

# High Yield Securitized

## MANAGEMENT TEAM

Stephen L'Heureux, CFA  
Alessandro Pagani, CFA  
Dmitri Rabin, CFA

## HIGHLIGHTS

- Credit focused strategy that seeks to outperform through both security selection and sector allocation within the non-agency securitized asset classes
- Seeks to maintain a high yield risk profile but can hold securities rated above investment grade
- Ability to invest in distressed securities and residual/equity classes of securitizations
- Strategy has no restrictions based on credit ratings
- Securitized credit generally results in a portfolio with shorter duration than the overall fixed income market

## OBJECTIVE

Pursues high current income and total potential returns through a diversified credit exposure to securitized assets including asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), and non-agency residential mortgage-backed securities (RMBS)

## BENCHMARK

ICE BofA Merrill Lynch US ABS & CMBS Index

### FACTS

Strategy inception	12/15/11
Composite inception	2/1/12
Strategy assets	\$424.8M
Composite assets	\$424.8M

### PORTFOLIO CHARACTERISTICS

	Composite	Index
Average maturity	3.51 yrs	4.14 yrs
Average duration	2.52 yrs	3.54 yrs
Average yield	5.28%	3.12%
Average credit quality	BA3	AA1
Average number of issues	164	-
Weighted average coupon	5.05%	2.87%
OAS	312 bps	79 bps

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	0.92	0.92	7.38	5.96	5.87	-	8.75
<b>NET</b>	0.79	0.79	6.85	5.43	5.35	-	8.21
<b>BENCHMARK</b>	-0.47	-0.47	1.58	1.58	1.83	-	2.36

## COMPOSITE PERIOD PERFORMANCE (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>GROSS</b>	8.92	6.08	3.79	6.75	6.70	21.71	-	-	-	-
<b>NET</b>	8.38	5.55	3.27	6.22	6.17	21.16	-	-	-	-
<b>BENCHMARK</b>	2.84	2.71	0.81	3.09	0.62	5.05	-	-	-	-

**2012: since composite inception of 2/1/12**

**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.*

For Institutional Use Only. Not For Further Distribution.

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

*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).*



SECTOR DISTRIBUTION (%)		
	Composite	Index
ABS	36.6	49.8
RMBS	33.7	0.7
CMBS	12.9	38.9
Agency CMBS	8.5	10.4
Cash & Equivalents	8.3	0.2

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	100	100

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	89.9	98.7
Cayman Islands	7.5	0.1
Bermuda	1.5	0.2
Ireland	1.1	-
Canada	-	0.7
Barbados	-	0.1

CREDIT QUALITY (%)		
	Composite	Index
US Treasuries	-	-
AAA	10.0	81.0
AA	0.3	7.6
A	7.8	6.1
BAA	14.2	5.0
BA	14.5	-
B	10.7	-
CAA & Lower	10.2	-
Not Rated	24.1	-
Cash & Equivalents	8.3	0.2

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	25.2	27.2
1 to 3 Yrs.	30.6	24.3
3 to 5 Yrs.	18.2	18.4
5 to 7 Yrs.	9.9	18.8
7 to 10 Yrs.	7.8	10.6
10 Yrs. or more	-	0.4
Cash & Equivalents	8.3	0.2

MATURITY DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	15.8	16.6
1 to 3 Yrs.	30.0	25.5
3 to 5 Yrs.	21.2	20.5
5 to 7 Yrs.	9.3	17.5
7 to 10 Yrs.	13.6	18.9
10 Yrs. or more	1.9	0.8
Cash & Equivalents	8.3	0.2

## KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Derivatives Risk, Leverage Risk, Counterparty Risk, Non-US Securities Risk, Prepayment Risk, Extension Risk and Management Risk. Investing involves risk including possible loss of principal.

*Due to rounding, Currency, Sector, Credit Quality, Country, 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. Negative Cash & Equivalents reflect the market value of future trade commitments. Cash exposure for the Index represents accrued income provided by Bloomberg Barclays. ABS: Asset-Backed Securities. Agency CMBS: Agency Commercial Mortgage-Backed Securities. Agency CMO: Agency Collateralized Mortgage Obligations. CMBS: Commercial Mortgage-Backed Securities. RMBS: Residential Commercial Mortgage-Backed Securities.*

*The High Yield Securitized Composite includes all discretionary accounts with market values greater than \$25 million managed by Loomis Sayles with guidelines that allow for unrestricted allocation to Non-agency MBS, which are typically rated below investment grade, and benchmarked against broad securitized market indices. The Composite was created in 2012. For additional information on this and other Loomis Sayles Strategies, please visit our website 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.

MALR020972-1118