



Strategic Alpha

Management Team

Portfolio Manager

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Highlights

- High conviction, active credit manager
- Benchmark unconstrained, multi-sector fixed income strategy that seeks to provide a favorable absolute total return with a low correlation to traditional fixed income
- Flexible investment framework with the capability to invest across global fixed income markets while seeking to provide consistent investment results throughout market cycles
- Keen focus on risk and drawdown consistent with capital preservation
- Duration: -2 to 5 years
- Maximum/Minimum net exposure
 - Below investment grade: +/- 50%
 - Non-US dollar currency: +/- 50%
 - Emerging markets currency: +/- 20%

Objective*

Seeks to provide absolute returns in excess of ICE BofA US 3-Month Treasury Bill Index +2-4% while mitigating drawdowns

Benchmark

ICE BofA 3-Month Treasury Bill Index

Facts

Strategy inception	5/1/11
Composite inception	5/1/11
Strategy assets	\$4,663.8M
Composite assets	\$2,435.1M

Effective April 1, 2022 the benchmark for the Strategic Alpha Composite has been changed from ICE BofA USD 3-Month Deposit Offered Rate Constant Maturity Index to the ICE BofA US 3-Month Treasury Bill Index. We display the ICE BofA US 3-Month Treasury Bill Index going back to inception.

*This return objective is used for the purpose of portfolio construction, is unofficial, and is provided for informational purposes only. There is no guarantee that the strategy will achieve its excess return objective.

Under normal market conditions, adjustments for changes due to market action will be made over a reasonable period of time, consistent with portfolio objectives.

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Composite Performance (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	1.33	1.33	8.34	1.28	3.68	3.37	3.20
NET	1.21	1.21	7.83	0.84	3.25	2.95	2.78
BENCHMARK	1.29	1.29	5.24	2.58	2.02	1.38	1.08

Composite Period Performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GROSS	8.93	-7.44	1.76	12.27	4.87	1.10	3.86	6.65	-0.52	2.87
NET	8.42	-7.82	1.35	11.82	4.44	0.69	3.44	6.22	-0.92	2.45
BENCHMARK	5.01	1.46	0.05	0.67	2.28	1.87	0.86	0.33	0.05	0.03

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative 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.



STRATEGY ALLOCATION

	Representative Account			
	Long Total	Short Total	Net Exposure (%)	DC* (Years)
Securitized	33.9	-	33.9	0.8
Investment Grade Corporate	27.0	-	27.0	1.2
High Yield Corporate	12.9	-6.3	6.7	0.5
Convertibles	3.8	-	3.8	0.1
Global Sovereign & FX	3.7	-	3.7	0.3
Emerging Market	2.3	-	2.3	0.1
Bank Loans	2.4	-0.2	2.1	-
Dividend Equity	2.1	-0.2	1.9	-
Cash & Equivalents	12.2	-0.2	11.9	-
Total	100.2	-6.7	93.5	2.9

TOP 10 ISSUERS (%)

Representative Account	
CDX 42 HY 500 06/20/29	-5.8
United States of America	3.3
Glencore PLC	1.8
Cemex SAB de CV	1.8
Teva Pharmaceutical Industries Ltd	1.7
Uber Technologies Inc	1.7
EchoStar Corp	1.5
Rock Holdings Inc	1.4
Charter Communications Inc	1.3
Morgan Stanley	1.2

*DC = Contribution to duration

Key Risks

Fixed income securities may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Currency** exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline. **Derivatives** involve risk of loss and may entail additional risks. Because derivatives depend on the performance of an underlying asset, they can be highly volatile and are subject to market and credit risks. **Foreign and emerging market securities** may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than US securities due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Mortgage-related and asset-backed securities** are subject to the risks of the mortgages and assets underlying the securities. Other related risks include prepayment risk, which is the risk that the securities may be prepaid, potentially resulting in the reinvestment of the prepaid amounts into securities with lower yields. **Commodity-related** investments, including derivatives, may be affected by a number of factors including commodity prices, world events, import controls and economic conditions, and therefore may involve substantial risk of loss. **Non-diversified** funds invest a greater portion of assets in fewer securities and therefore may be more vulnerable to adverse changes in the market.

Data presented above is intended to illustrate the portfolio's exposure to certain asset classes. The portfolio may use the market value, the notional value or an adjusted notional value of a derivative in order to reflect what the Adviser believes to be the most accurate assessment of the Portfolio's real economic exposure. **Top Ten Issuers** shown do not include cash and cash equivalents, currency forwards, currency options and derivative offsets, included in the portfolio's total net assets. **Strategy Allocation** does not include derivative offsets, included in the portfolio's total net assets. The portfolio's long and short investment exposures may, at times, each reach 100% of the assets invested in the portfolio (excluding derivatives used for duration management or yield curve management and cash and cash equivalents), although these exposures may be higher or lower at any given time. **Cash & Equivalents** reflects unsettled trades, fees and derivatives.

Characteristics are shown for a representative account. Due to systems limitations, it is difficult to analyze characteristics on a composite basis. The representative account was selected because it closely reflects the Loomis Sayles Strategic Alpha investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts in the Composite.

The Composite includes all discretionary accounts with market values greater than \$25 million, managed by Loomis Sayles with guidelines that allow it to invest long and short, and employ up to a maximum of 100% gross on a notional basis, primarily in the corporate, sovereign, asset-backed, currency and interest rate markets and employs the use of derivatives that may include interest rate futures and swaps, credit default swaps, commodity futures, options, and currency futures and forwards. Potential primary alpha sources are expected to fall in the credit, interest rate and currency categories. As of 1/1/2021 the Composite was redefined to include commingled vehicles, previously only separate accounts were included. The Composite inception date is May 1, 2011. The Composite was created in 2011. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomisayles.com.