Credit Asset

MANAGEMENT TEAM
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OBJECTIVE
Seeks to maximize return potential by investing in what we consider to be attractive issuers in the investment grade credit, high yield credit, bank loan, and securitized markets based on the current phase of the credit cycle

BENCHMARK
50% Bloomberg Barclays Corporate Index, 25%
Bloomberg Barclays 2% Capped High Yield Issuer Index and
25% S&P/LSTA Leveraged Loan Index

HIGHLIGHTS
• Multi asset credit (MAC) strategy that seeks to capture credit risk premiums in markets that we believe can offer strong risk-adjusted return potential over a full market cycle
• Asset allocation determined by evaluating the current stage of the credit cycle and the attractiveness of the various sectors
• Top-down analysis driven by real-time market data, economic releases, and market technicals, coupled with our quantitative models
• Bottom-up analysis is driven by the portfolio management team’s daily interaction with sector teams and the insights the teams generate

PORTFOLIO CONSTRUCTION
• Duration: 0 to 7 years
• Maximum industry: 25% (excluding government or agencies)
• Maximum issuer: 5% (excluding government or agencies)
• Maximum below investment grade: 100%
• Currency: US dollar only; allows 10% non-US-dollar-denominated investments that must be hedged back to USD
• Leverage: None; not including use of futures for duration and interest rate management

TOP-DOWN CREDIT CYCLE THEORY
Categorizing opportunities by stage of the Credit Cycle

The above chart is being shown for illustrative purposes only and should not be construed as investment advice.

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KEY RISKS


Due to rounding, Sector and Credit Quality 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: Asset-Backed Securities. CMBS: Commercial Mortgage-Backed Securities. RMBS: Residential Mortgage-Backed Securities. The Credit Asset Composite includes all discretionary accounts with market values greater than $75 million managed by Loomis Sayles that seek to maximize return potential by investing in what we consider to be attractive issuers in the investment grade credit, high yield credit, bank loan and securitized markets based on the current phase of the credit cycle. Asset allocation is determined by evaluating the current stage of the credit cycle and the attractiveness of the various sectors. Interest rate duration is managed from zero to seven years. Exposure to non-USD denominated investments is permitted up to 10% and is hedged back to USD. The Composite was created in 2010. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomissayles.com.