

# Global Debt Unconstrained in USD

## MANAGEMENT TEAM

Kenneth M. Buntrock, CFA, CIC  
David W. Rolley, CFA  
Lynda Schweitzer, CFA  
Scott M. Service, CFA

## OBJECTIVE

Seeks to identify undervalued securities and create diversified portfolios with high conviction global fixed income insights and favorable risk return parameters

## HIGHLIGHTS

- Our investment philosophy combines intensive bottom-up credit research across major sectors of the bond market with top-down macroeconomic insights
- Our sovereign research universe is comprised of more than 90 countries, and portfolios are typically invested in 25 to 30 countries
- Create portfolios that invest in global securities with a focus on Loomis Sayles' best investment ideas across relevant risk factors, including country, currency, curve, sector and specific credit
- Invests across a broad global universe of securities including government and quasi-government and agency securities, corporate credits, and asset-backed securities including mortgages
- Seeks to generate solid long-term risk-adjusted investment performance
- Seeks to manage risk through diversification and continuous monitoring based on fundamental analysis
- Allowable below investment grade allocation: typically over 20%
- Typical allocation to emerging markets debt: generally greater than 25%
- Target tracking error: 3% to 8%, opportunistic approach rather than benchmark relative
- Typical portfolio: more than 150 issues

## BENCHMARK

Bloomberg Barclays Global Aggregate Index

### FACTS

Strategy inception	7/1/96
Composite inception	7/1/96
Strategy assets*	\$17,173.2M
Composite assets	\$420.8M

### PORTFOLIO CHARACTERISTICS

	Composite	Index
Average maturity	5.52 yrs	8.75 yrs
Average duration	4.11 yrs	6.93 yrs
Average yield	3.93%	2.14%
Average credit quality	A2	AA3
Average number of issues	260	-

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	-0.40	-2.92	-2.47	3.39	1.68	5.72	7.61
<b>NET</b>	-0.49	-3.19	-2.83	2.99	1.22	5.18	6.95
<b>BENCHMARK</b>	-0.92	-2.37	-1.32	1.98	0.75	2.89	4.43

## COMPOSITE PERIOD PERFORMANCE (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>GROSS</b>	10.04	4.55	-5.55	2.36	-0.82	13.17	2.91	11.71	33.42	-12.17
<b>NET</b>	9.62	4.14	-5.99	1.74	-1.39	12.45	2.29	11.07	32.75	-12.59
<b>BENCHMARK</b>	7.39	2.09	-3.15	0.59	-2.60	4.32	5.64	5.54	6.93	4.79

\*Strategy assets are comprised of Loomis Sayles Global Bond style accounts including Global Aggregate Bond, Global World Bond, and Global Debt Unconstrained and other Global Bond investment styles.

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

Loomis, Sayles & Company, L.P. ("Loomis Sayles") is an independent advisory firm registered under the Investment Advisors Act of 1940. For additional information on this and other Loomis Sayles strategies, please visit our website at [www.loomissayles.com](http://www.loomissayles.com).

**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 is Yield to Effective Maturity. Duration and Maturity for equity securities are deemed to be zero.

For Institutional Use Only. Not For Further Distribution.



SECTOR DISTRIBUTION (%)		
	Composite	Index
Global Treasuries	46.2	53.8
Corporates	29.0	19.0
Government Related	20.2	12.0
Securitized	1.5	15.2
Cash & Equivalents	3.1	-

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	38.4	44.8
Euro Countries	26.3	25.0
Japanese Yen	18.4	16.4
Developing Countries	8.1	3.0
British Pound Sterling	3.4	4.9
Canadian Dollar	2.5	2.8
Non-Euro	1.5	1.7
Australia & New Zealand	1.4	1.4

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	24.9	38.7
Canada	16.7	3.4
Brazil	5.1	0.1
Italy	3.9	3.7
France	3.9	6.2
Indonesia	3.7	0.4
Chile	3.4	0.1
United Kingdom	3.4	5.4
Mexico	3.4	0.7
Other	31.5	41.3

CREDIT QUALITY (%)		
	Composite	Index
AAA	34.6	39.6
AA	11.1	16.4
A	15.7	26.7
BAA	23.9	17.1
BA	9.2	0.2
B	2.4	-
CAA & Lower	-	-
Not Rated	-	-
Cash & Equivalents	3.1	-

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	8.9	1.3
1 to 3 Yrs.	28.4	23.2
3 to 5 Yrs.	24.4	22.1
5 to 7 Yrs.	16.4	20.6
7 to 10 Yrs.	17.3	12.5
10 Yrs. or more	1.6	20.3
Cash & Equivalents	3.1	-

MATURITY DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	8.9	1.1
1 to 3 Yrs.	27.7	22.3
3 to 5 Yrs.	19.1	18.3
5 to 7 Yrs.	14.7	13.9
7 to 10 Yrs.	20.4	21.4
10 Yrs. or more	6.1	23.0
Cash & Equivalents	3.1	-

## 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.

*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.*

*The Composite includes all discretionary separate and commingled accounts with market values greater than \$20 million managed by Loomis Sayles with guidelines prescribing investment in a concentrated, best ideas portfolio of foreign bonds as well as U.S. dollar denominated bonds with minimal targeted benchmark correlation, and with the following characteristics. Composite accounts include both sovereign and corporate securities, as well as emerging market debt and below investment grade securities. As of 6/1/13 the Composite was redefined to include separate accounts, previously only commingled vehicles were included. Simultaneous to the redefinition, a minimum account size criteria of \$5 million was established. The composite was created in 2011. 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.

MALR020788-0918