



# Investment Grade Corporate/Credit Bond

## Management Team

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## Objective

Seeks total investment return through a combination of current income and capital appreciation within benchmark-aware risk and return objectives

## Benchmark

Bloomberg US Credit Bond Index<sup>1</sup>

Bloomberg US Corporate Investment Grade Index<sup>2</sup>

## Highlights

- Individual investment ideas are evaluated on the basis of their investment return potential and contribution to portfolio risk
- Risk is managed through carefully monitoring company fundamentals and spread-to-risk analysis
- Fundamental research from Loomis Sayles' credit research is a primary source for investment ideas
- Duration is managed within a narrow range to the benchmark
- Portfolio guidelines allow opportunistic allocations to high yield corporate debt, emerging markets and non-US dollar per client guidelines
- Typical portfolio: approximately 175 to 225 issuers, 250 to 350 issues
- Issuer maximum of 5% or the benchmark weight plus 2% (whichever is greater at the time of purchase), Treasuries and GSEs excluded
- Industry maximum of 25% or the benchmark weight plus 10% (whichever is greater at the time of purchase)

### Facts

Strategy inception	10/1/03
Composite inception	10/1/03
Strategy assets <sup>*</sup>	\$16,865.8M
Composite assets	\$847.9M

Portfolio characteristics	Composite	Index <sup>1</sup>	Index <sup>2</sup>
Average maturity	11.00 yrs	10.62 yrs	10.89 yrs
Average duration	7.18 yrs	6.90 yrs	7.08 yrs
Average yield	5.53%	5.34%	5.43%
Average credit quality	A3	A3	A3
Average number of issues	430	-	-
Weighted average coupon	3.71%	3.62%	3.72%
OAS	137 bps	119 bps	128 bps

## Composite Performance (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	3.51	-16.00	-16.00	-2.23	1.12	2.63	4.53
<b>NET</b>	3.44	-16.21	-16.21	-2.46	0.88	2.39	4.29
<b>BENCHMARK1</b>	3.44	-15.26	-15.26	-2.86	0.42	1.82	3.79
<b>BENCHMARK2</b>	3.63	-15.76	-15.76	-2.88	0.45	1.96	2.98

## Composite Period Performance (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>GROSS</b>	-16.00	-0.37	11.68	15.77	-2.27	7.23	7.44	-1.08	7.92	-0.28
<b>NET</b>	-16.21	-0.61	11.42	15.50	-2.50	6.98	7.18	-1.31	7.69	-0.51
<b>BENCHMARK1</b>	-15.26	-1.08	9.35	13.80	-2.11	6.18	5.63	-0.77	7.53	-2.01
<b>BENCHMARK2</b>	-15.76	-1.04	9.89	14.54	-2.51	6.42	6.11	-0.68	7.46	-1.53

<sup>\*</sup>Strategy assets are comprised of Investment Grade Corporate and Investment Grade Intermediate Corporate.

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**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.

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## SECTOR DISTRIBUTION (%)

	Composite	Index <sup>1</sup>	Index <sup>2</sup>
Investment Grade Corporate	84.4	86.1	100.0
US Treasuries	11.0	-	-
High Yield Corporate	1.5	-	-
Government Related	1.4	11.7	-
Securitized Credit	0.6	-	-
Bank Loans	0.3	-	-
Municipals	-	2.2	-
Cash & Equivalents	0.7	-	-

## CURRENCY DISTRIBUTION (%)

	Composite	Index <sup>1</sup>	Index <sup>2</sup>
US Dollar	100	100	100

## COUNTRY DISTRIBUTION (%)

	Composite	Index <sup>1</sup>	Index <sup>2</sup>
United States	80.7	74.6	84.1
United Kingdom	4.4	3.7	4.3
Canada	2.8	4.1	3.4
Japan	1.3	2.2	2.0
Australia	1.3	0.6	0.7
Germany	1.1	1.5	0.4
Ireland	1.0	0.3	0.4
Norway	0.9	0.2	-
France	0.9	0.3	0.4
Other	5.6	12.4	4.3

## CREDIT QUALITY (%)

	Composite	Index <sup>1</sup>	Index <sup>2</sup>
US Treasuries	11.0	-	-
AAA	2.0	8.6	2.5
AA	10.9	15.8	14.5
A	31.9	37.9	42.1
BAA	42.2	37.6	40.8
BA	1.2	-	-
B	0.1	-	-
CAA & Lower	-	-	-
Not Rated	-	-	-
Cash & Equivalents	0.7	-	-

## DURATION DISTRIBUTION (%)

	Composite	Index <sup>1</sup>	Index <sup>2</sup>
Less than 1 Yr.	2.7	1.0	0.9
1 to 3 Yrs.	20.5	24.5	22.8
3 to 5 Yrs.	22.9	20.4	20.5
5 to 7 Yrs.	11.4	13.2	13.6
7 to 10 Yrs.	15.4	14.0	13.9
10 Yrs. or more	26.4	26.8	28.2
NA	-	-	-
Cash & Equivalents	0.7	-	-

## MATURITY DISTRIBUTION (%)

	Composite	Index <sup>1</sup>	Index <sup>2</sup>
Less than 1 Yr.	3.6	0.5	0.5
1 to 3 Yrs.	16.1	21.9	20.1
3 to 5 Yrs.	23.8	18.4	18.2
5 to 7 Yrs.	9.2	10.5	10.7
7 to 10 Yrs.	16.1	16.0	16.7
10 Yrs. or more	30.4	32.7	33.7
Cash & Equivalents	0.7	-	-

## 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. ABS/RMBS: Asset-Backed Securities/Residential Mortgage-Backed Securities. Agency MBS: Agency Mortgage-Backed Securities. CMBS: Commercial Mortgage-Backed Securities.*

*Effective March 31, 2020, the Investment Grade Corporate Bond Composite changed its name to the Investment Grade Corporate/Credit Bond Composite. The Composite includes all discretionary separate accounts with market values greater than \$20 million managed by Loomis Sayles and invests primarily in investment grade US domestic credit securities with a maximum allocation of up to 20% in high yield securities. As of 1/1/2021 the Composite was redefined to include commingled vehicles, previously only separate accounts were included. Prior to June 1, 2015 the Composite minimum account size requirement was \$5 million. The Composite inception date is October 1, 2003. The Composite was created in 2004. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.*

*As of March 31, 2020 the Bloomberg U.S. Corporate Investment Grade Index ("Index 2") was added as an additional benchmark and is being shown as supplemental information.*