Short Duration Fixed Income

MANAGEMENT TEAM
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HIGHLIGHTS
- Individual investment ideas are evaluated on the basis of their investment return potential and contribution to portfolio risk
- Top-down macroeconomic analysis combined with bottom-up security selection drives portfolio construction
- Create portfolios diversified by sector, industry and issuer
- Securities rated below investment grade are limited to 10% of the portfolio, depending on client guidelines
- Duration bands: +/- 0.5 year (typically within +/- 0.25 year) relative to the index
- Typical portfolio: approximately 100 to 150 issuers, 150 to 225 issues
- All investments must be US dollar denominated
- Issuer maximum of 3% or benchmark weight plus 2% (whichever is greater at the time of purchase), Treasurys and GSEs excluded
- Industry maximum of 25% or the benchmark weight plus 10% (whichever is greater at the time of purchase)
- Investment universe typically includes US Treasurys, agencies, mortgage-backed securities (MBS), asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), investment grade corporate bonds, Yankee bonds (including emerging markets) and high yield corporate bonds

OBJECTIVE
Seeks to outperform the Bloomberg Barclays US Government/Credit 1-3 Year Index while maintaining a benchmark-aware risk return objective

BENCHMARK
Bloomberg Barclays US Government/Credit 1-3 Year Index

FACTS
Strategy inception 8/1/07
Composite inception 8/1/07
Strategy assets $5,268.0M
Composite assets $781.3M

PORTFOLIO CHARACTERISTICS
Composite Index
Average maturity 2.16 yrs 1.88 yrs
Average duration 1.83 yrs 1.81 yrs
Average yield 2.27% 1.82%
Average credit quality A1 AA2
Average number of issues 330 -
Weighted average coupon 2.97% 2.38%
OAS 57 bps 12 bps

COMPOSITE PERFORMANCE (%)
CUMULATIVE RETURN AVERAGE ANNUALIZED RETURN

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<thead>
<tr>
<th></th>
<th>3 MO</th>
<th>YTD</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>10 YEAR</th>
<th>SINCE INCEPTION</th>
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<tbody>
<tr>
<td>GROSS</td>
<td>0.99</td>
<td>4.89</td>
<td>5.62</td>
<td>2.84</td>
<td>2.60</td>
<td>2.92</td>
<td>3.89</td>
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<td>NET</td>
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<td>4.74</td>
<td>5.41</td>
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<td>2.67</td>
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<td>0.69</td>
<td>3.42</td>
<td>4.64</td>
<td>1.82</td>
<td>1.59</td>
<td>1.52</td>
<td>2.25</td>
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COMPOSITE PERIOD PERFORMANCE (%)

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</thead>
<tbody>
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<td>GROSS</td>
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<td>2.32</td>
<td>2.98</td>
<td>0.99</td>
<td>1.55</td>
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<td>4.43</td>
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<td>0.84</td>
<td>1.28</td>
<td>0.65</td>
<td>0.77</td>
<td>0.64</td>
<td>1.26</td>
<td>1.59</td>
<td>2.80</td>
<td>3.83</td>
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2007: since composite inception 8/1/2007

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.

As of 10/1/2019 Dan Conklin was named Associate Portfolio Manager.

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

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KEY RISKS
Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity 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; rating 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.