

# Global Allocation

## MANAGEMENT TEAM

Daniel J. Fuss, CFA, CIC  
David W. Rolley, CFA  
Eileen Riley, CFA  
Lee Rosenbaum

## OBJECTIVE

Seeks to provide equity-like returns with less volatility

## HIGHLIGHTS

- Capital is allocated among global equities, US fixed income, and non-US fixed income by leveraging forward looking bottom-up fundamental research
- The strategy is free from artificial constraints such as sector, style, or geography. The full capital structure across the globe is canvassed to identify securities supported by multiple return levers
- A best-ideas approach that focuses on security specific risk and minimizes market risk
- Fixed income is employed as an alpha driver, and is expected to enhance overall portfolio performance while also potentially providing diversification benefits

## BENCHMARK

65% MSCI All Country World Index, 35% Bloomberg Barclays Global Aggregate Index

### FACTS

Strategy inception	5/1/96
Composite inception	6/30/96
Strategy assets	\$4,256.7M
Composite assets	\$3,389.3M

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	6.17	19.08	10.05	13.50	8.62	12.87	10.52
<b>NET</b>	6.07	18.84	9.60	13.04	8.13	12.27	9.84
<b>BENCHMARK</b>	3.73	12.78	6.49	8.56	4.93	8.12	6.33

## COMPOSITE PERIOD PERFORMANCE(%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>GROSS</b>	-4.26	23.45	5.64	2.58	4.64	17.85	16.93	-0.09	23.77	43.41
<b>NET</b>	-4.65	22.94	5.20	2.09	3.96	17.08	16.19	-0.70	23.07	42.70
<b>BENCHMARK</b>	-6.09	18.34	6.37	-2.10	3.31	13.74	12.46	-2.39	10.84	25.18

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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.



ASSET ALLOCATION		SECTOR DISTRIBUTION (%)		PORTFOLIO CHARACTERISTICS		
	Rep.		Rep.	<b>EQUITY</b>	Rep.	MSCI AC World Index
Global Equity	68.7	Treasuries	16.4	Price/earnings (trailing 12 mths)	22.06x	16.07x
Global Fixed Income	10.3	Financials	15.4	Price/earnings (forward 12 mths)	21.15x	15.77x
US Fixed Income	19.3	Information Technology	12.8	3-5 yr EPS growth	11.12%	10.58%
Cash	1.7	Industrials	12.2	5 yr historical EPS	18.50%	12.64%
		Consumer Discretionary	11.0	ROE (1-yr equal wtd)	26.80%	15.92%
		Health Care	8.7	Wtd avg market cap	\$157,244M	\$157,796M
		Communication Services	5.9	Median market cap	\$46,715M	\$10,081M
		Materials	5.8			
		Consumer Staples	3.5	<b>FIXED INCOME</b>	Rep.	BBG BARC Index
		Energy	2.1	Average maturity	4.49	8.70
		Government Related	1.9	Average duration	3.56	7.00
		Real Estate	1.9			
		Utilities	0.4			
		Securitized	0.2			
		Cash	1.7			

CREDIT QUALITY (%)			TOP 10 COUNTRY (%)		TOP 10 HOLDINGS (%)	
	Rep.	BBG BARC Index		Rep.		Rep.
US Treasurys	19.1	16.1	United States	66.1	Danaher Corp	3.4
AAA	7.4	24.4	United Kingdom	6.5	Roper Technologies Inc	3.4
AA	6.8	16.3	Switzerland	4.3	Northrop Grumman Corp	2.9
A	12.9	30.5	Canada	4.3	Marriott International Inc	2.8
BAA	14.2	12.6	France	3.6	Alphabet Inc	2.8
BA	13.5	-	Hong Kong	2.8	AIA Group Ltd	2.8
B	4.2	-	China	2.7	UnitedHealth Group Inc	2.7
CAA & Lower	0.5	-	Japan	2.1	Amazon.com Inc	2.7
Not Rated	0.1	-	Sweden	1.3	Sherwin-Williams Co	2.6
Cash & Equivalents	21.3	-	Other	6.3	Nestle SA	2.5
					Total	28.4

**KEY RISKS**

*Equity Risk, Market Risk, Non-US Securities Risk, Liquidity Risk. Investing involves risk including possible loss of principal.*

*Due to rounding, Sector, Quality, and Country totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. Top 10 Holdings may combine more than one security from the same issuer and related depositary receipts. Portfolio weight calculations include accrued interest. Holdings are based on total gross assets before any fees are paid; any cash held is included. Reference to specific securities or holdings should not be considered recommendations for action by investors. There is no guarantee the account continues to invest in the securities referenced. Credit Quality reflects the highest credit rating assigned to individual holdings of the portfolio among Moody's, S&P or Fitch; ratings are subject to change. The portfolio's shares are not rated by any rating agency and no credit rating for fund shares is implied. Bond credit ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Cash may include unsettled trades, fees and/or derivatives.*

*Characteristics are shown for a representative account. Due to systems limitations, it is difficult to analyze characteristics on a composite basis. The representative account was selected because it closely reflects the Loomis Sayles Global Allocation investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts in the Composite.*

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*The Global Allocation Composite includes all discretionary separate and commingled accounts with market values greater than \$50 million managed by Loomis Sayles with balanced investment objective guidelines seeking a global equity strategy that also incorporates high conviction domestic and foreign fixed income in an effort to capitalize on opportunity, generate attractive risk-return characteristics, and increase yield potential. The Composite was created in 2007. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.*