

# Asia Bond Plus Unhedged in USD

## MANAGEMENT TEAM

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## OBJECTIVE

Seeks to outperform the JP Morgan Asia Credit Index (JACI) High Yield Unhedged in USD

## HIGHLIGHTS

- Invests primarily in US-dollar-denominated emerging Asian corporate and government high yield bonds; seeks to capitalize on strong macro fundamentals, attractive market dynamics, and a growing opportunity set of issuers in the region
- “Plus” may invest in issuers from emerging European, Middle Eastern and African countries to invest in long term structural growth beyond Asia and provide diversification to the highly concentrated Asia High Yield universe
- Seeks to add value through deep fundamental issuer research combined with top down macro analysis
- Actively managed by the Asia Credit investment team located in Singapore and Boston with key support from Loomis Sayles’ extensive macroeconomic and credit research teams
- Typical portfolio: 100 to 150 issuers
- Allocation to high yield: generally greater than 65%

## BENCHMARK

JP Morgan Asia Credit Index (JACI) High Yield Unhedged in USD

### FACTS

|                     |         |
|---------------------|---------|
| Strategy inception  | 12/1/18 |
| Composite inception | 12/1/18 |
| Strategy assets     | \$43.6M |
| Composite assets    | \$43.6M |

### PORTFOLIO CHARACTERISTICS

|                          | Composite | Index    |
|--------------------------|-----------|----------|
| Average maturity         | 4.41 yrs  | 3.84 yrs |
| Average duration         | 3.37 yrs  | 2.91 yrs |
| Average yield            | 7.47%     | 6.91%    |
| Average credit quality   | B1        | B1       |
| Average number of issues | 114       | -        |

## COMPOSITE PERFORMANCE (%)

|                  | CUMULATIVE RETURN |       | AVERAGE ANNUALIZED RETURN |        |        |         |                 |
|------------------|-------------------|-------|---------------------------|--------|--------|---------|-----------------|
|                  | 3 MO              | YTD   | 1 YEAR                    | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION |
| <b>GROSS</b>     | 2.50              | 10.77 | -                         | -      | -      | -       | 11.38           |
| <b>NET</b>       | 2.35              | 10.44 | -                         | -      | -      | -       | 10.99           |
| <b>BENCHMARK</b> | 2.08              | 10.02 | -                         | -      | -      | -       | 11.59           |

## COMPOSITE PERIOD PERFORMANCE (%)

|                  | 2018* | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|------------------|-------|------|------|------|------|------|------|------|------|------|
| <b>GROSS</b>     | 0.55  | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| <b>NET</b>       | 0.50  | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| <b>BENCHMARK</b> | 1.42  | -    | -    | -    | -    | -    | -    | -    | -    | -    |

\*Since Inception 12/1/2018

Duration and Maturity for equity securities are deemed to be zero.

**Diversification does not ensure a profit or guarantee against a loss.**

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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.** Average Yield for the Composite is Yield to Worst, while Average Yield for the Index is Yield to Maturity.



## SECTOR DISTRIBUTION (%)

|                    | Composite Index |      |
|--------------------|-----------------|------|
| Real Estate        | 29.8            | 42.5 |
| Sovereign          | 12.3            | 10.5 |
| Consumer           | 10.8            | 6.1  |
| Metals & Mining    | 8.3             | 6.7  |
| Utilities          | 7.5             | 3.9  |
| TMT                | 7.4             | 6.0  |
| Industrials        | 6.1             | 2.9  |
| Oil & Gas          | 5.6             | 1.9  |
| Financial          | 4.5             | 8.0  |
| Quasi-Sov          | 3.7             | 4.8  |
| Infrastructure     | 2.5             | 2.3  |
| Diversified        | -               | 3.4  |
| Pulp & Paper       | -               | 0.1  |
| Transport          | -               | 0.8  |
| Cash & Equivalents | 1.4             | -    |

## CURRENCY DISTRIBUTION (%)

|           | Composite Index |     |
|-----------|-----------------|-----|
| US Dollar | 100             | 100 |

## COUNTRY DISTRIBUTION (%)

|              | Composite Index |      |
|--------------|-----------------|------|
| Top 10       |                 |      |
| China        | 42.3            | 54.4 |
| India        | 13.6            | 8.1  |
| Indonesia    | 6.8             | 5.6  |
| Sri Lanka    | 5.1             | 6.0  |
| Mongolia     | 3.1             | 1.8  |
| South Africa | 2.9             | -    |
| Singapore    | 2.6             | 1.4  |
| Pakistan     | 2.4             | 2.5  |
| Ukraine      | 2.2             | -    |
| Turkey       | 2.1             | -    |

## CREDIT QUALITY (%)

|           | Composite Index |      |
|-----------|-----------------|------|
| AAA       | -               | -    |
| AA        | 1.4             | -    |
| A         | 1.3             | 0.5  |
| BAA       | 15.1            | 0.3  |
| BA        | 27.0            | 32.2 |
| Below BA  | 54.6            | 42.5 |
| Not Rated | 0.5             | 24.5 |

## DURATION DISTRIBUTION (%)

|                 | Composite Index |      |
|-----------------|-----------------|------|
| Less than 1 Yr. | 4.6             | 4.8  |
| 1 to 2 Yrs.     | 9.7             | 24.6 |
| 2 to 4 Yrs.     | 54.8            | 51.6 |
| 4 to 6 Yrs.     | 23.6            | 13.0 |
| 6 to 8 Yrs.     | 4.2             | 5.7  |
| 8 Yrs. or more  | 3.1             | 0.3  |

## MATURITY DISTRIBUTION (%)

|                 | Composite Index |      |
|-----------------|-----------------|------|
| Less than 1 Yr. | 4.6             | 4.0  |
| 1 to 3 Yrs.     | 24.3            | 43.0 |
| 3 to 5 Yrs.     | 39.3            | 33.1 |
| 5 to 10 Yrs.    | 22.6            | 15.9 |
| 10 to 20 Yrs.   | 9.3             | 3.0  |
| 20 Yrs. or more | -               | 0.9  |

## KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Non-US Securities Risk, Currency Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal. Commodity interest and derivative trading involves substantial risk of loss.

*Due to rounding, Sector, Currency, Credit Quality, Duration and Maturity distribution totals may not equal 100%. Country Distribution reflects breakdown of the top 10 country allocations only and therefore does not total 100%. This portfolio is actively managed and characteristics are subject to change. Credit Quality reflects the lowest credit rating assigned to individual holdings of the Composite among Moody's S&P or Fitch; ratings are subject to change. Duration and Maturity Distribution Less than 1 Yr. may include cash and equivalents. Cash & Equivalents may include unsettled trades, fees and/or derivatives. TMT: Technology, Media, and Telecom.*

*The Asia Bond Plus Unhedged in USD Composite includes all discretionary accounts managed by Loomis Sayles with market values greater than \$20 million and primarily invests in below investment grade hard currency debt of corporate, sovereign, and quasi-sovereign entities located in Asian emerging market economies. The composite may also invest in issuers from emerging European, Middle Eastern and African countries to further capitalize on the Asia growth story and provide diversification to the highly concentrated Asia High Yield universe. The accounts included are benchmarked against the JP Morgan Asia Credit Index (JACI) High Yield Unhedged in USD. The Composite was created in 2019. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomisayles.com.*

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