

# Multi-Asset Income Fund

## INVESTMENT GOALS

- Focus on diversified sources of yield/income with attractive total return potential while managing drawdown risk
- Enhance a traditional 60% Equity/40% Fixed Income portfolio due to the fund's emphasis on income and its use of non-traditional asset classes

## WHY CONSIDER MULTI-ASSET GENERATED INCOME

- Fixed income has traditionally been a core driver of total return, but fixed income alone may not be the best way to realize income and total return going forward
- For the 20 year period ending 12/31/2014, 99% of US fixed income total return has come from yields\*
- With current yields on fixed income investments so low (negative in some cases), we believe it is important to diversify income sources to help achieve goals
- Multiple sources of income can help weather many varied market environments

## HOW TO USE IT?

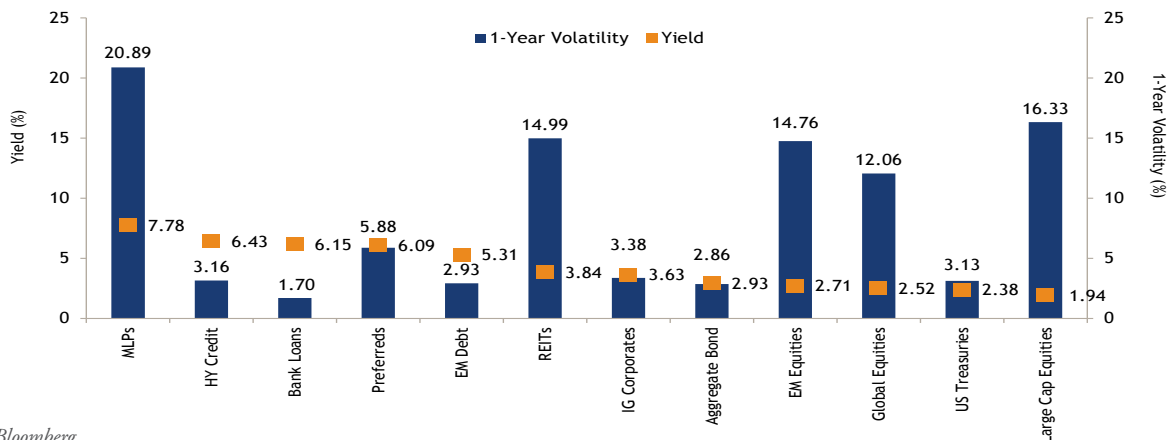
- As a **standalone fund** - provides risk-adjusted income potential as a way to seek income without falling into possible yield traps
- As a **complement to a balanced fund** - pursuing active and tactical diversification can help to mitigate risk when seeking income
- As a **complement to an equity fund** - managing risk when equities may look stretched on a relative basis
- As a **complement to a high yield fund** - seeking equity-like returns with less than equity-like risk

## WHY LOOMIS SAYLES?

- Leverage the core research engines at Loomis Sayles
  - Top-down cyclical approach based on macro and sovereign research
  - Bottom-up security selection utilizes fundamental credit and equity research analyst expertise
  - Risk management harnesses the power of Loomis's Quantitative Research and Risk Analysis team
- The team has worked together since 2010
- Portfolio construction is key: our experienced portfolio managers seek to optimize and diversify returns with many sources of income
- We seek to protect capital by overweighting assets that offer more yield potential per unit of risk and underweighting those that offer less yield potential per unit of risk. This practice can act as a capital preservation solution

## BALANCING THE TRADEOFF BETWEEN YIELD AND RISK

AS OF 3/31/2019 (%)



Source: Bloomberg.

These views are as of the date indicated and are subject to change any time without notice. Sector data represented by indices listed above on the following page. Data represents the current yield of each sector vs the volatility of each sector over the last twelve months. Data and analysis does not represent the actual, or expected future performance of any investment product. **Past performance is no guarantee of future results.**

\*Source: Brandes Institute, based on data from Ibbotson Associates, Global Financial Data, Inc. and FactSet as of 12/31/2014.



## INDEX DEFINITIONS

**Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The index is float adjusted and capitalization weighted. Constituents represent approximately 85% of total float-adjusted market capitalization.

**Bloomberg Barclays Emerging Market Debt Index** is a flagship hard currency emerging market debt benchmark that includes US-dollar-denominated debt from sovereign, quasi-sovereign and corporate emerging market issuers. The index is broad-based in its coverage by sector and country.

**Bloomberg Barclays Mortgage-Backed Securities (MBS) Index** is a component of the Bloomberg Barclays US Aggregate Index covering mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). The MBS Index is formed by grouping the universe of over 600,000 individual fixed-rate MBS pools into approximately 3,500 generic aggregates.

**Bloomberg Barclays US Aggregate Bond Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Bloomberg Barclays US Convertibles: Preferred Index** is a subset of the Bloomberg Barclays US Convertibles Index, which tracks the performance of the US-dollar-denominated convertibles market and includes all four major classes of convertible securities (i.e., cash-pay bonds, zeros/OIDs, preferreds and mandatories). These bonds offer upside participation with an equity component (usually a non-detachable common stock warrant) and downside protection with a fixed income component (usually a bond or preferred stock) and can offer various degrees of equity exposure.

**Bloomberg Barclays US Corporate High-Yield Index** covers the universe of fixed-rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included.

**Bloomberg Barclays US Corporate Investment Grade Index** covers publicly issued US corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity and quality requirements. To qualify, bonds must be SEC-registered.

**Bloomberg Barclays US Treasury Index** includes public obligations of the US Treasury with at least one year until final maturity, excluding certain special issues such as state and local government series bonds (SLGs), US Treasury TIPS and STRIPS.

**FTSE NAREIT All Equity REITs Index** is a free-float adjusted, market capitalization-weighted index of US equity REITs. Constituents of the Index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

**MSCI All Country World Index** is a market capitalization-weighted index of stocks from developed and emerging markets providing a broad measure of global equity market performance.

**MSCI Emerging Markets Index** is a free float-adjusted market cap index measuring equity market performance of emerging markets.

**Standard & Poor's 500 (S&P 500®) Index** is a market capitalization-weighted Index of approximately 500 common stocks chosen for market size, liquidity and industry group representation to measure broad US equity performance. S&P 500® is a registered service mark of McGraw-Hill Companies, Inc.

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*Past performance is no guarantee of future results.*

*Before investing, consider the fund's investment objectives, risks, charges, and expenses. Please visit [www.loomissayles.com](http://www.loomissayles.com) or call 800-225-5478 for a prospectus and a summary prospectus, if available, containing this and other information. Read it carefully.*

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## ABOUT RISK

**Asset allocation** strategies do not guarantee a profit or protect against a loss. **Equity securities** are volatile and can decline significantly in response to broad market and economic conditions. **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. **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 U.S. securities, due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Real estate** investing may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrowers. **Master Limited Partnerships (MLPs)** may trade less frequently than traditional investments such as equities, which may result in erratic price movement or difficulty in buying or selling. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment including the risk that an MLP could lose its tax status as a partnership. **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.