

# Global Growth Managed Account

## 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 (typically 0-25% annualized)
- 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
- Stock values are modeled and regularly updated based on our four valuation scenarios: Best, Base, Bear and Worst
- 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: MSCI ACWI Index

Secondary: MSCI ACWI Growth Index

### FACTS

Composite inception	1/1/16
Strategy assets	\$2,684.9M

## REPRESENTATIVE COMPOSITE PERFORMANCE

### GLOBAL GROWTH COMPOSITE (%)\*\*

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	-3.88	6.20	20.61	18.66	17.96	-	18.18
<b>NET WRAP FEE</b>	-4.61	3.84	17.10	15.19	14.51	-	14.73
<b>BENCHMARK</b>	-0.95	11.49	27.98	13.14	13.77	-	13.21

Composite inception: 1/1/2016

\*\*Representative performance shows the performance of the Loomis Sayles Global Growth Composite ("Composite"), which has similar investment objectives, policies and strategies as the Loomis Sayles Global Growth Managed Account ("GG MA"). The managed account utilizes ADR's only and will pro-rate other securities if no ADR is available. The Composite does not contain wrap fee portfolios, and there will be dispersion between the returns of the Composite and those of accounts in GG MA. The Composite data is provided to illustrate the past performance of similar accounts and does not represent the performance of MA GG. The performance of the Composite is not intended as a substitute for GG MA's performance and should not be considered a prediction of the future performance of GG 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 3%. This managed account fee includes all charges for trading costs, portfolio management, custody and other administrative fees.

The model characteristics shown on the next page represent 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.

**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.**

\*Active share indicates the proportion of the 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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PORTFOLIO CHARACTERISTICS			TOP 10 HOLDINGS (%)		SECTOR DISTRIBUTION (%)		
	Model	Index		Model		Model	Index
Price/earnings (trailing 12 mths)	29.19x	19.17x	MercadoLibre, Inc.	6.6	Information Technology	25.9	22.3
Est. P/E (forward 12 mths)	27.66x	17.83x	Amazon.com, Inc.	6.5	Consumer Discretionary	22.6	12.4
ROE (1-yr equal wtd)	26.86%	15.08%	Alphabet Inc.	6.0	Communication Services	16.2	9.3
3-5 yr EPS Growth	9.23%	16.80%	Facebook, Inc.	5.4	Health Care	14.1	11.7
Price/Cash Flow	23.28%	11.59%	Adyen NV	4.9	Industrials	11.6	9.7
Price/book	7.03	2.81	Oracle Corporation	4.2	Consumer Staples	6.8	6.8
Dividend yield	0.78%	1.84%	Boeing Company	4.1	Energy	1.2	3.5
Wtd avg market cap	\$480.91B	\$356.01B	Microsoft Corporation	4.0	Financials	1.0	14.4
Median market cap	\$63.22B	\$13.16B	Visa Inc.	3.9	Materials	-	4.7
Median Active Share (since inception)	86.79%	-	Novartis AG	3.9	Real Estate	-	2.6
			Total	49.4	Utilities	-	2.6
					Cash	0.6	-

COUNTRY DISTRIBUTION (%)			MARKET CAPITALIZATION (%)		
	Model	Index		Model	Index
United States	55.4	59.5	> \$50 Billion	80.8	64.1
Switzerland	10.5	2.4	\$25 to \$50 Billion	8.3	16.6
China	9.8	4.0	\$10 to \$25 Billion	7.6	14.2
Netherlands	7.1	1.3	< \$10 Billion	2.7	5.1
Argentina	6.6	0.1	Cash	0.6	-
United Kingdom	4.5	3.7			
Japan	1.9	6.2			
Brazil	1.5	0.5			
Denmark	1.3	0.7			
Other	1.3	21.5			

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

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*This information is provided for informational purposes only and should not be construed as investment advice. 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.*

*Due to rounding, Market Capitalization and Sector 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. Median Active Share (since inception) indicates the proportion of the portfolio's holdings (by market value) that is different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.*

*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.*

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