

# Credit Income (with fund) Managed Account

## MANAGEMENT TEAM

Matthew J. Eagan, CFA  
Elaine M. Stokes  
Brian P. Kennedy

## OBJECTIVE

Seeks high current income with a secondary objective of capital growth

## HIGHLIGHTS

- Value-driven, opportunistic approach begins with bottom-up research and incorporates top-down macro inputs
- Focus on long-term investment horizon
- Broad opportunity set within credit sectors, making use of out-of-benchmark securities for value and diversification
- Under normal market conditions, the portfolio will invest at least 80% of assets in fixed income securities
- May invest up to 35% of its assets in below investment grade fixed income securities
- May invest up to 30% of its assets in securities of foreign issuers, including those in emerging markets
- May invest up to 45% of its assets in certain commingled funds for diversification purposes
- Investment universe typically includes US Treasuries, investment grade corporate bonds, high yield corporate bonds, asset-backed securities, commercial mortgage-backed securities, mortgage-backed securities, and Yankee bonds

## BENCHMARK

Bloomberg Barclays US Credit Index

### MODEL CHARACTERISTICS

	Model	Index
Average maturity	8.75 yrs	11.64 yrs
Average duration	6.42 yrs	8.39 yrs
Average yield	2.48%	2.00%
Average credit quality	BAA2	A3
Number of issues	67	7,625
Weighted average coupon	4.41%	3.54%

## REPRESENTATIVE COMPOSITE PERFORMANCE

### MULTISECTOR CREDIT COMPOSITE AS OF 6/30/2021 (%)\*

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	2.65	0.06	6.61	8.28	6.97	6.79	7.85
<b>NET WRAP FEE</b>	2.54	-0.17	6.14	7.80	6.49	6.31	7.37
<b>BENCHMARK</b>	3.32	-1.28	2.99	7.42	4.63	4.92	5.31

Composite Inception: 1/1/2010

\*Representative performance shows the performance of the Loomis Sayles Multisector Credit Composite ("Composite"), which has similar investment objectives, policies and strategies as the Loomis Sayles Credit Income Managed Account ("CI MA") with notable differences referenced hereafter. The Composite may include accounts with broader guideline allowances than CI MA, including up to 50% high yield. Additionally, the model portfolio may not allow for individual 144a's, new issues and minimum lot sizes, and therefore there will be dispersion between the returns of the Composite and those of accounts in CI MA. The Composite data is provided to illustrate the past performance of similar accounts and does not represent the performance of CI MA. The performance of the Composite is not intended as a substitute for CI MA's performance and should not be considered a prediction of the future performance of CI MA. The Composite's returns were calculated on a total return basis, and assume the reinvestment of dividends, capital gains and other earnings. Gross returns are net of trading costs. Net of total wrap fee results reflect the deduction of an annual fee of 1.50%. Accounts that are included in the Composite may be subject to lower expenses than CI MA, and therefore accounts in CI MA could have lower performance. Consequently, the performance results for the Composite may have been less favorable had the underlying accounts been subject to the same guideline constraints and fees and expenses as CI MA. The Loomis Sayles Credit Income Managed Account is new and currently has no operating history.

The model represents the investment recommendations of the portfolio team as of the date indicated. Loomis Sayles monitors and updates the model portfolios on an ongoing basis based on market conditions economic factors and other events. The holdings, characteristics and performance of a client portfolio may be different from those shown in the model portfolio.

Returns for multi-year periods are annualized. The benchmark for the Multisector Credit composite is Bloomberg Barclays US Credit Index.

**There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return. Actual accounts have the potential for loss as well as profit.**

**Past performance is no guarantee of future results.**

Model characteristics are as of 6/30/2021.

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## SECTOR DISTRIBUTION (%)

	Model	Index
Investment Grade Credit	60.1	92.5
High Yield Credit	17.5	-
Convertibles	4.6	-
Emerging Market Credit	1.7	5.2
Securitized	0.8	-
Equity	0.5	-
Bank Loans	0.1	-
Municipals	-	2.3
Cash & Equivalents	14.7	-

## CURRENCY DISTRIBUTION (%)

	Model	Index
US Dollar	100	100

## COUNTRY DISTRIBUTION (%)

	Model	Index
United States	91.5	74.6
United Kingdom	2.3	3.7
Belgium	1.0	0.9
Australia	0.9	0.5
Bermuda	0.8	-
Canada	0.7	3.6
Israel	0.4	0.2
Cayman Islands	0.4	-
Zambia	0.4	-
Other	1.7	16.3

## CREDIT QUALITY (%)

	Model	Index
US Treasuries	-	-
AAA	-	7.6
AA	2.1	16.4
A	8.3	37.4
BAA	52.9	38.7
BA	9.7	-
B	7.5	-
CAA & Lower	2.1	-
Not Rated	2.7	-
Cash & Equivalents	14.7	-

## DURATION DISTRIBUTION (%)

	Model	Index
Less than 1 Yr.	1.9	1.7
1 to 3 Yrs.	12.2	18.0
3 to 5 Yrs.	19.1	19.5
5 to 7 Yrs.	14.0	12.8
7 to 10 Yrs.	19.1	13.7
10 Yrs. or more	18.8	34.3
Cash & Equivalents	14.7	-

## MATURITY DISTRIBUTION (%)

	Model	Index
Less than 1 Yr.	2.4	1.7
1 to 3 Yrs.	11.0	17.1
3 to 5 Yrs.	13.5	18.1
5 to 7 Yrs.	12.5	11.1
7 to 10 Yrs.	23.7	15.4
10 Yrs. or more	22.0	36.6
Cash & Equivalents	14.7	-

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*There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return.*

**KEY RISKS:** Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Non-US Securities Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal. Diversification does not ensure a profit or guarantee against a loss.

*This data is provided for informational purposes only and should not be construed as investment advice. This model portfolio illustrates certain aspects of the Multisector Credit strategy as shown on the previous page. The model portfolio characteristics and allocations shown do not represent an actual portfolio managed by Loomis Sayles or any investment recommendation. There is no assurance Loomis Sayles would be able to construct a portfolio with the characteristics or allocations shown. All data is based on current market conditions. These sample characteristics do not take into account the size of the investment or the availability of any securities for purchase. The model portfolio has inherent limitations. Material economic and market factors may affect investment decisions differently when the managers are investing actual client assets.*

*Due to rounding, Sector, Currency, Country, Credit Quality, Duration and Maturity 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. Emerging Markets Debt in the sector distribution is defined as US dollar denominated, non-investment grade bonds, which are from a country on the firm approved Emerging Markets list based on Bloomberg Barclays Emerging Markets Ex-Aggregate Index*

*The Multisector Credit Composite includes all discretionary separate accounts with market values greater than \$20 million managed by Loomis Sayles with the objective of maximizing total return and higher levels of portfolio income through individual security selection with a 50% limit in high yield securities and use of out-of-benchmark sectors including but not limited to emerging market debt, convertibles, government debt, bank loans, and securitized debt (but excluding non-dollar and equity securities). Yield curve and duration management provide additional tactical tools for the portfolio management team with strategic allocation to higher yielding credit sensitive sectors employing Loomis Sayles security level research and significant allocation to non-index sectors as primary sources of alpha. Tracking error is not explicitly targeted for this product, however, historically these portfolios have exhibited annualized tracking error of approximately 200-600 basis points. 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.*

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