

# Emerging Markets Corporate Debt - Investment Grade

## Management Team

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## Objective

Seeks to generate attractive risk adjusted returns by combining macro-driven country analysis, with bottom-up security selection to identify potential market inefficiencies and alpha opportunities

## Highlights

- Value-oriented portfolio investing primarily in hard currency investment grade emerging markets fixed income securities of corporations
- Seeks to add value by combining top-down macroeconomic analysis with research-driven, bottom-up security selection
- Leverages Loomis Sayles' extensive macroeconomic and credit research including coverage of more than 70 emerging markets countries and over 650 emerging markets corporate, sovereign and quasi-sovereign issuers\*
- Proprietary portfolio construction platform that integrates fundamental research and quantitative measures to guide relative value and risk management decision making
- ESG considerations are integrated into our risk and valuation analysis and into portfolio construction
- Minimum average quality: Baa3
- Maximum allocation to high yield is 15%
- Effective duration: +/- 1 year relative to the benchmark
- Typical portfolio: 125 to 185 issuers

## Benchmark

JP Morgan CEMBI Broad Diversified Investment Grade Index

| Facts               |            | Portfolio Characteristics <sup>^</sup> |          | Composite | Index |
|---------------------|------------|--|----------|-----------|-------|
| Strategy inception  | 5/22/15    | Average maturity                       | 7.44 yrs | 6.83 rs   |       |
| Composite inception | 7/1/15     | Average duration                       | 4.96 yrs | 4.63 yrs  |       |
| Strategy assets     | \$2,965.7M | Average yield                          | 5.25%    | 4.84%     |       |
| Composite assets    | \$218.7M   | Average credit quality                 | BAA2     | BAA1      |       |
|                     |            | Average number of issues               | 197      |           | -     |

## Composite Performance (%)

|                  | CUMULATIVE RETURN |      | ANNUALIZED TOTAL RETURN |        |        |  | SINCE INCEPTION |
|------------------|-------------------|------|-------------------------|--------|--------|--|-----------------|
|                  | 3 MO              | YTD  | 1 YEAR                  | 3 YEAR | 5 YEAR |  |                 |
| <b>GROSS</b>     | 1.22              | 9.22 | 9.22                    | 7.26   | 1.75   |  | 4.05            |
| <b>NET</b>       | 1.06              | 8.52 | 8.52                    | 6.57   | 1.18   |  | 3.53            |
| <b>BENCHMARK</b> | 1.10              | 8.46 | 8.46                    | 6.97   | 1.00   |  | 3.32            |

## Calendar Year Performance (%)

|                  | 2024 | 2023 | 2022   | 2021  | 2020 | 2019  | 2018  | 2017 | 2016 |
|------------------|------|------|--------|-------|------|-------|-------|------|------|
| <b>GROSS</b>     | 5.16 | 7.45 | -11.70 | 0.10  | 8.29 | 13.99 | -1.10 | 7.32 | 7.32 |
| <b>NET</b>       | 4.48 | 6.76 | -12.09 | -0.33 | 7.83 | 13.51 | -1.53 | 6.83 | 6.79 |
| <b>BENCHMARK</b> | 4.93 | 7.57 | -14.20 | 0.08  | 7.45 | 12.64 | -0.59 | 6.27 | 5.84 |

<sup>^</sup>Performance and risk metrics are calculated on a gross-of-fee basis and do not reflect the deduction of fees and expenses. Please see the Composite trailing returns for standard gross and net performance. 2015: since composite inception of 7/1/15

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. There is no guarantee that the strategy will always be able to maintain its targeted risk level.

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*\*A quasi sovereign is defined as being 100% guaranteed or 100% owned by the government. A sovereign is hard currency debt issued by an emerging market*

