

# Global Credit/Corporate GBP Hedged

## MANAGEMENT TEAM

David W. Rolley, CFA  
Lynda Schweitzer, CFA  
Scott M. Service, CFA

## OBJECTIVE

Seeks to identify undervalued securities worldwide and create diversified global credit portfolios that provide risk-adjusted performance superior to the benchmark through balanced contributions of top-down and bottom-up sources

## HIGHLIGHTS

- Follows a broad global universe of securities including corporate credits, asset-backed securities including mortgages, as well as government, quasi-government and agency securities
- Primarily invests in investment grade fixed income securities issued by corporate issuers worldwide
- Employs a value-driven, benchmark sensitive approach implemented within a risk-budgeting framework
- Seeks to identify and create diversified portfolios with undervalued and preferably discount securities across relevant risk factors, including sector, country, curve and specific credit
- Seeks to manage risk through diversification and continuous monitoring of absolute risk and tracking error from the benchmark
- Below investment grade: typically limited to 20%
- Emerging markets debt allocation: typically less than 20%
- Target tracking error: 1% to 3%, depending on the market environment
- Typical portfolio: greater than 200 issues

## BENCHMARK

Bloomberg Barclays Global  
Aggregate Credit Hedged to GBP

### FACTS

Strategy inception	2/1/07
Composite inception	2/1/07
Strategy assets*	\$14,947.6M
Composite assets	£4,212.8M

### PORTFOLIO CHARACTERISTICS

	Composite	Index
Average maturity	9.16 yrs	9.26 yrs
Average duration	7.09 yrs	7.08 yrs
Average yield	1.97%	1.62%
Average credit quality	BAA1	A3
Average number of issues	478	-

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	-3.14	-3.14	12.87	5.16	4.73	5.04	5.54
<b>NET</b>	-3.19	-3.19	12.64	4.94	4.51	4.83	5.35
<b>BENCHMARK</b>	-3.12	-3.12	7.44	4.21	3.44	4.31	4.70

## COMPOSITE PERIOD PERFORMANCE (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>GROSS</b>	8.98	11.20	-2.57	5.50	8.26	-0.61	7.64	0.29	12.83	4.65
<b>NET</b>	8.75	10.97	-2.77	5.27	8.02	-0.81	7.46	0.13	12.64	4.47
<b>BENCHMARK</b>	6.83	9.97	-2.13	4.22	5.33	0.21	7.80	-0.26	10.51	5.28

### 2007: since composite inception 2/1/2007

**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 British Pound Sterling 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.  
For Institutional Use Only. Not For Further Distribution.

\*Strategy assets are comprised of Loomis Sayles Global Credit style accounts including Global Credit/Corporate in USD and Global Credit/Corporate GBP Hedged and other Global Credit investment styles.

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.

Loomis, Sayles & Company, L.P. ("Loomis Sayles") is an independent advisory firm registered under the Investment Advisors 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
Corporates	85.7	75.6
Global Treasuries	7.9	-
Government Related	3.3	24.4
Securitized	1.1	-
Cash & Equivalents	2.0	-

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	72.1	64.1
Euro	22.4	25.8
British Pound Sterling	5.6	5.2
Australian Dollar	0.1	0.8
Canadian Dollar	0.1	2.6
Japanese Yen	-	0.8
Swiss Franc	-	0.4
Swedish Krona	-	0.1
New Zealand Dollar	-	0.1
Other	-	0.2

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	51.0	42.3
United Kingdom	9.3	6.4
Germany	7.3	5.1
France	4.8	5.8
Italy	3.9	1.2
Spain	3.2	1.4
Mexico	2.7	1.0
Belgium	2.1	0.9
Switzerland	1.7	1.5
Other	14.1	34.5

CREDIT QUALITY (%)		
	Composite	Index
AAA	9.8	10.4
AA	4.1	15.1
A	30.0	38.6
BAA	46.6	35.9
BA	9.8	-
B	-	-
CAA & Lower	-	-
Not Rated	-0.3	-

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	7.8	2.0
1 to 2 Yrs.	6.8	10.9
2 to 4 Yrs.	16.4	23.4
4 to 6 Yrs.	21.1	18.9
6 to 8 Yrs.	18.9	13.6
8 Yrs. or more	29.1	31.1

MATURITY DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	3.2	1.9
1 to 3 Yrs.	9.2	21.4
3 to 5 Yrs.	22.0	21.4
5 to 10 Yrs.	46.2	29.3
10 to 20 Yrs.	8.3	11.0
20 Yrs. or more	11.4	15.0

## 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. Duration and Maturity Distribution Less than 1 Yr. may include cash and equivalents. Cash & Equivalents may include unsettled trades, fees and/or derivatives.*

*The Global Credit/Corporate GBP Hedged Composite includes all discretionary accounts with market values greater than £15 million managed by Loomis Sayles with guidelines prescribing investment in foreign bonds as well as U.S. dollar denominated bonds, that are benchmarked against the Bloomberg Barclays Global Aggregate – Corporate or similar index, and with the following characteristics. The Composite's focus is on 'spread' product, and the predominant 'spread' product instruments being used are corporate bonds, securitized bonds or both. The accounts and the benchmarks associated with the Composite are all expressed and hedged to British Pound Sterling. The Composite inception date is February 1, 2007. The Composite was created in 2009. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomisayles.com](http://www.loomisayles.com).*