

Credit Asset

MANAGEMENT TEAM

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OBJECTIVE

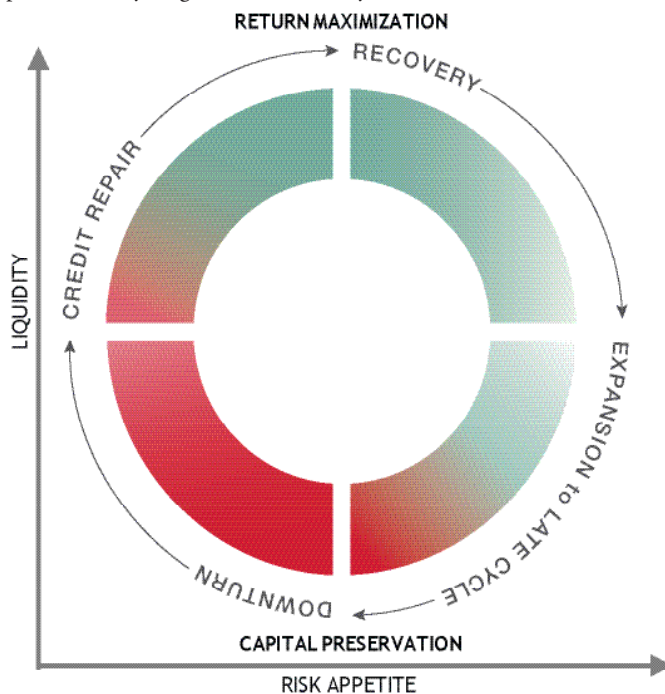
Seeks to maximize return potential by investing in what we consider to be attractive issuers in the investment grade credit, high yield credit, bank loan, and securitized markets based on the current phase of the credit cycle

BENCHMARK

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

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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HIGHLIGHTS

- Multi asset credit (MAC) strategy that seeks to capture credit risk premiums in markets that we believe can offer the best 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

FACTS

Strategy inception	3/16/09
Strategy assets	\$975.1M
Composite assets	\$665.5M

SECTOR RANGES* (%)

Investment grade investments (US & non-US)	0-100
High yield investments (US & non-US)	0-100
• High yield credit	0-60
• Bank loans	0-60
Securitized (RMBS/CMBS/ABS)	0-25

*Non-US-dollar-denominated investments may not exceed 10% of the Composite excluding The Senior Floating Rate Fund, LLC, which allows for up to 5% of its total assets in senior loans denominated in currencies other than USD.



PORTFOLIO CHARACTERISTICS		SECTOR DISTRIBUTION (%)		CREDIT QUALITY (%)	
Average maturity	7.88 yrs	Investment Grade Credit	27.4	AAA	2.3
Average duration	4.42 yrs	High Yield Credit	22.1	AA	1.7
Yield to worst	5.10%	Bank Loans	36.7	A	12.9
Average credit quality	BA1	Securitized	10.5	BAA	20.2
		Cash & Equivalents	3.3	BA	33.4
				B	21.7
				CAA & Lower	2.2
				Not Rated/Other	2.2
				Cash & Equivalents	3.3

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COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	-0.20	-0.20	5.16	4.62	4.79	-	8.82
NET	-0.31	-0.31	4.69	4.15	4.32	-	8.34
BENCHMARK	-1.02	-1.02	3.41	3.52	3.76	-	7.82

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.

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

Since composite inception: 5/1/09

KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Non-US Securities Risk, Currency Risk, Derivatives Risk, Leverage Risk, Counterparty Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal.

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 web site at www.loomisayles.com.

ERISA FIDUCIARY DISCLOSURE

(For ERISA accounts only)

We are not undertaking to provide impartial advice or advice in a fiduciary capacity in connection with the sales and distribution of our investment products or services.

We have a financial interest in connection with the sale of our products and services. We are compensated through the receipt of investment management fees with respect to the assets we manage, which can be found in our Form ADV and other documents provided to clients pertaining to the provision of our investment products and services.

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