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

*Diversification does not ensure a profit or guarantee against a loss.*

*Loomis, Sayles & Company, L.P. ("Loomis Sayles") is an independent advisory firm registered under the Investment Advisers Act of 1940. For additional information on this and other Loomis Sayles strategies, please visit our website at [www.loomissayles.com](http://www.loomissayles.com).*



| SECTOR DISTRIBUTION (%) |                 |      |
|-------------------------|-----------------|------|
|                         | Composite Index |      |
| Financial               | 24.0            | 39.6 |
| TMT                     | 17.4            | 12.4 |
| Consumer                | 14.0            | 7.9  |
| Utilities               | 9.6             | 11.1 |
| Oil & Gas               | 9.1             | 9.6  |
| Metals & Mining         | 8.4             | 5.9  |
| Industrials             | 6.7             | 5.8  |
| Derivatives Offset      | 3.1             | -    |
| Real Estate             | 2.8             | 2.4  |
| Infrastructure          | 1.8             | 1.0  |
| Pulp & Paper            | 1.6             | 1.5  |
| Quais-Sov               | 1.3             | 0.1  |
| Sovereign               | 1.2             | -    |
| Transport               | 1.0             | 1.4  |
| Diversified             | 0.8             | 1.2  |
| Cash & Equivalents      | 0.3             | -    |
| Derivatives Offset      | -3.1            | -    |

| REGION (%)                |                 |      |
|---------------------------|-----------------|------|
|                           | Composite Index |      |
| Asia                      | 39.3            | 52.8 |
| Latin America & Caribbean | 28.1            | 16.6 |
| Middle East               | 20.1            | 23.3 |
| Africa                    | 7.1             | 4.7  |
| Europe                    | 4.0             | 2.6  |
| Other                     | 1.4             | -    |

| COUNTRY DISTRIBUTION (%) |                 |      |
|--------------------------|-----------------|------|
| Top 10                   | Composite Index |      |
| Mexico                   | 6.7             | 5.0  |
| India                    | 6.6             | 3.7  |
| Saudi Arabia             | 6.2             | 6.9  |
| China                    | 6.2             | 12.4 |
| United Arab Emirates     | 5.9             | 5.9  |
| Brazil                   | 5.8             | 3.4  |
| Chile                    | 5.7             | 4.7  |
| South Korea              | 5.3             | 7.1  |
| Indonesia                | 5.0             | 3.7  |
| Other                    | 46.7            | 47.2 |

| CREDIT QUALITY (%) |                 |      |
|--------------------|-----------------|------|
|                    | Composite Index |      |
| AAA                | -               | 0.5  |
| AA                 | 13.0            | 17.9 |
| A                  | 20.6            | 30.5 |
| BAA                | 55.6            | 51.1 |
| BA                 | 8.9             | -    |
| Below BA           | 1.9             | -    |
| Not Rated          | -               | -    |

| DURATION DISTRIBUTION (%) |                 |      |
|---------------------------|-----------------|------|
|                           | Composite Index |      |
| Less than 1 Yr.           | 11.5            | 10.6 |
| 1 to 2 Yrs.               | 11.2            | 13.6 |
| 2 to 4 Yrs.               | 23.3            | 30.0 |
| 4 to 6 Yrs.               | 25.7            | 20.2 |
| 6 to 8 Yrs.               | 13.6            | 12.5 |
| 8 Yrs. or more            | 14.6            | 13.1 |

| MATURITY DISTRIBUTION (%) |                 |      |
|---------------------------|-----------------|------|
|                           | Composite Index |      |
| Less than 1 Yr.           | 8.0             | 5.8  |
| 1 to 3 Yrs.               | 13.9            | 25.7 |
| 3 to 5 Yrs.               | 22.0            | 28.8 |
| 5 to 10 Yrs.              | 43.1            | 25.4 |
| 10 to 20 Yrs.             | 4.7             | 5.6  |
| 20 Yrs. or more           | 8.2             | 8.7  |

## 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. Commodity interest and derivative trading involves substantial risk of loss.

*Due to rounding, Sector, Currency, Credit Quality, Duration and Maturity distribution totals may not equal 100%. Country Distribution reflects breakdown of the top 10 country allocations only and therefore does not total 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. Duration and Maturity Distribution Less than 1 Yr. may include cash and equivalents. Cash & Equivalents may include unsettled trades, fees and/or derivatives. TMT: Technology, Media, and Telecom.*

*The Composite includes all discretionary accounts managed by Loomis Sayles with market values of at least \$20 million which primarily invest in investment grade hard currency debt of corporate, sovereign, and quasi sovereign entities located in emerging market economies and that are benchmarked to hard currency emerging market corporate indices. Loomis Sayles's security level research and significant tactical country and sector allocation are primary alpha sources for this product. The Composite inception date is July 1, 2015. The Composite was created in March 2018. For additional information on this and other Loomis Sayles strategies, please visit our website at [www.loomissayles.com](http://www.loomissayles.com).*

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