reevaluated on an annual basis. New funds are subject to a prorated annual fee of $50,000 plus $12,500 per class and an additional $50,000 if managed by multiple subadvisors in their first calendar year of operations.

Effective October 1, 2007, State Street Bank agreed to reduce the fees it receives from Natixis Advisors for serving as sub-administrator to the Portfolios. Also, effective October 1, 2007, Natixis Advisors gave a binding contractual undertaking to the Portfolios to waive the administrative fees paid by the Portfolios in an amount equal to the reduction in sub-administrative fees discussed above. The waiver was in effect through June 30, 2008.

Pursuant to an amendment to the Administrative Services Agreement, effective July 1, 2008, each Fund will pay Natixis Advisors monthly its pro rata portion of fees equal to an annual rate of 0.0575% of the first $15 billion of the average daily net assets of the Natixis Funds Trusts, Loomis Sayles Funds Trusts and the Hansberger International

Series, 0.0500% of the next $15 billion, 0.0425% of the next $30 billion and 0.0375% of such assets in excess of $60 billion, subject to an annual aggregate minimum fee for the Natixis Funds Trusts, Loomis Sayles Funds Trusts and the Hansberger International Series of $10 million, which is revaluated on an annual basis. New funds will be subject to an annual fee of $75,000 plus $12,500 per class and an additional $75,000 if managed by multiple subadvisors in their first calendar year of operations.

For the six months ended June 30, 2008, amounts paid to Natixis Advisors for administrative fees were as follows:

Portfolio	Gross Administrative Fees	Waiver of Administrative Fees	Net Administrative Fees
Income Diversified Portfolio	$ 28,626	$ 1,408	$ 27,218
Moderate Diversified Portfolio	16,830	828	16,002

c. Service and Distribution Fees. Natixis Distributors, L.P. ("Natixis Distributors") a wholly-owned subsidiary of Natixis US has entered into a distribution agreement with the Trust. Pursuant to this agreement, Natixis Distributors serves as principal underwriter of the Portfolios.

Pursuant to Rule 12b-1 under the 1940 Act, the Trusts have adopted a Service Plan relating to each Portfolio's Class A shares (the "Class A Plans") and a Distribution and Service Plan relating to each Portfolio's Class C shares (the "Class C Plans").

Under the Class A Plans, each Portfolio pays Natixis Distributors a monthly service fee at the annual rate not to exceed 0.25% of the average daily net assets attributable to the Portfolio's Class A shares, as reimbursement for expenses incurred by Natixis Distributors in providing personal services to investors in Class A shares and/or the maintenance of shareholder accounts.

Under the Class C Plans, each Portfolio pays Natixis Distributors a monthly service fee at the annual rate of 0.25% of the average daily net assets attributable to the Portfolio's Class C shares, as compensation for services provided and expenses incurred by Natixis Distributors in providing personal services to investors in Class C shares and/or the maintenance of shareholder accounts.

Also under the Class C Plans, each Portfolio pays Natixis Distributors a monthly distribution fee at the annual rate of 0.75% of the average daily net assets attributable to the Portfolio's Class C shares, as compensation for services provided and expenses incurred by Natixis Distributors in connection with the marketing or sale of Class C shares.

For the six months ended June 30, 2008, the Portfolios paid the following service and distribution fees:

	Service Fee		
Portfolio	Class A	Class C	Distribution Fee Class C
Income Diversified Portfolio	$63,676	$75,113	$ 225,339

Moderate Diversified Portfolio	20,309	61,286	183,858

d. Sub-Transfer Agent Fees. Natixis Distributors has entered into agreements with financial intermediaries to provide certain recordkeeping, processing, shareholder communications and other services to customers of the intermediaries and has agreed to compensate the intermediaries for providing those services. Certain services would be provided by the Portfolios if the shares of those customers were registered directly with the Portfolios' transfer agent. Accordingly, the Portfolios agreed to pay a portion of the intermediary fees attributable to shares of the Portfolio held by the intermediary (which generally are a percentage of the values of shares held) not exceeding what each Portfolio would have paid its transfer agent had each customer's shares been registered directly with the transfer agent instead of held through the intermediary. Natixis Distributors pays the remainder of the fees. Listed below are the fees incurred by the Portfolios which are included in the transfer agent fees and expenses in the Statement of Operations.

