

# Global Growth

## MANAGEMENT TEAM

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## OBJECTIVE

Seeks to produce long-term, excess returns vs. the MSCI All Country World Index on a risk-adjusted basis over a full market cycle (at least 5 years) through bottom-up stock selection

## HIGHLIGHTS

- Active management with a long-term, private equity approach to investing
- High active share: typically greater than 90%\*\*
- Low turnover: expected annualized long-term turnover 0-25%
- Seven-step research framework focuses on quality, growth and valuation
- High-conviction portfolio of typically 30 to 45 stocks
- Looks to identify high-quality companies – those with difficult-to-replicate business models
- Team must view growth as sustainable and profitable
- Valuation analysis models and regular updates of four scenarios: our best, base, bear, and worst-case
- Seeks to create a margin of safety by investing only when the company is selling meaningfully below the team's estimate of intrinsic value
- Active risk management defines risk as a permanent loss of capital, not tracking error or short-term relative underperformance
- Bottom-up stock selection drives excess returns
- Invests between 40% - 70% in companies located outside the US and may invest up to 30% of its assets in securities of companies located in emerging markets

## BENCHMARK

Primary Benchmark:  
MSCI ACWI Index

Secondary Benchmark:  
MSCI ACWI Growth Index

### FACTS

Strategy inception*	11/27/15
Composite inception	1/1/16
Strategy assets	\$674.8M
Composite assets	\$207.6M

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	4.76	7.62	14.16	-	-	-	17.66
<b>NET</b>	4.57	7.04	13.33	-	-	-	16.80
<b>BENCHMARK</b>	4.40	4.26	10.35	-	-	-	13.30

*We believe active investment management and active risk management are integral to alpha generation.*

\*Commencement of active management

\*\*Active share indicates the proportion of portfolio's holdings (by market value) that are different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.

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## COMPOSITE PERIOD PERFORMANCE(%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>GROSS</b>	33.80	8.62	-	-	-	-	-	-	-	-
<b>NET</b>	32.83	7.81	-	-	-	-	-	-	-	-
<b>BENCHMARK</b>	24.62	8.48	-	-	-	-	-	-	-	-

### 2016: since composite inception 1/1/2016

**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.*

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## PORTFOLIO CHARACTERISTICS

	Rep. Account	Index
Price/earnings (trailing 12 mths)	24.64x	16.42x
Est. P/E (forward 12 months)	23.48x	15.85x
ROE (1-yr equal wtd)	22.88%	15.96%
3-5 yr EPS growth	19.25%	12.45%
Price/Cash Flow	19.22%	9.43%
Price/book	5.57	2.27
Dividend Yield	1.51%	2.38%
Wtd avg market cap	\$222,640M	\$148,538M
Median market cap	\$68,251M	\$9,591M
Active Share	90.47%	-

## TOP 10 HOLDINGS (%)

	Rep. Account
Amazon.com Inc	7.2
Alibaba Group Holding Ltd	5.2
Facebook Inc	4.6
Oracle Corp	4.6
Alphabet Inc	4.5
Visa Inc	4.5
MercadoLibre Inc	4.0
Baidu Inc	3.8
Deere & Co	3.6
Yum China Holdings Inc	3.3
Total	45.4

## SECTOR DISTRIBUTION (%)

	Rep. Account	Index
Information Technology	39.7	20.0
Consumer Discretionary	17.4	12.2
Consumer Staples	17.0	7.9
Healthcare	11.8	11.8
Industrials	7.7	10.7
Energy	2.8	6.7
Financials	2.7	17.1
Materials	-	5.0
Utilities	-	2.9
Real Estate	-	2.8
Telecommunication Services	-	2.8
Cash	0.9	-

Please note that effective 9/28/18, MSCI changed their GICS (Global Industry Classification Standard) sector classifications. Given the change occurred after market close, all data as of 9/28/18 will continue to reflect the former GICS sector classifications. As of 10/1/2018, all data will reflect the new GICS sector classifications as well as the new Communications Services sector title, also effective on 9/28/18.

## MARKET CAPITALIZATION (%)

	Rep. Account	Index
> \$50 Billion	70.3	54.1
\$25 to 50 Billion	5.5	17.5
\$10 to 25 Billion	16.5	18.8
< \$10 Billion	6.9	9.6
Cash	0.9	-

## COUNTRY DISTRIBUTION (%)

	Rep. Account	Index
United States	54.7	55.1
China	9.0	3.4
United Kingdom	7.2	5.4
Switzerland	6.9	2.5
Netherlands	4.6	1.0
France	4.3	3.5
Argentina	4.0	-
Denmark	3.2	0.5
Brazil	2.1	0.7
Other	3.8	27.8

## KEY RISKS

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

Due to rounding, **Market Capitalization**, **Sector Distribution** and **Regional Distribution** 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. **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 Growth 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 Growth Composite includes all discretionary accounts with market values greater than \$1 million managed by Loomis Sayles that seek to produce long-term excess returns at or below benchmark risk over a full market cycle relative to the MSCI ACWI and generally within the market capitalization range of the Index. The Composite was created in 2016. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomisayles.com](http://www.loomisayles.com).

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(For ERISA accounts only)

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