

# Long Duration Credit

## Management Team

### Portfolio Manager

Neil A. Burke

John Hyll

## Objective

Seeks to provide diversified, actively managed exposure to the long end of the US investment grade credit market

## Highlights

- Invests primarily in long duration US investment grade fixed income securities
- Fundamental research from Loomis Sayles credit research is a primary source for investment ideas and specific industry and security selection recommendations are developed by the Loomis Sayles investment grade sector team
- Quantitative risk analysis is applied to portfolio construction to help manage both market and specific portfolio risks, by seeking to diversify and minimize unintended risks
- Duration bands: +/- 2 years (typically within +/- 0.5 year) relative to the benchmark
- Typical portfolio: 175 to 225 issuers
- Allocations to non-US dollar and emerging markets debt securities may be allowed per client guidelines
- Investments in securities rated <BBB may be allowed per client guidelines
- Maximum issuer position of 3% or benchmark weight plus 2%, whichever is greater at the time of purchase (Treasurys and GSEs excluded)
- Maximum industry allocation of 25% or the benchmark weight plus 10%, whichever is greater at the time of purchase

## Benchmark

Bloomberg US Long Credit Index

Facts		Portfolio Characteristics <sup>^</sup>		Composite	Index
Strategy inception	4/1/13	Average maturity		21.01 yrs	21.95 yrs
Composite inception	4/1/13	Average duration		12.89 yrs	12.52 yrs
Strategy assets*	\$6,540.8M	Average yield		5.53%	5.63%
Composite assets	\$4,579.3M	Average credit quality		A3	A3
		Average number of issues		396	-
		Weighted average coupon		4.12%	4.63%
		OAS		86 bps	96 bps

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

CUMULATIVE RETURN			ANNUALIZED TOTAL RETURN					
			1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	
GROSS	-0.08	7.54	7.54	5.19	-2.89	3.79	3.46	
NET	-0.16	7.22	7.22	4.87	-3.15	3.53	3.21	
BENCHMARK	0.00	7.77	7.77	5.35	-2.90	3.36	3.07	

## Calendar Year Performance (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GROSS	7.54	-2.01	10.44	-25.26	-0.74	17.56	22.52	-6.15	11.81	11.16
NET	7.22	-2.30	10.12	-25.42	-0.96	17.31	22.25	-6.37	11.55	10.90
BENCHMARK	7.77	-2.01	10.73	-25.29	-1.18	13.32	23.36	-6.76	12.21	10.22

<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. Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted. Returns for one and multi-year periods are annualized. 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.**

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

\*Strategy assets are comprised of Long Duration Corporate Bond and Long Duration Credit.

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

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
Investment Grade Corporate	84.0	89.6
US Treasuries	9.9	-
Government Related	2.3	6.3
Municipals	1.6	4.0
High Yield Corporate	0.6	0.1
US Agency	0.2	-
Cash & Equivalents	1.3	-

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	100	100

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	90.2	84.9
United Kingdom	2.2	2.0
Canada	1.9	2.2
Mexico	1.5	2.1
Belgium	1.5	1.2
Australia	0.5	0.6
Norway	0.5	0.2
Peru	0.3	0.5
Germany	0.2	0.1
Other	1.2	6.2

CREDIT QUALITY (%)		
	Composite	Index
US Treasuries	9.9	-
AAA	2.0	2.5
AA	8.9	11.9
A	36.3	42.4
BAA	40.7	43.1
BA	0.8	0.1
B	-	-
CAA & Lower	-	-
Not Rated	-	-
Cash & Equivalents	1.3	-

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	-5.5	0.1
1 to 3 Yrs.	0.9	-
3 to 5 Yrs.	1.1	-
5 to 7 Yrs.	5.0	0.6
7 to 10 Yrs.	16.8	17.6
10 Yrs. or more	80.4	81.7
Cash & Equivalents	1.3	-

MATURITY DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	1.1	0.1
1 to 3 Yrs.	0.9	-
3 to 5 Yrs.	0.7	-
5 to 7 Yrs.	1.1	0.1
7 to 10 Yrs.	5.6	2.1
10 Yrs. or more	89.3	97.7
Cash & Equivalents	1.3	-

## KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Derivatives Risk, Leverage Risk, Counterparty Risk, Non-US Securities Risk, Prepayment Risk, Extension Risk and Management Risk. Diversification does not ensure a profit or guarantee against a loss. 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 middle credit rating assigned to individual holdings of the composite by 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 with investment guidelines that allow from 0 to 20% in high yield and non-USD denominated securities and seeks to provide diversified, actively managed exposure primarily to the long end of the US investment grade credit market. Prior to June 1, 2015 the Composite minimum account size requirement was \$5 million. The Composite inception date is April 1, 2013. The Composite was created in 2014. 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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