



# Senior Loan

## Management Team

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## Objective

Designed to deliver pure bank loan exposure and outperform the benchmark over a full credit cycle

## Highlights

The Senior Loan strategy is based primarily on defensive strategies:

- Investment philosophy is transparent, benchmark aware and long-only
- Intense fundamental research attempts to reduce default risk
- Favor higher quality, par loans that offer multiple credit cushions
- Portfolios are diversified by industry and security
- Avoid second lien loans under most market conditions

## Benchmark

Morningstar LSTA US BB  
Ratings Loan Index

### Facts

Strategy inception	7/1/04
Composite inception	9/1/04
Strategy assets	\$1,401.8M
Composite assets	\$1,042.0M
Current yield	8.70%
Average purchase price	\$98.93
Average price	\$99.29
Current rate	8.67%

*Strategy assets exclude leveraged assets and assets allocated from other account types.*

## Composite Performance (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	1 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	1.24	11.47	11.47	5.46	5.28	4.12	4.44
<b>NET</b>	1.20	10.96	10.96	4.99	4.80	3.64	3.95
<b>BENCHMARK</b>	1.23	10.26	10.26	5.40	5.22	4.00	4.08

## Composite Period Performance (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>GROSS</b>	1.51	3.64	1.59	8.56	0.20	3.72	8.04	1.48	1.64	4.71
<b>NET</b>	1.09	3.15	1.11	8.04	-0.27	3.24	7.53	1.00	1.17	4.22
<b>BENCHMARK</b>	2.99	3.12	0.75	9.31	-0.42	3.44	7.33	2.23	1.53	3.80

*Effective February 29, 2024, John R. Bell will no longer serve as a Portfolio Manager of the Strategy.*

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*Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted. Returns are shown in US dollars and are annualized for one and multi-year periods. Gross returns are net of trading costs. Net returns are gross returns less effective management fees.*

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

**HOLDINGS BY INDUSTRY (%)**

Software	6.4	Health Care Equipment & Supplies	2.2	"Mortgage Real Estate Investment Trusts (REITs)"	1.0	Biotechnology	0.4
Specialty Retail	6.2	Diversified Telecommunication Services	2.2	Textiles, Apparel & Luxury Goods	0.9	Distributors	0.4
Media	5.8	Entertainment	2.0	Auto Components	0.8	Food & Staples Retailing	0.3
Hotels, Restaurants & Leisure	5.5	Aerospace & Defense	1.9	Household Durables	0.6	Real Estate Management & Development	0.3
IT Services	4.8	Semiconductors & Semiconductor Equipment	1.8	Automobiles	0.6	Diversified REITs	0.2
Commercial Services & Supplies	4.6	Leisure Products	1.8	Transportation Infrastructure	0.5	Electrical Equipment	0.2
Health Care Providers & Services	4.3	Insurance	1.6	Household Products	0.5	Metals & Mining	0.2
Building Products	4.1	Food Products	1.6	Broadline Retail	0.5	Communications Equipment	0.2
Chemicals	4.1	Health Care Technology	1.5	Trading Companies & Distributors	0.4	Internet & Direct Marketing Retail	0.2
Pharmaceuticals	3.3	Construction & Engineering	1.5	Construction Materials	0.4	Electric Utilities	0.0
Capital Markets	3.3	Life Sciences Tools & Services	1.5	Personal Products	0.4	Cash & Equivalents	3.1
Professional Services	3.1	Electronic Equipment, Instruments & Components	1.3	Airlines	0.4		
Machinery	2.7	Interactive Media & Services	1.3	Diversified Financial Services	0.4		
Oil, Gas & Consumable Fuels	2.6	Diversified Consumer Services	1.3	Independent Power and Renewable Electricity Producers	0.4		
Road & Rail	2.3						

**CREDIT QUALITY (%)**

	Portfolio	Index
AA	-	-
A	-	-
BBB	11.6	6.6
BB	47.2	22.4
B	36.9	61.6
CCC & Lower	0.7	7.5
Not Rated	0.5	1.9
Cash & Equivalents	3.1	-
Second Lien	-	2.4
Avg. Credit Quality	BB-	B+

Reflects the credit ratings assigned by Standard & Poors. If shown, the Morningstar LSTA US BB Ratings Loan Index would be rated 100% BB.

**SECTOR DISTRIBUTION (%)**

	Portfolio
Industrials	21.7
Consumer Discretionary	18.7
Information Technology	14.6
Health Care	13.2
Communication Services	11.3
Financials	6.2
Materials	4.8
Consumer Staples	2.8
Energy	2.6
Utilities	0.4
Real Estate	0.3
Diversified REITs	0.2
Cash & Equivalents	3.1

**TOP FIVE HOLDINGS (%)**

	Portfolio
Perrigo Investments, LLC	1.0
1011778 BC Unlimited Liability Co	0.9
Amynta Agency Borrower Inc.	0.9
DirecTV Financing, LLC	0.8
Gen Digital Inc.	0.7

**COUNTRY DISTRIBUTION (%)**

	Portfolio
United States	90.2
Canada	3.8
Other	6.0

**Key Risks**

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Derivatives Risk, Counterparty Risk, Non-US Securities Risk, Prepayment Risk, Extension Risk and Management Risk. Investing involves risk including possible loss of principal.

Due to rounding, **Sector**, **Credit Quality** and **Country** distribution totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. **Top Five Holdings** may not be representative of current or future holdings and will evolve over time. Excludes cash and equivalents. **Credit Quality** reflects the credit rating assigned to individual holdings of the strategy by S&P; ratings are subject to change. **Cash & Equivalents** may include unsettled trades, fees and/or derivatives.

The Senior Loan Composite includes all discretionary accounts with market values greater than \$50 million managed by Loomis Sayles with a primary focus on attractive risk/return trade-offs within the bank loan sector. The Composite inception date is September 1, 2004. The Composite was created in 2007. For additional information on this and other Loomis Sayles Strategies, please visit our website at [www.loomisayles.com](http://www.loomisayles.com).

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