

# Long Corporate Disciplined Alpha

## Management Team

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 Disciplined Alpha Team

## Objective

Seeks to outperform the Bloomberg US Long Corporate Index consistently over time with a comparable level of risk

## Highlights

- We believe in intense focus on fundamental research-based, relative value investing:
  - Seeks to add value primarily through security selection, aiming to gain an edge through better research and use of market information
  - Seeks to harvest value through continuous rotation to our best opportunities
- Risk management is fundamental to the strategy. We believe:
  - Security selection decisions should be made in a risk-adjusted framework
  - Disciplined duration and curve positioning focuses the investment process
- Source of excess return is primarily from security selection
- Investment universe consists of investment grade credit, US Treasurys, agencies, Treasury futures, as well as other investments up to 10% in aggregate
- Duration, curve and sector risk are typically managed within a tight range
- Typical portfolio: 200 to 300 issues
- Currency: US dollar only

## Benchmark

Bloomberg US Long Corporate Index

Facts		Portfolio Characteristics <sup>^</sup>		Composite	Index
Strategy inception	6/30/13	Average maturity		21.50 yrs	21.99 yrs
Composite inception	8/1/13	Average duration		12.66 yrs	12.62 yrs
Strategy assets	\$2,740.3M	Average yield		5.68%	5.64%
Composite assets	\$2,669.5M	Average credit quality		A3	A3
		Weighted average coupon		4.75%	4.60%
		OAS		98 bps	94 bps

## Composite Performance (%) as of December 31, 2025

CUMULATIVE RETURN			ANNUALIZED TOTAL RETURN					
			1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	
GROSS	-0.14	7.62	7.62	5.73	-2.60	4.11	4.42	
NET	-0.21	7.30	7.30	5.41	-2.86	3.88	4.19	
BENCHMARK	-0.11	7.44	7.44	5.33	-2.98	3.42	3.64	

## Calendar Year Performance (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GROSS	7.62	-1.36	11.32	-25.40	-0.57	15.75	24.73	-6.86	12.88	12.46
NET	7.30	-1.65	10.99	-25.57	-0.78	15.53	24.50	-7.03	12.67	12.24
BENCHMARK	7.44	-1.95	10.93	-25.62	-1.13	13.94	23.89	-7.24	12.09	10.97

*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.*

<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.

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

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SECTOR DISTRIBUTION (%)		
	Composite	Index
US Treasury	1.9	-
Credit	97.1	99.8
Agency	0.5	-
Cash & Equivalents	0.5	0.2

CREDIT QUALITY (%)		
	Composite	Index
US Treasurys	1.9	-
AAA	3.6	3.2
AA	18.3	16.3
A	38.2	45.1
BAA	37.4	35.2
BA & Lower	-	-
NR	-	-
Cash & Equivalents	0.5	0.2

KEY RATE DURATION (%)		
	Composite	Index
6 months	0.0	0.1
2 years	0.2	0.2
5 years	0.8	0.8
10 years	15.4	15.5
20 years	43.7	46.5
30 years	39.9	36.9

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	100	100

## KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity 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** and **Duration** 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** reflects unsettled trades, fees and derivatives. Negative **Cash & Equivalents** reflect the market value of future trade commitments for the portfolio. Cash exposure for the Index represents accrued income provided by Bloomberg.*

*The Composite includes all discretionary accounts with market values of at least than \$40 million managed by Loomis Sayles with investment guidelines that may allow for up to 10% in securities below investment grade with the following additional considerations. The Composite seeks to add value for clients primarily through security selection, intending to gain an edge through analysis and market information and minimizing duration, curve, and large sector mismatches. The investment universe is primarily investment grade corporate bonds, with a bias for liquidity. Portfolio duration is tightly constrained and normally managed within 10% of the benchmark. The Composite inception date is August 1, 2013. The Composite was created in July 2013. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomissayles.com](http://www.loomissayles.com).*

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