	Sub-Transfer Agent Fees	
Portfolio	Class A	Class C
Income Diversified Portfolio	$14,517	$17,983
Moderate Diversified Portfolio	5,598	16,825

e. Commissions. The Portfolios have been informed that commissions (including CDSCs) on Portfolio shares paid to Natixis Distributors by investors in shares of the Portfolios during the six months ended June 30, 2008 were as follows:

Portfolio	Commission
Income Diversified Portfolio	$ 39,997
Moderate Diversified Portfolio	11,919

f. Trustees Fees and Expenses. The Portfolios do not pay any compensation directly to its officers or Trustees who are directors, officers or employees of Natixis Advisors, Natixis Distributors, Natixis US, or their affiliates. The Chairperson of the Board receives a retainer fee at the annual rate of $200,000. The Chairperson does not receive any meeting attendance fees for Board of Trustees meetings or committee meetings that she attends. Each independent Trustee (other than the Chairperson) receives, in the aggregate, a retainer fee at the annual rate of $65,000. Each independent Trustee also receives a meeting attendance fee of $7,500 for each meeting of the Board of Trustees that he or she attends in person and $3,750 for each meeting of the Board of Trustees that he or she attends telephonically. In addition, each committee chair receives an additional retainer fee at the annual rate of $10,000. Each Contract Review and Governance Committee member is compensated $5,000 for each Committee meeting that he or she attends in person and $2,500 for each meeting that he or she attends telephonically. Each Audit Committee member is compensated $6,250 for each Committee meeting that he or she attends in person and $3,125 for each meeting that he or she attends telephonically. These fees are allocated among the funds in the Natixis Funds Trusts, Loomis Sayles Funds Trusts and the Hansberger International Series based on a formula that takes into account, among other factors, the relative net assets of each Fund. Trustees are reimbursed for travel expenses in connection with attendance at meetings.

A deferred compensation plan (the "Plan") is available to the Trustees on a voluntary basis. Each participating Trustee will receive an amount equal to the value that such deferred compensation would have been had it been invested in a designated fund or certain other funds of the Natixis Funds Trusts, Loomis Sayles Funds Trusts and the Hansberger International Series on the normal payment date. Deferred amounts remain in the funds until distributed in accordance with the Plan.

6. Line of Credit. Each Portfolio, together with certain other funds of Natixis Funds Trusts, Loomis Sayles Funds Trusts and the Hansberger International Series, participates in a $200,000,000 committed line of credit provided by State Street Bank, with an individual limit of $125,000,000 for each fund that participates in the line of credit. Interest is charged to each participating fund based on its borrowings at a rate per annum equal to the Federal Funds rate plus 0.50%. In addition, a commitment fee of 0.09% per annum, payable at the end of each calendar quarter, is accrued and apportioned among the participating funds based on their average daily unused portion of the line of credit. For the six months ended June 30, 2008, the Funds had no borrowings under this agreement.

Prior to March 12, 2008, each fund together with certain other funds of Natixis Funds Trusts, Loomis Sayles Funds Trusts and Hansberger International Series, participated in a $75,000,000 committed line of credit provided by State Street Bank.

7. Broker Commission Recapture. Each Portfolio has entered into agreements with certain brokers whereby the brokers will rebate a portion of brokerage commissions. All amounts rebated by the brokers are returned to the Portfolios under such agreements and are included in realized gains in the Statements of Operations. For the six months ended June 30, 2008, amounts rebated under these agreements were as follows:

Fund	Rebates
Income Diversified Portfolio	$ 3,286
Moderate Diversified Portfolio	3,779

8. Capital Shares. Each Portfolio may issue an unlimited number of shares of beneficial interest without par value. Transactions in capital shares were as follows:

	Six Months Ended June 30, 2008		Year Ended December 31, 2007	
Income Diversified Portfolio	**Shares**	**Amount**	**Shares**	**Amount**
Class A				
Issued from the sale of shares	279,054	$2,808,877	4,603,328	$52,094,305
Issued in connection with the reinvestment of distributions	130,684	1,310,791	190,943	2,041,330
Redeemed	(792,941)	(7,976,066)	(2,789,673)	(30,406,349)
Net change	(383,203)	$(3,856,398)	2,004,598	$23,729,286
Class C				
Issued from the sale of shares	208,547	$2,089,367	4,546,429	$51,123,677
Issued in connection with the reinvestment of distributions	65,003	651,513	105,904	1,126,884
Redeemed	(1,693,528)	(16,959,467)	(2,204,761)	(23,594,383)
Net change	(1,419,978)	$(14,218,587)	2,447,572	$28,656,178
Increase (decrease) from capital share transactions	(1,803,181)	$(18,074,985)	4,452,170	$52,385,464

