



# 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        | \$1,455.5M |
| Composite assets       | \$1,088.1M |
| Current yield          | 8.59%      |
| Average purchase price | \$99.41    |
| Average price          | \$99.32    |
| Current rate           | 8.53%      |

*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>     | 0.85              | 2.00 | 10.58                     | 5.81   | 4.89   | 4.24    | 4.49            |
| <b>NET</b>       | 0.81              | 1.88 | 10.06                     | 5.33   | 4.41   | 3.75    | 3.99            |
| <b>BENCHMARK</b> | 0.80              | 2.00 | 10.10                     | 5.81   | 4.73   | 4.13    | 4.13            |

## Composite Period Performance (%)

|                  | 2023  | 2022 | 2021 | 2020 | 2019 | 2018  | 2017 | 2016 | 2015 | 2014 |
|------------------|-------|------|------|------|------|-------|------|------|------|------|
| <b>GROSS</b>     | 11.50 | 1.51 | 3.64 | 1.59 | 8.56 | 0.20  | 3.72 | 8.04 | 1.48 | 1.64 |
| <b>NET</b>       | 10.98 | 1.09 | 3.15 | 1.11 | 8.04 | -0.27 | 3.24 | 7.53 | 1.00 | 1.17 |
| <b>BENCHMARK</b> | 10.18 | 2.99 | 3.12 | 0.75 | 9.31 | -0.42 | 3.44 | 7.33 | 2.23 | 1.53 |

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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                         | 6.6 | Health Care Technology                   | 2.3 | Trading Companies & Distributors                      | 1.1 | Broadline Retail                     | 0.4 |
| Hotels, Restaurants & Leisure    | 5.8 | Aerospace & Defense                      | 2.1 | Electronic Equipment, Instruments & Components        | 0.9 | Personal Products                    | 0.4 |
| Media                            | 5.6 | Health Care Equipment & Supplies         | 2.0 | Independent Power and Renewable Electricity Producers | 0.9 | Distributors                         | 0.4 |
| Specialty Retail                 | 4.5 | Life Sciences Tools & Services           | 2.0 | "Mortgage Real Estate Investment Trusts (REITs)"      | 0.9 | Food & Staples Retailing             | 0.3 |
| Building Products                | 4.4 | Construction & Engineering               | 2.0 | Textiles, Apparel & Luxury Goods                      | 0.9 | Real Estate Management & Development | 0.3 |
| Professional Services            | 4.2 | Road & Rail                              | 2.0 | Diversified Financial Services                        | 0.9 | Airlines                             | 0.3 |
| Commercial Services & Supplies   | 4.2 | Oil, Gas & Consumable Fuels              | 1.9 | Automobiles   | 0.8 | Metals & Mining                      | 0.2 |
| Health Care Providers & Services | 4.0 | Semiconductors & Semiconductor Equipment | 1.8 | Auto Components                                       | 0.8 | Electrical Equipment                 | 0.2 |
| IT Services                      | 3.9 | Pharmaceuticals                          | 1.8 | Wireless Telecommunication Services                   | 0.7 | Communications Equipment             | 0.2 |
| Chemicals                        | 3.8 | Leisure Products                         | 1.7 | Household Products                                    | 0.6 | Diversified REITs                    | 0.1 |
| Capital Markets                  | 3.3 | Construction Materials                   | 1.6 | Household Durables                                    | 0.5 | Cash & Equivalents                   | 1.2 |
| Entertainment                    | 2.7 | Diversified Telecommunication Services   | 1.4 | Electric Utilities                                    | 0.5 |                                      |     |
| Machinery                        | 2.7 | Food Products                            | 1.4 | Transportation Infrastructure                         | 0.5 |                                      |     |
| Insurance                        | 2.5 | Interactive Media & Services             | 1.3 |   |     |                                      |     |
| Diversified Consumer Services    | 2.4 |  |     |   |     |                                      |     |

**CREDIT QUALITY (%)**

|                     | Portfolio | Index |
|---------------------|-----------|-------|
| AA                  | -         | -     |
| A                   | -         | -     |
| BBB                 | 13.2      | 6.3   |
| BB                  | 48.9      | 22.8  |
| B                   | 35.1      | 61.7  |
| CCC & Lower         | 0.6       | 7.0   |
| Not Rated           | 0.9       | 2.1   |
| Cash & Equivalents  | 1.2       | -     |
| Second Lien         | -         | 2.2   |
| 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            | 23.6      |
| Consumer Discretionary | 18.1      |
| Information Technology | 13.4      |
| Health Care            | 12.2      |
| Communication Services | 11.8      |
| Financials             | 7.6       |
| Materials              | 5.6       |
| Consumer Staples       | 2.7       |
| Energy                 | 1.9       |
| Utilities              | 1.4       |
| Real Estate            | 0.3       |
| Diversified REITs      | 0.1       |
| Cash & Equivalents     | 1.2       |

**TOP FIVE HOLDINGS (%)**

|                          | Portfolio |
|--------------------------|-----------|
| Creative Artists Agency  | 1.1       |
| Perrigo Investments      | 0.9       |
| 1011778 B.C. Unlimited   | 0.9       |
| DirecTV Financing        | 0.8       |
| Camelot U.S. Acquisition | 0.8       |

**COUNTRY DISTRIBUTION (%)**

|               | Portfolio |
|---------------|-----------|
| United States | 89.5      |
| Canada        | 4.1       |
| Other         | 6.4       |

**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 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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