## 3-15 Year National Municipal Bond

### Management Team
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- Brian Fahrman
- Agnes Choi

### Objective
Seeks to provide after-tax total return

### Highlights
- The Municipal Bond team follows a disciplined, research-driven, risk-managed process to seek attractive relative value within the investment grade municipal universe.
- Portfolio managers and credit research analysts select securities based on a rigorous internal quantitative and qualitative review. Security selection seeks to exploit sector, state and individual security relative value opportunities.
- Interest rate risk is managed by targeting duration exposure within close proximity to the benchmark.
- The maturity structure is actively adjusted relative to the benchmark to take advantage of current and anticipated changes to the shape of the yield curve.
- Tax implications, including tax loss harvesting, can play an integral role in the relative value analysis conducted to evaluate investment alternatives.
- Typical Portfolio Construction
  - Target Maturities: 2 – 17 Years
  - Target Duration: 5 – 6 Years
  - Credit Quality: Investment Grade, Average AA+
  - Sectors: Core Municipal, Opportunistic Taxable (<20%)

### Benchmark
Bloomberg Barclays 3-15 Year National Municipal Bond Index

### Facts
- **Strategy Inception**: 9/1/91
- **Composite Inception**: 9/1/05
- **Strategy Assets**: $4,962.3M
- **Composite Assets**: $1,603.4M

### Composite Period Performance (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>NET</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.22</td>
<td>0.90</td>
<td>1.54</td>
</tr>
<tr>
<td>2017</td>
<td>4.43</td>
<td>4.10</td>
<td>4.76</td>
</tr>
<tr>
<td>2016</td>
<td>0.31</td>
<td>-0.01</td>
<td>-0.05</td>
</tr>
</tbody>
</table>

### Composite Performance (%)

#### Cumulative Return

<table>
<thead>
<tr>
<th></th>
<th>3 MO</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>1.52</td>
<td>6.17</td>
</tr>
<tr>
<td>NET</td>
<td>1.43</td>
<td>5.92</td>
</tr>
<tr>
<td>Benchmark</td>
<td>1.18</td>
<td>6.01</td>
</tr>
</tbody>
</table>

#### Average Annualized Return

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>8.06</td>
<td>7.72</td>
<td>7.12</td>
<td>7.28</td>
<td>4.23</td>
</tr>
<tr>
<td>NET</td>
<td>7.26</td>
<td>7.25</td>
<td>7.17</td>
<td>7.24</td>
<td>3.84</td>
</tr>
<tr>
<td>Benchmark</td>
<td>8.01</td>
<td>8.01</td>
<td>7.18</td>
<td>7.24</td>
<td>4.33</td>
</tr>
</tbody>
</table>

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. Average Yield is Yield to Worst.

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## Composite Index

### Transportation
- Composite: 14.2
- Index: 14.8

### Hospital
- Composite: 13.7
- Index: 6.1

### Education
- Composite: 12.9
- Index: 5.7

### Local GO
- Composite: 11.6
- Index: 14.9

### Water & Sewer
- Composite: 9.3
- Index: 8.3

### Special Tax
- Composite: 9.3
- Index: 10.3

### Electric
- Composite: 7.8
- Index: 4.6

### State GO
- Composite: 5.5
- Index: 18.0

### Prerefunded
- Composite: 3.9
- Index: 4.5

### Leasing
- Composite: 2.9
- Index: 7.1

### Other
- Composite: 13.4
- Index: 5.8

### 0 to 2 Yrs.
- Composite: 15.8
- Index: 9.5

### 2 to 4 Yrs.
- Composite: 20.8
- Index: 30.0

### 4 to 6 Yrs.
- Composite: 29.5
- Index: 34.0

### 6 to 8 Yrs.
- Composite: 28.0
- Index: 22.5

### 8 to 10 Yrs.
- Composite: 3.8
- Index: 2.4

### 10 Yrs. or more
- Composite: 2.2
- Index: 1.6

## 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, Sector, Credit Quality, Duration and Maturity distribution totals may not equal 100%. Credit Quality is calculated by the Research team using their own internal methodologies and may result in different calculations than are used by other investment teams at Loomis Sayles and by third parties. Asset Allocation, “Other” includes sector not represented by General Obligation bonds, Revenue bonds, or Cash & equivalents. Sector Distribution, “Other” generally includes cash and sectors that are not included in the top 10 sectors by market weight. Municipal markets may be volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. 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.

The 3-15 Year National Municipal Bond Composite consists of all fully discretionary, fee-paying accounts valued with minimum assets of $5 million managed in the National Three to Fifteen Year municipal fixed-income income style. The National Three to Fifteen Year Municipal Fixed Income style is composed of taxable client portfolios and mutual funds (as of 7/1/2015) with target duration between 4.5 to 6.5 years and/or a laddered benchmark with exposure to longer maturity bonds (greater than 12 years). Representative benchmarks may include the Bloomberg Barclays 3 to 15 Year National Municipal Bond Index, or other indices as determined by client guidelines which reflect clients duration targets. The composite inception date is September 2005; the composite creation date is April 2006. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomissayles.com.

MALR023762-0624