



# Core Stable Value Fixed Income

## Management Team

### Portfolio Manager

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## Objective

Seeks to outperform the Bloomberg US Aggregate Index while maintaining a benchmark-aware risk return objective

## Benchmark

Bloomberg US Aggregate Index

## Highlights

- Stable value portfolios can be customized based on a provider's restrictions, enabling us to adhere to a mandate's specific guidelines while providing the same philosophy and process as our Core Fixed Income strategy
- Individual investment ideas are evaluated on the basis of their investment return potential and contribution to portfolio risk
- Top-down macroeconomic analysis combined with bottom-up security selection helps drive portfolio construction
- Seeks to create portfolios diversified by sector, industry and issuer
- Investment flexibility is constrained to the investment grade portion of the US fixed income markets
- Duration bands: +/- 1 year (typically within +/- 0.25 year) relative to the index
- All investments must be US dollar denominated
- Issuer maximum is 3% or the benchmark weight plus 2% (whichever is greater at the time of purchase), Treasuries and GSEs excluded
- Industry maximum of 25% of the benchmark weight plus 10%, (whichever is greater at the time of purchase)
- Investment universe typically includes US Treasuries, agencies, asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), investment grade corporate bonds, mortgage-backed securities (MBS), and Yankee bonds

## Facts

|                     |             |
|---------------------|-------------|
| Strategy inception  | 3/1/16      |
| Composite inception | 3/1/16      |
| Strategy assets     | \$10,877.7M |
| Composite assets    | \$2,257.7M  |

## Portfolio Characteristics

|                          | Composite | Index    |
|--------------------------|-----------|----------|
| Average maturity         | 7.38 yrs  | 8.35 yrs |
| Average duration         | 5.26 yrs  | 6.17 yrs |
| Average yield            | 5.20%     | 4.85%    |
| Average credit quality   | AA3       | AA2      |
| Average number of issues | 1,098     | -        |
| Weighted average coupon  | 4.15%     | 3.17%    |
| OAS                      | 70 bps    | 39 bps   |

## Composite Performance (%)

|                  | CUMULATIVE RETURN |       | AVERAGE ANNUALIZED RETURN |        |        |         |                 |
|------------------|-------------------|-------|---------------------------|--------|--------|---------|-----------------|
|                  | 3 MO              | YTD   | 1 YEAR                    | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION |
| <b>GROSS</b>     | -0.06             | -0.06 | 3.66                      | -1.40  | 0.67   | -       | 1.56            |
| <b>NET</b>       | -0.13             | -0.13 | 3.36                      | -1.62  | 0.46   | -       | 1.33            |
| <b>BENCHMARK</b> | -0.78             | -0.78 | 1.70                      | -2.46  | 0.36   | -       | 1.09            |

## Composite Period Performance (%)

|                  | 2023 | 2022   | 2021  | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------|------|--------|-------|------|------|------|------|------|------|------|
| <b>GROSS</b>     | 6.26 | -11.17 | -0.92 | 7.85 | 5.69 | 0.51 | 3.88 | 1.91 | -    | -    |
| <b>NET</b>       | 5.96 | -11.34 | -1.11 | 7.65 | 5.50 | 0.23 | 3.60 | 1.68 | -    | -    |
| <b>BENCHMARK</b> | 5.53 | -13.01 | -1.54 | 7.51 | 8.72 | 0.01 | 3.54 | 0.54 | -    | -    |

*\*Due to a break in the track record, we cannot calculate since inception performance. Data shown since 8/1/19, the date the continuous track record begins.*

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*^There was a break in the performance record 5/1/2019-7/31/2019.*

