LOOMIS | SAYLES

COMPOSITE FACT SHEET

JUNE 30 2021

Senior Loan

MANAGEMENT TEAM

John R. Bell
Michael L. Klawitter, CFA
Heather Young, CFA

OBJECTIVE

Designed to deliver pure bank loan exposure and outperform the benchmark over a full credit cycle

HIGHLIGHTS

The Senior Loan strategy is based primarily on defensive strategies:

- Investment philosophy is transparent, benchmark aware and long-only
- Intense fundamental research attempts to reduce default risk
- Favor higher quality, par loans that offer multiple credit cushions
- Portfolios are diversified by industry and security
- Avoid second lien loans under most market conditions

BENCHMARK

S&P/LSTA US BB Ratings Loan Index

FACTS

Strategy inception	7/1/04
Composite inception	9/1/04
Strategy assets	$3,121.0M
Composite assets	$2,349.8M
Current yield	3.22%
Average purchase price	$99.40
Average price	$99.40
Current rate	3.22%

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	0.20	2.00	8.66	3.49	3.99	4.07	4.25
NET	0.17	1.76	8.15	3.00	3.50	3.58	3.75
BENCHMARK	0.12	1.58	7.17	3.11	3.61	3.74	3.82

COMPOSITE PERIOD PERFORMANCE (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GROSS	1.59	8.56	0.20	3.72	8.04	1.48	1.64	4.71	8.62	3.03
NET	1.11	8.04	-0.27	3.24	7.53	1.00	1.17	4.22	8.12	2.53
BENCHMARK	0.75	9.31	-0.42	3.44	7.33	2.23	1.53	3.80	7.17	2.74

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.

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 (%)

Technology	9.2
Media Entertainment	6.8
Building Materials	6.5
Consumer Cyclical Services	5.9
Chemicals	5.9
Industrials - Other	5.3
Consumer Products	5.3
Healthcare	5.1
P&C	4.2
Cable Satellite	4.1
Pharmaceuticals	4.1
Food & Beverage	3.3
Financial Other	3.1
Retailers	2.6
Automative	2.5
Transportation Services	2.0
Gaming	2.0
Environmental	1.5
Internet & Data	1.4
Restaurants	1.2
Home Construction	1.2
Aerospace/Defense	0.9
Packaging	0.9
Brokerage	0.8
Banking	0.8
Electric	0.7
Finance Companies	0.7
Lodging	0.6
Midstream	0.6
Health Insurance	0.6
Leisure	0.6
Diversified Manufacturing	0.6
Wireless	0.6
Wirelines	0.6
Construction Machinery	0.6
Metals & Mining	0.6
Office REITS	0.5
Airlines	0.5
Refining	0.4
Retail REITS	0.3
Railroads	0.3
Paper	0.2
Non Captive Consumer	0.2
Energy - Integrated	0.1
Cash & Equivalents	3.3

CREDIT QUALITY (%)

	Portfolio	S&P/LSTA Leveraged Loan Index
AA	-	-
A	-	-
BBB	5.7	8.0
BB	44.4	20.5
B	45.6	62.2
CCC & Lower	1.0	7.3
Not Rated	-	2.0
Cash & Equivalents	3.3	-
Second Lien	-	2.3
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	84.4
Financial	11.5
Utility	0.7
Cash & Equivalents	3.3

COUNTRY DISTRIBUTION (%)

	Portfolio
United States	89.3
Canada	2.8
Other	8.0

TOP FIVE HOLDINGS (%)

	Portfolio
Quikrete Holdings, Inc.	0.9
Applied Systems, Inc.	0.9
CommScope, Inc.	0.9
Burger King Corporation	0.8
Virgin Media Bristol LLC	0.8

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 inception date is September 1, 2004. The Composite was created in 2007. For additional information on this and other Loomis Sayles Strategies, please visit our website at www.loomissayles.com.

MALR023660-0524

COMMENTARY

Market Performance

In the second quarter of 2021, positive risk sentiment and demand for loans fueled healthy supply and helped drive prices closer to par. Second quarter returns were strong but tailed off toward the end of the period as there was little remaining room for price appreciation. With prices generally tight to par, which we think is the normal state of a healthy market, yields compressed a bit, nudging some yield-hungry investors toward lower-rated, higher-coupon loans. Second quarter issuance totaled $145.8 billion of which $83.9 billion funded M&A activity, resulting in more than 4% growth in the size of the asset class. With respect to demand, CLO formation continued to surge, amounting to $39.9 billion, and retail loan inflows totaled $13.9 billion, supported by investors' search for yield and a favorable economic outlook.

The largest, most liquid loans represented by the S&P/LSTA Leveraged Loan 100 underperformed the overall index due to the lack of loans rated CCC and below, returning 1.13% vs. the overall index return of 1.47%. The second quarter performances of the subcomponents of the Loan Index were: S&P's BB Loan Index returned 0.83%, their B Loan Index returned 1.52%, their CCC Loan Index returned 3.42%, and their D Loan Index returned 2.94%. By way of comparison, the BAML High Yield Index (H0A0) returned 2.77%, the 10YR Treasury (GA10) returned 3.23%, the S&P 500 (SPX) returned 8.55%, and the High-Grade Corp Index (C0A0) returned 3.60%.

Portfolio Highlights

The Portfolio experienced no defaults in June and had four days of negative performance. The Portfolio outperformed the S&P/LSTA BB Leveraged Loan Index benchmark and underperformed the S&P/LSTA Leveraged Loan Index which has a more risky profile than our BB-oriented portfolio. The fund ended the month with five holdings rated CCC or below (104 basis points total). The portfolio maintained an average rating of BB- which is higher quality than the overall index. Our focus on higher quality loans leads us to avoid second lien loans.

Outlook

Demand Demand for loans has been very strong and we think that is likely to remain the case if the US economy continues to recover throughout 2021, as we expect. Demand from CLO formation, retail investors, and global institutional clients has increased given a lack of yield alternatives, the relative richness of the high yield market, and sentiment shifts on longer rates. We agree with the market's expectation that default rates are likely to be very low over the next year due to both company-specific circumstances (liquidity, few maturities, cost cutting and revenue retention) and macro stimulus (fiscal and monetary). Many of last year's downgrades have become this year's upgrades as the agencies reflect how well many companies have weathered the worst months of the pandemic. As the summer continues, signs point to an increase in consumers' readiness to get out in the world and back to their offices.

Our macro base case is for expansion, predicated by our belief that the quick and sharp pandemic recession of 2020 reset the credit-cycle clock. While this scenario might reward high-risk investments, we will continue to invest conservatively in this strategy, which has always been more conservative than the full index. Our goal, as it was before the pandemic, is to construct portfolios that can withstand many pressures without suffering significant credit losses. Our horizon is years, not months.

Three-month LIBOR was 0.15% at the end of June, an increase of approximately 1 basis point from the level seen at the end of May. We generally expect to see 3-month LIBOR 20-40 basis points higher than the 12-month forward Fed Funds rate, which we forecast at 7 basis points.

As always, exogenous shocks (of which pandemic is one), possibly political or geopolitical, may disrupt market expectations.