Euro High Yield Credit

Management Team

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Objective

Seeks to generate consistent excess returns versus the benchmark utilizing a conservative alpha investment process which combines a top-down market view with bottom-up corporate fundamental analysis

Benchmark

The reference benchmark is a combination of:

- 85% BB ICE BofA Euro High Yield Non-Financial Constrained Index
- 15% ICE BofA Euro Subordinated Financial Index

Highlights

- Combines a top-down market view with bottom-up corporate fundamental analysis
- Actively managed strategy that invests primarily in the BB segment of the euro-denominated high yield corporate bond market
- Strong beta-driven risk orientation and focus on quality
- Diversified strategy with uncorrelated positions

Portfolio Construction:

- BB Corporates 60-100%
- B Corporates 0-10%
- Investment Grade Corporates 0-30%

Beta Ranges vs Benchmark:

- Overall portfolio (-30% | +30%)
- Sector level (-5% | +5%)
- Issuer level (-3% | +3%)

- Duration is managed within a narrow range to the benchmark

Facts	
Strategy inception	2/5/21
Composite inception	4/1/21
Strategy assets	$544.3M
Composite assets	$141.5M

Portfolio characteristics^	Composite	Index
Average maturity	3.44 yrs	3.45 yrs
Average duration	3.14 yrs	3.09 yrs
Average yield	4.32%	4.36%
Average credit quality	BAA3	BA1
Average number of issues	201	707
Weighted average coupon	4.02%	4.35%
Z-Spread	162	173

Composite Performance (%) as of December 31, 2025

	CUMULATIVE RETURN		ANNUALIZED TOTAL RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	1.13	6.19	6.19	9.03	-	-	4.20
NET	1.01	5.67	5.67	8.49	-	-	3.68
BENCHMARK	0.71	5.30	5.30	7.95	-	-	2.51

^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.

Returns are shown in EUR.

Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted. *Returns for multi-year periods are annualized. Gross returns are net of trading costs. Net returns are gross returns less effective management fees. Returns may increase or decrease as a result of currency fluctuations.*

Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return.

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

The Z-spread, also known as the zero-volatility spread, is a measure used in fixed income markets to measure a portfolio's credit risk in relation to the risk-free rate. A larger Z-spread indicates higher credit risk and, a smaller Z-spread indicates lower credit risk.

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SECTOR DISTRIBUTION (%)

	Composite	Index
Telecommunications	12.2	13.0
Utilities	11.9	11.4
Banks	10.6	8.9
Automobiles & Parts	10.3	12.6
Real Estate	7.7	6.5
Industrial Goods & Services	7.4	9.5
Health Care	6.4	6.4
Travel & Leisure	6.2	4.5
Insurance	3.6	5.9
Personal & Household Goods	3.1	2.2
Retail	2.8	3.1
Media	2.5	2.8
Oil & Gas	2.4	2.7
Chemicals	2.4	3.1
Infrastructure	2.1	3.0
Construction & Materials	1.7	1.1
Food & Beverage	1.1	1.2
Basic Resources	1.0	1.0
Technology	1.0	0.7
Futures	-	-
Financial Services	-	0.3
Cash	3.7	0.3

COUNTRY DISTRIBUTION (%)

	Composite	Index
France	22.8	24.4
Germany	13.5	13.4
United States	11.6	9.4
Italy	7.5	10.3
Spain	6.1	6.7
United Kingdom	5.7	6.4
Netherlands	4.6	4.3
Denmark	3.0	1.1
Sweden	2.8	3.1
Other	22.5	21.0

MATURITY DISTRIBUTION (%)

	Composite	Index
Less than 1 Yr.	12.6	9.0
1 to 3 Yrs.	21.0	33.8
3 to 5 Yrs.	39.6	37.5
5 to 7 Yrs.	18.2	15.2
7 to 10 Yrs.	4.9	4.0
10 Yrs. or more	-	0.3
Cash & Equivalents	3.7	0.3

CREDIT QUALITY (%)

	Composite	Index
AAA	-	-
AA	-	0.1
A	10.9	8.4
BAA	28.1	21.6
BA	57.2	69.7
B	-	-
Not Rated	-	-
Cash & Equivalents	3.7	0.3

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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

*Due to rounding, **Sector**, **Country**, **Credit Quality** 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; ratings are subject to change. **Cash & Equivalents** may include unsettled trades, fees and/or derivatives.*

The Composite includes all discretionary accounts with market values greater than €20 million managed by Loomis Sayles that seek to add value for clients primarily through seeking to generate consistent excess returns versus the benchmark utilizing a conservative alpha investment process. This process combines a top-down market view with bottom-up corporate fundamental analysis whereby ESG is fully integrated. This results in an actively managed, diversified strategy, with strong beta-driven risk orientation and uncorrelated positions. The Composite invests primarily in BB-rated, euro-denominated corporate bonds. Accounts may allow up to 30% in securities rated investment grade, up to 10% in B-rated securities and up to 10% in non-EUR denominated securities, albeit hedged for currency and interest rate risk. Portfolio duration is managed within a narrow range to the benchmark. The Composite inception date is April 1, 2021. The Composite was created in 2023. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomissayles.com.

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