

High Yield Securitized Credit

MANAGEMENT TEAM

Alessandro Pagani, CFA
Stephen L'Heureux, CFA
Stephen LaPlante, CFA
Jennifer Thomas

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	\$251.9M
Composite assets	\$251.9M

PORTFOLIO CHARACTERISTICS

	Composite	Index
Average maturity	4.04 yrs	3.71 yrs
Average duration	1.98 yrs	3.13 yrs
Average yield	6.67%	3.13%
Average credit quality	BA2	AA2
Average number of issues	203	-
Weighted average coupon	4.56%	2.53%
OAS	500 bps	110 bps

COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	-2.33	-2.33	2.48	3.07	4.44	6.32	6.74
NET	-2.45	-2.45	1.97	2.56	3.92	5.80	6.21
BENCHMARK	-3.73	-3.73	-2.96	1.68	2.19	2.31	2.35

COMPOSITE PERIOD PERFORMANCE (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GROSS	7.40	0.09	6.11	4.81	8.92	6.08	3.79	6.75	6.70	21.71
NET	6.87	-0.41	5.58	4.29	8.38	5.55	3.27	6.22	6.17	21.16
BENCHMARK	0.05	5.20	5.89	1.74	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.

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Effective 6/30/2020 the Composite formerly known as High Yield Securitized changed its name.

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

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SECTOR DISTRIBUTION (%)		
	Composite	Index
RMBS	28.4	1.7
CMBS	22.9	39.4
ABS	22.2	44.7
CDO/CLO	17.7	-
Agency CMBS	-	13.9
Cash & Equivalents	8.7	0.2

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	100	100

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	82.0	98.0
Cayman Islands	16.8	0.2
Bermuda	1.0	0.4
China	0.2	0.1
Canada	-	1.0
Barbados	-	0.2

CREDIT QUALITY (%)		
	Composite	Index
US Treasurys	-	-
AAA	0.7	74.2
AA	2.1	10.8
A	7.6	7.7
BAA	23.0	7.0
BA	33.6	0.1
B	12.8	-
CAA & Lower	11.2	-
Not Rated	0.2	-
Cash & Equivalents	8.7	0.2

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	26.7	24.5
1 to 3 Yrs.	33.3	29.8
3 to 5 Yrs.	26.4	21.3
5 to 7 Yrs.	3.2	16.3
7 to 10 Yrs.	1.8	7.7
10 Yrs. or more	-	0.1
Cash & Equivalents	8.7	0.2

MATURITY DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	2.6	17.9
1 to 3 Yrs.	29.3	29.8
3 to 5 Yrs.	30.1	20.9
5 to 7 Yrs.	14.0	16.6
7 to 10 Yrs.	13.4	14.1
10 Yrs. or more	2.0	0.4
Cash & Equivalents	8.7	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. ABS: Asset-Backed Securities. Agency CMBS: Agency Commercial Mortgage-Backed Securities. Agency CMO: Agency Collateralized Mortgage Obligations. CMBS: Commercial Mortgage-Backed Securities. RMBS: Residential Mortgage-Backed Securities.

Effective 6/30/2020 the Composite formerly known as High Yield Securitized changed its name. The 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 inception date is February 1, 2012. The Composite was created in 2012. For additional information on this and other Loomis Sayles Strategies, please visit our website at www.loomisayles.com.