**2016: since composite inception 3/1/2016**

*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.*

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| SECTOR DISTRIBUTION (%)    |           |       |
|----------------------------|-----------|-------|
|                            | Composite | Index |
| Investment Grade Corporate | 42.9      | 25.2  |
| Securitized Agency         | 23.6      | 26.9  |
| US Treasuries              | 20.1      | 41.7  |
| Securitized Credit         | 12.3      | 1.3   |
| Government Related         | 0.1       | 3.4   |
| US Agency                  | 0.1       | 0.9   |
| Municipals                 | -         | 0.6   |
| Cash & Equivalents         | 0.8       | -     |

| CURRENCY DISTRIBUTION (%) |           |       |
|---------------------------|-----------|-------|
|                           | Composite | Index |
| US Dollar                 | 100       | 100   |

| COUNTRY DISTRIBUTION (%) |           |       |
|--------------------------|-----------|-------|
|                          | Composite | Index |
| United States            | 89.0      | 92.8  |
| United Kingdom           | 2.2       | 1.1   |
| Canada                   | 2.0       | 1.1   |
| Germany                  | 1.7       | 0.4   |
| France                   | 1.0       | 0.1   |
| Ireland                  | 0.8       | 0.1   |
| New Zealand              | 0.5       | -     |
| Spain                    | 0.4       | 0.2   |
| Sweden                   | 0.3       | -     |
| Other                    | 2.1       | 4.2   |

| CREDIT QUALITY (%) |           |       |
|--------------------|-----------|-------|
|                    | Composite | Index |
| US Treasuries      | 20.1      | 41.7  |
| AAA                | 37.1      | 31.5  |
| AA                 | 7.4       | 4.6   |
| A                  | 19.2      | 11.6  |
| BAA                | 15.3      | 10.7  |
| BA                 | -         | -     |
| B                  | -         | -     |
| CAA & Lower        | -         | -     |
| Not Rated          | -         | -     |
| Cash & Equivalents | 0.8       | -     |

| DURATION DISTRIBUTION (%) |           |       |
|---------------------------|-----------|-------|
|                           | Composite | Index |
| Less than 1 Yr.           | 5.6       | 1.6   |
| 1 to 3 Yrs.               | 24.8      | 24.3  |
| 3 to 5 Yrs.               | 27.5      | 22.3  |
| 5 to 7 Yrs.               | 11.9      | 19.4  |
| 7 to 10 Yrs.              | 19.7      | 16.4  |
| 10 Yrs. or more           | 9.7       | 16.0  |
| Cash & Equivalents        | 0.8       | -     |

| MATURITY DISTRIBUTION (%) |           |       |
|---------------------------|-----------|-------|
|                           | Composite | Index |
| Less than 1 Yr.           | 3.5       | 1.1   |
| 1 to 3 Yrs.               | 22.1      | 22.0  |
| 3 to 5 Yrs.               | 26.7      | 19.4  |
| 5 to 7 Yrs.               | 7.2       | 13.7  |
| 7 to 10 Yrs.              | 18.7      | 25.7  |
| 10 Yrs. or more           | 21.0      | 18.1  |
| Cash & Equivalents        | 0.8       | -     |

## KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal.

*Due to rounding, Currency, Sector, Credit Quality, Duration and Maturity distribution totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. Credit Quality reflects the highest credit rating assigned to individual holdings of the composite among Moody's, S&P or Fitch; ratings are subject to change. Cash & Equivalents may include unsettled trades, fees and/or derivatives. ABS/RMBS: Asset-Backed Securities/Residential Mortgage-Backed Securities. Agency MBS: Agency Mortgage-Backed Securities. CMBS: Commercial Mortgage-Backed Securities.*

*The Composite includes all discretionary accounts with market values greater than \$20 million managed by Loomis Sayles with stable value investment guidelines prescribing investment in U.S. dollar denominated bonds that do not allow high yield and with the following characteristics. The portfolio has a total rate of return objective with an annualized tracking error target of 75 to 125 basis points over a full market cycle. Proprietary quantitative models are employed in portfolio construction and risk assessment. Loomis Sayles's security level research and tactical sector allocation are primary alpha sources for this product. Yield curve and duration management are additional tools utilized by the portfolio management team. The Composite inception date is March 1, 2016. The Composite was created in 2022. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.*