

# Multisector Full Discretion

## MANAGEMENT TEAM

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## OBJECTIVE

Seeks to maximize total return through research driven security selection while managing downside risk through careful portfolio construction

## HIGHLIGHTS

- Portfolio guidelines are broad, offering significant investment flexibility
- Significant allocations to non-US dollar and emerging markets debt securities are permitted
- Bottom-up investment evaluation drives portfolio investments and resulting sector allocation
- Security selection is a primary driver of performance; other sources of excess return consist of sector allocation, country/currency management and yield curve/duration positioning
- Typical portfolio: 125 to 175 issuers
- Non-government issuer maximum of 5% (GSEs excluded)
- Industry maximum: 25%
- Securities rated below BBB- are limited to 20% to 50% of the portfolio

## BENCHMARK

Bloomberg Barclays US  
Government/Credit Index

### FACTS

Strategy inception	1/1/89
Composite inception	1/1/89
Strategy assets	\$31,156.0M
Composite assets	\$11,596.9M

### PORTFOLIO CHARACTERISTICS

	Composite	Index
Average maturity	7.04 yrs	9.63 yrs
Average duration	4.33 yrs	7.53 yrs
Average yield	2.41%	1.41%
Average credit quality	BAA2	AA3
Average number of issues	637	-
Weighted average coupon	3.41%	2.46%
OAS	147 bps	36 bps

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN			AVERAGE ANNUALIZED RETURN				
	3 MO	YTD		1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	2.67	0.91		8.92	8.27	6.95	6.31	9.45
<b>NET</b>	2.59	0.75		8.57	7.92	6.60	5.97	9.10
<b>BENCHMARK</b>	2.42	-1.96		-0.39	5.95	3.31	3.71	6.15

## COMPOSITE PERIOD PERFORMANCE (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>GROSS</b>	14.23	10.25	-0.92	7.84	11.48	-4.33	6.33	4.06	17.59	4.05
<b>NET</b>	13.86	9.89	-1.25	7.49	11.11	-4.64	6.00	3.74	17.22	3.72
<b>BENCHMARK</b>	8.93	9.71	-0.42	4.00	3.05	0.15	6.01	-2.35	4.82	8.74

Effective 3/1/21, Dan Fuss moved to senior advisor on the full discretion team and no longer serves as a portfolio manager.

The composite includes out-of-benchmark allocations to sectors or investments that evolve over time.

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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.



SECTOR DISTRIBUTION (%)		
	Composite	Index
Investment Grade Credit	36.6	43.3
High Yield Credit	19.8	-
US Treasury	12.4	53.4
Securitized	12.1	-
Emerging Market Credit	7.1	2.3
Convertibles	6.2	-
Equity	1.8	-
Non-US Dollar	1.1	-
Bank Loans	0.2	-
Hedge	0.1	-
Municipals	-	1.0
Cash & Equivalents	2.4	-

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	98.8	100
Developing Countries	1.2	-

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	80.9	88.7
Mexico	2.8	0.5
United Kingdom	1.9	1.7
Cayman Islands	1.5	-
Israel	1.3	0.1
France	1.2	0.2
Brazil	1.2	0.1
Australia	1.1	0.2
South Africa	0.7	-
Other	7.4	8.5

CREDIT QUALITY (%)		
	Composite	Index
US Treasuries	12.4	53.4
AAA	2.8	5.5
AA	2.5	7.3
A	7.9	16.6
BAA	40.0	17.2
BA	16.8	-
B	6.7	-
CAA & Lower	0.9	-
Not Rated	7.5	-
Cash & Equivalents	2.4	-

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	18.0	1.6
1 to 3 Yrs.	28.3	26.6
3 to 5 Yrs.	17.6	21.4
5 to 7 Yrs.	15.4	14.4
7 to 10 Yrs.	7.5	9.9
10 Yrs. or more	10.8	26.2
Cash & Equivalents	2.4	-

MATURITY DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	7.9	1.5
1 to 3 Yrs.	25.7	25.7
3 to 5 Yrs.	15.1	20.7
5 to 7 Yrs.	13.0	12.8
7 to 10 Yrs.	21.7	12.1
10 Yrs. or more	14.2	27.2
Cash & Equivalents	2.4	-

## 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. Emerging Markets Debt in the sector distribution is defined as US dollar denominated, non-investment grade bonds, which are from a country on the firm approved Emerging Markets list based on Bloomberg Barclays Emerging Markets Ex-Aggregate Index.*

*The Multisector Full Discretion Composite includes all discretionary separate accounts with market values greater than \$5 million managed by Loomis Sayles with the objective of maximizing total return through individual security selection with a 50% limit in high yield securities and use of out-of-benchmark sectors including but not limited to non-US dollar denominated debt, emerging market debt, convertibles, securitized debt and bank loans. Yield curve and duration management provide additional tactical tools for the portfolio management team with strategic allocation to higher yielding credit sensitive sectors employing Loomis Sayles security level research and significant allocation to non-index sectors as primary sources of alpha. Tracking error is not explicitly targeted for this product, however, historically these portfolios have exhibited annualized tracking error of approximately 700-900 basis points. The Composite inception date is January 1, 1989. The Composite was created in 2003. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.*