

Senior Loan

MANAGEMENT TEAM

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OBJECTIVE

Seeks high current income and preservation of capital through a portfolio primarily constructed of “par” bank loans

HIGHLIGHTS

- Structured with a benchmark-aware risk strategy, the portfolio seeks to provide what we view as the best aspects of bank loans to institutional investors seeking a transparent asset allocation solution
- Portfolio construction is driven by bottom-up security selection and top-down macroeconomic analysis
- Portfolio management and credit research analysts evaluate individual investment ideas based on investment return potential and contribution to overall portfolio risk

BENCHMARK

S&P/LSTA US BB Ratings Loan Index

FACTS

| | |
|------------------------|------------|
| Strategy inception | 7/1/04 |
| Composite inception | 9/1/04 |
| Strategy assets | \$3,694.8M |
| Composite assets | \$2,051.8M |
| Current yield | 5.10% |
| Average purchase price | \$99.96 |
| Average price | \$99.79 |
| Current rate | 5.08% |

Strategy assets exclude leveraged assets and assets allocated from other account types.

COMPOSITE PERFORMANCE (%)

| | CUMULATIVE RETURN | | AVERAGE ANNUALIZED RETURN | | | | |
|------------------|-------------------|------|---------------------------|--------|--------|---------|-----------------|
| | 1 MO | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION |
| GROSS | 0.56 | 3.35 | 4.38 | 4.56 | 3.93 | 5.31 | 4.46 |
| NET | 0.52 | 2.98 | 3.89 | 4.07 | 3.44 | 4.80 | 3.95 |
| BENCHMARK | 0.52 | 3.19 | 4.32 | 4.31 | 3.78 | 4.84 | 4.02 |

COMPOSITE PERIOD PERFORMANCE (%)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------|------|------|------|------|------|------|------|------|-------|--------|
| GROSS | 3.72 | 8.04 | 1.48 | 1.64 | 4.71 | 8.62 | 3.03 | 8.93 | 37.87 | -24.45 |
| NET | 3.24 | 7.53 | 1.00 | 1.17 | 4.22 | 8.12 | 2.53 | 8.39 | 37.20 | -24.84 |
| BENCHMARK | 3.44 | 7.33 | 2.23 | 1.53 | 3.80 | 7.17 | 2.74 | 7.88 | 35.79 | -24.21 |

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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.

**HOLDINGS BY INDUSTRY (%)**

| | | | | | |
|----------------------------|-----|---------------------------|-----|------------------------|-----|
| Consumer Cyclical Services | 9.2 | Electric | 2.4 | Entertainment | 0.6 |
| Technology | 9.1 | Environmental | 2.1 | Lodging | 0.6 |
| Healthcare | 7.4 | P&C | 1.9 | Metals and mining | 0.5 |
| Building Materials | 6.2 | Leisure | 1.8 | Construction Machinery | 0.5 |
| Media Entertainment | 5.0 | Wireless | 1.5 | REITS | 0.5 |
| Industrials - Other | 4.2 | Wirelines | 1.2 | Brokerage | 0.5 |
| Chemicals | 3.6 | Packaging | 1.2 | Supermarkets | 0.3 |
| Retailers | 3.6 | Midstream | 1.1 | Conglomerates | 0.2 |
| Cable Satellite | 3.5 | Internet & Data | 1.0 | Cash & Equivalents | 4.7 |
| Financial Other | 3.2 | Oil Field Services | 1.0 | | |
| Pharmaceuticals | 3.1 | Transportation Services | 1.0 | | |
| Food & Beverage | 3.1 | Aerospace/Defense | 1.0 | | |
| Gaming | 2.9 | Refining | 0.7 | | |
| Consumer Products | 2.7 | Health Insurance | 0.7 | | |
| Restaurants | 2.5 | Diversified Manufacturing | 0.7 | | |
| Automotive | 2.4 | Home Construction | 0.6 | | |

CREDIT QUALITY (%)

| | Portfolio | S&P/LSTA Leveraged Loan Index |
|---------------------|-----------|-------------------------------|
| AA | - | - |
| A | - | - |
| BBB | 6.6 | 11.0 |
| BB | 48.9 | 28.9 |
| B | 39.0 | 51.8 |
| CCC & Lower | - | 6.8 |
| Not Rated | 0.9 | 1.4 |
| Cash & Equivalents | 4.7 | - |
| Second Lien | - | 3.6 |
| Avg. Credit Quality | BB- | B+ |

Reflects the credit ratings assigned by Standard & Poors. If shown, the S&P/LSTA US BB Ratings Loan Index would be rated 100% BB.

SECTOR DISTRIBUTION (%)

| | Portfolio |
|--------------------|-----------|
| Industrial | 86.2 |
| Financial | 6.8 |
| Utility | 2.4 |
| Cash & Equivalents | 4.7 |

COUNTRY DISTRIBUTION (%)

| | Portfolio |
|---------------|-----------|
| United States | 91.5 |
| Canada | 3.8 |
| Other | 4.7 |

TOP FIVE HOLDINGS (%)

| | Portfolio |
|--------------------------------|-----------|
| Burger King Corporation | 1.1 |
| Energy Transfer Equity, L.P. | 0.8 |
| Change Healthcare Holdings LLC | 0.7 |
| Virgin Media Bristol LLC | 0.7 |
| Crown Finance US, Inc. | 0.7 |

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, **Sector**, **Credit Quality** and **Country** distribution totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. **Top Five Holdings** may not be representative of current or future holdings and will evolve over time. Excludes cash and equivalents. **Credit Quality** reflects the credit rating assigned to individual holdings of the strategy by S&P; ratings are subject to change. **Cash & Equivalents** may include unsettled trades, fees and/or derivatives.

The Senior Loan Composite includes all discretionary accounts with market values greater than \$50 million managed by Loomis Sayles with a primary focus on attractive risk/return trade-offs within the bank loan sector. The Composite was created in 2007. For additional information on this and other Loomis Sayles Strategies, please visit our website at www.loomisayles.com.

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