	Six Months Ended June 30, 2008		Year Ended December 31, 2007	
Moderate Diversified Portfolio	**Shares**	**Amount**	**Shares**	**Amount**
Class A				
Issued from the sale of shares	75,713	$728,823	336,042	$3,713,224
Issued in connection with the reinvestment of distributions	14,388	136,335	69,098	732,380

Redeemed	(405,849)	(3,939,668)	(1,136,807)	(12,842,929)
Net change	(315,748)	$(3,074,510)	(731,667)	$(8,397,325)

Class C

Issued from the sale of shares	148,568	$1,417,761	764,944	$8,256,172
Issued in connection with the reinvestment of distributions	14,022	132,440	66,612	700,175
Redeemed	(916,306)	(8,872,723)	(2,002,439)	(22,388,971)
Net change	(753,716)	$(7,322,522)	(1,170,883)	$(13,432,624)
Increase (decrease) from capital share transactions	(1,069,464)	$(10,397,032)	(1,902,550)	$(21,829,949)

Item 2. Code of Ethics.

Not applicable.

Item 3. Audit Committee Financial Expert.

Not applicable.

Item 4. Principal Accountant Fees and Services.

Not applicable.

Item 5. Audit Committee of Listed Registrants.

Not applicable.

Item 6. Schedule of Investments.

Included as part of the Report to Shareholders filed as Item 1 herewith.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Not applicable.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Companies and Affiliated Purchasers.

Not applicable.

Item 10. Submission of Matters to a Vote of Securities Holders.

There were no material changes to the procedures by which shareholders may recommend nominees to the Registrant' s Board of Trustees.

Item 11. Controls and Procedures.

The Registrant' s principal executive officer and principal financial officer have concluded that the Registrant' s disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Registrant in this Form N-CSR was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission' s rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

There were no changes in the Registrant' s internal control over financial reporting that occurred during the Registrant' s last fiscal quarter of the period covered by the report that has materially affected, or is reasonably likely to materially affect, the Registrant' s internal control over financial reporting.

Item 12. Exhibits.

(a) (1)	Not applicable.
(a) (2)	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)), filed herewith as Exhibits (a)(2)(1) and (a)(2)(2), respectively.
(a) (3)	Not applicable.

(b) Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002 are filed herewith as Exhibit (b).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Natixis Funds Trust III

By:

/s/ David L. Giunta

Name:

David L. Giunta

Title:

President and Chief Executive Officer

Date:

August 26, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By:

/s/ David L. Giunta

Name:

David L. Giunta

Title:

President and Chief Executive Officer

Date:

August 26, 2008

By:

/s/ Michael C. Kardok

Name:

Michael C. Kardok

Title:

Treasurer

Date:

August 26, 2008

Natixis Funds Trust III
Exhibit to SEC Form N-CSR
Section 302 Certification

I, David L. Giunta, certify that:

1. I have reviewed this report on Form N-CSR of Natixis Funds Trust III;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all materials respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer and I have disclosed to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize, and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: August 26, 2008

/s/ David L. Giunta

David L. Giunta

President and Chief Executive Officer

Exhibit (a)(2)(2)

Natixis Funds Trust III
Exhibit to SEC Form N-CSR
Section 302 Certification

I, Michael C. Kardok, certify that:

1. I have reviewed this report on Form N-CSR of Natixis Funds Trust III;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all materials respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer and I have disclosed to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
   e. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize, and report financial information; and
   f. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: August 26, 2008

/s/ Michael C. Kardok

Michael C. Kardok

Treasurer

Exhibit (b)

Natixis Funds Trust III
Section 906 Certification

In connection with the report on Form N-CSR for the period ended June 30, 2008 for the Registrant (the "Report"), the undersigned each hereby certifies to the best of his knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as applicable; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By:	By:
President and Chief Executive Officer	Treasurer
Natixis Funds Trust III	Natixis Funds Trust III
/s/ David L. Giunta	/s/ Michael C. Kardok
David L. Giunta	Michael C. Kardok
Date: August 26, 2008	Date: August 26, 2008

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Natixis Funds Trust III, and will be retained by the Natixis Funds Trust III and furnished to the Securities and Exchange Commission or its staff upon request.