

# World Credit Asset

## MANAGEMENT TEAM

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## OBJECTIVE

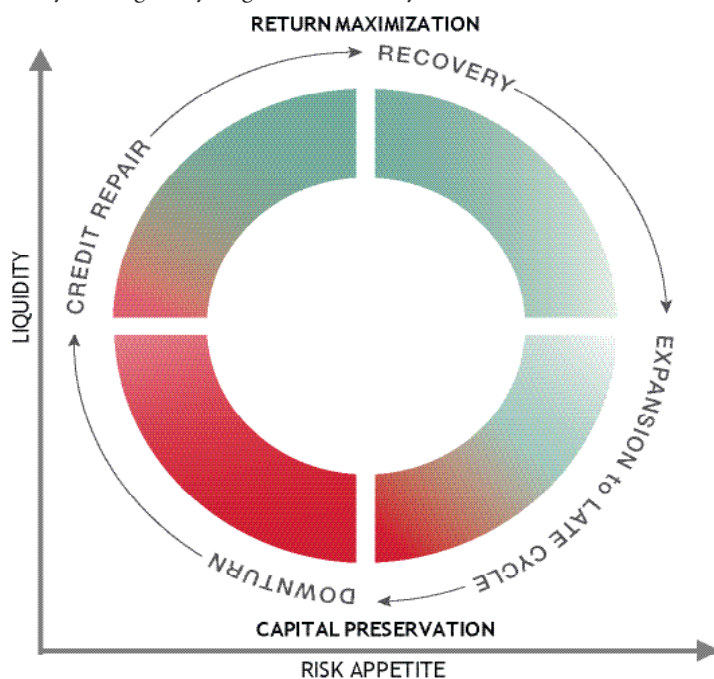
Seeks to maximize return potential by investing in what we consider to be attractive issuers in the global investment grade credit, high yield credit, bank loan, securitized, and emerging markets sectors based on the current phase of the global credit cycle

## BENCHMARK

50% Bloomberg Barclays Global Aggregate Corporate – USD Hedged/25% Bloomberg Barclays Global High Yield – USD Hedged/15% JP Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified/10% S&P/LSTA Leveraged Loan Index

## TOP DOWN CREDIT CYCLE THEORY

Categorizing country and region by stage of the credit cycle



The above chart is being shown for illustrative purposes only and should not be construed as investment advice.

## HIGHLIGHTS

- Multi asset credit (MAC) strategy that seeks to capture credit risk premiums in markets that we believe can offer the best risk-adjusted return potential over a full market cycle
- Asset allocation determined by evaluating the current stage of the global credit cycle and the attractiveness of the various sectors
- Top-down analysis driven by real-time market data, economic releases, and market technicals, coupled with our quantitative models
- Bottom-up analysis is driven by the portfolio management team’s daily interaction with sector teams and the insights the teams generate

## PORTFOLIO CONSTRUCTION

- Duration: 0 to 7 years
- Maximum below investment grade: 100%
- Currency: 10% maximum non-US dollar after hedges\*
- Leverage: None; not including use of futures for duration and interest rate management

## FACTS

Strategy inception	8/1/13
Strategy assets	\$2,559.1M
Composite assets	\$1,164.8M

## SECTOR RANGES (%)

Investment grade investments (US & non-US)	0-100
High yield investments (US & non-US)	0-100
• High yield credit	0-75
• Bank loans	0-75
Securitized (RMBS/CMBS/ABS)	0-50
Emerging markets	0-50

\*Non-US-dollar-denominated investments may not exceed 10% of the Composite excluding The Senior Floating Rate Fund, LLC, which allows for up to 5% of its total assets in senior loans denominated in currencies other than USD.



PORTFOLIO CHARACTERISTICS		SECTOR DISTRIBUTION (%)		CREDIT QUALITY (%)	
Average maturity	7.13 yrs	Investment Grade Credit	13.7	AAA	3.9
Average duration	3.50 yrs	High Yield Credit	24.1	AA	2.5
Yield to worst	6.42%	Bank Loans	35.6	A	7.3
Average credit quality	BA2	Securitized	10.8	BAA	18.1
		Emerging Markets Debt	14.3	BA	26.8
		FX/Dur Mgmt/Cash	1.5	B	36.7
				CAA & Lower	4.8
				Not Rated / Other	-

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### COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	1.14	-0.25	0.59	5.17	4.64	-	4.64
<b>NET</b>	1.02	-0.63	0.09	4.65	4.12	-	4.12
<b>BENCHMARK</b>	1.33	-0.29	0.69	5.09	4.48	-	4.48

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.

Duration and Maturity for equity securities are deemed to be zero.

Since composite inception: 10/1/13

### KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Non-US Securities Risk, Currency Risk, Derivatives Risk, Leverage Risk, Counterparty Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal.

Due to rounding, Sector and Credit Quality 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: Asset-Backed Securities. CMBS: Commercial Mortgage-Backed Securities. RMBS: Residential Mortgage-Backed Securities.

The World Credit Asset Composite includes all discretionary accounts with market values greater than \$75 million managed by Loomis Sayles that seek to maximize risk-adjusted returns by allocating across the credit spectrum based on macro analysis of economic regimes and the global credit cycle. Accessing a broad investment opportunity set allows the product team to seek to create a diversified portfolio with what the team believes are the most attractive issuers in the global investment grade credit, high yield credit, bank loan, securitized and emerging markets. Interest rate duration is managed from zero to five years. The Composite was created in 2014. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.

### ERISA FIDUCIARY DISCLOSURE

(For ERISA accounts only)

We are not undertaking to provide impartial advice or advice in a fiduciary capacity in connection with the sales and distribution of our investment products or services.

We have a financial interest in connection with the sale of our products and services. We are compensated through the receipt of investment management fees with respect to the assets we manage, which can be found in our Form ADV and other documents provided to clients pertaining to the provision of our investment products and services.

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