

Core Plus Full Discretion

MANAGEMENT TEAM

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OBJECTIVE

Seeks to maximize total return through research driven security selection while managing downside risk through careful portfolio construction

HIGHLIGHTS

- Portfolio guidelines are broad, offering significant investment flexibility
- Below BBB- assets maximum of 15%, investment grade debt up to 100%
- Substantial flexibility to include significant allocations to non-US dollar and emerging markets debt securities
- Bottom-up investment evaluation drives portfolio investments and the resulting sector allocation
- Security selection is a primary driver of performance; other sources of excess return consist of sector allocation, country/currency management and yield curve/duration positioning
- Typical portfolio: 100 to 150 issuers
- Non-government issuer maximum of 5% (GSEs excluded)
- Industry maximum of 25%
- Generally fully invested with less than 5% cash

BENCHMARK

Bloomberg Barclays US
Aggregate Index

Effective 3/11/21, Dan Fuss moved to senior advisor on the full discretion team and no longer serves as a portfolio manager.

As of 09/30/2020, the benchmark for the Composite was changed retroactively to inception from the Bloomberg Barclays US Government/Credit Index to the Bloomberg Barclays US Aggregate Index. The change to the Bloomberg Barclays US Aggregate Index was made to better align the benchmark with the investment strategy of the Composite. Bloomberg Barclays US Government/Credit index data is available upon request.

The composite includes out-of-benchmark allocations to sectors or investments that evolve over time.

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FACTS

Strategy inception	1/1/89
Composite inception	1/1/89
Strategy assets	\$17,622.7M
Composite assets	\$9,878.5M

PORTFOLIO CHARACTERISTICS

	Composite	Index
Average maturity	7.45 yrs	8.20 yrs
Average duration	4.79 yrs	6.31 yrs
Average yield	2.17%	1.60%
Average credit quality	A3	AA2
Average number of issues	636	-
Weighted average coupon	3.06%	2.68%
OAS	123 bps	32 bps

COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	-1.77	-1.77	12.27	6.58	5.85	5.45	8.06
NET	-1.83	-1.83	11.98	6.28	5.55	5.15	7.81
BENCHMARK	-3.37	-3.37	0.71	4.65	3.10	3.44	6.06

COMPOSITE PERIOD PERFORMANCE (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GROSS	11.77	9.44	0.15	6.16	7.15	-1.99	5.62	0.94	14.99	5.88
NET	11.47	9.13	-0.14	5.86	6.84	-2.27	5.33	0.64	14.64	5.55
BENCHMARK	7.51	8.72	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	7.84

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.

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



SECTOR DISTRIBUTION (%)		
	Composite	Index
Investment Grade Credit	50.1	30.5
Securitized	19.5	30.0
US Treasury	11.2	37.1
High Yield Credit	6.2	-
Emerging Market Credit	5.5	1.6
Convertibles	2.7	-
Non-US Dollar	0.8	-
Hedge	0.4	-
Bank Loans	0.2	-
Municipals	-	0.7
Cash & Equivalents	3.4	-

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	99.0	100
Developing Countries	1.0	-

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	80.1	91.9
United Kingdom	3.3	1.2
Mexico	2.3	0.3
Germany	1.4	0.5
France	1.2	0.1
Canada	1.1	1.1
Brazil	1.1	0.1
Supra National	1.0	1.5
South Africa	0.9	-
Other	7.6	3.2

CREDIT QUALITY (%)		
	Composite	Index
US Treasuries	11.2	37.1
AAA	8.3	33.9
AA	5.2	4.6
A	13.9	12.5
BAA	45.2	11.9
BA	6.9	-
B	1.2	-
CAA & Lower	0.3	-
Not Rated	4.4	-
Cash & Equivalents	3.4	-

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	15.2	1.2
1 to 3 Yrs.	31.3	26.7
3 to 5 Yrs.	13.7	29.6
5 to 7 Yrs.	12.0	17.3
7 to 10 Yrs.	12.2	7.7
10 Yrs. or more	12.1	17.6
Cash & Equivalents	3.4	-

MATURITY DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	8.7	1.1
1 to 3 Yrs.	29.5	19.9
3 to 5 Yrs.	13.9	28.1
5 to 7 Yrs.	11.1	19.7
7 to 10 Yrs.	17.4	12.9
10 Yrs. or more	16.1	18.3
Cash & Equivalents	3.4	-

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, 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 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/RMBS: Asset-Backed Securities/Residential Mortgage-Backed Securities. Agency MBS: Agency Mortgage-Backed Securities. CMBS: Commercial Mortgage-Backed Securities. Emerging Markets Debt in the sector distribution is defined as US dollar denominated, non-investment grade bonds, which are from a country on the firm approved Emerging Markets list based on Bloomberg Barclays Emerging Markets Ex-Aggregate Index.

The Core Plus Full Discretion Composite includes all discretionary separate accounts with market values greater than \$5 million managed by Loomis Sayles with the objective of maximizing total return through individual security selection with a 15% limit in high yield securities and use of out-of-benchmark sectors including but not limited to non-US dollar denominated, emerging market debt, convertibles, securitized debt and bank loans. Yield curve and duration management provide additional tactical tools for the portfolio management team with strategic allocation to higher yielding credit sensitive sectors employing Loomis Sayles security level research and significant allocation to non-index sectors as primary sources of alpha. Tracking error is not explicitly targeted for this product, however, historically these portfolios have exhibited annualized tracking error of approximately 300-500 basis points. The Composite inception date is January 1, 1989. The Composite was created in 2003. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomissayles.com.