

Long Duration Corporate Bond

MANAGEMENT TEAM

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OBJECTIVE

Seeks to provide diversified, actively managed exposure to the long end of the US investment grade corporate 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, seeking to diversify and minimize unintended risks
- Duration bands: +/- 2 years (typically within +/- 0.5 year) relative to the index
- Typical portfolio: 175 to 225 issuers
- Currency: US dollar only
- Maximum issuer position of 3% or benchmark weight plus 2%, whichever is greater at the time of purchase (Treasuries and GSEs excluded)
- Maximum industry allocation of 25% or the benchmark weight plus 10%, whichever is greater at the time of purchase

BENCHMARK

Bloomberg Barclays US Long Corporate Index

FACTS

Strategy inception	4/1/09
Composite inception	9/1/09
Strategy assets*	\$10,997.3M
Composite assets	\$450.0M

PORTFOLIO CHARACTERISTICS

	Composite	Index
Average maturity	23.34 yrs	23.17 yrs
Average duration	14.98 yrs	14.98 yrs
Average yield	3.50%	3.46%
Average credit quality	BAA1	BAA1
Average number of issues	288	-
Weighted average coupon	4.52%	4.50%
OAS	131 bps	125 bps

COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE 9/1/2009**
GROSS	-8.29	-8.29	11.28	9.12	7.82	7.90	8.10
NET	-8.35	-8.35	11.01	8.84	7.55	7.64	7.85
BENCHMARK	-8.51	-8.51	9.17	7.68	6.88	7.27	7.47

COMPOSITE PERIOD PERFORMANCE (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GROSS	18.34	23.76	-6.86	12.10	11.56	-5.09	16.10	-5.52	13.43	16.25
NET	18.04	23.45	-7.09	11.83	11.29	-5.32	15.83	-5.72	13.18	15.99
BENCHMARK	13.94	23.89	-7.24	12.09	10.97	-4.61	15.73	-5.68	12.41	15.91

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

**Due to the composite's significant cash flow policy there was a temporary two month period in July 2009 and August 2009 when there were no accounts included in the composite. Therefore the continuous track record for the composite begins September 1, 2009 despite the April 1, 2009 composite inception date and the 2Q09 period performance is presented on a stand alone basis.

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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 Corporate	91.1	100
US Treasurys	4.4	-
High Yield Corporate	2.3	-
Government Related	0.9	-
Municipals	0.2	-
Cash & Equivalents	1.1	-

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	100	100

COUNTRY DISTRIBUTION (%)		
	Composite	Index
United States	86.4	87.6
Canada	3.3	2.8
United Kingdom	3.0	2.7
Belgium	2.2	2.1
Netherlands	1.3	1.1
Mexico	0.8	0.7
Australia	0.8	0.4
Brazil	0.4	0.2
Switzerland	0.4	0.4
Other	1.4	2.0

CREDIT QUALITY (%)		
	Composite	Index
US Treasurys	4.4	-
AAA	0.7	2.6
AA	6.2	7.8
A	28.5	37.9
BAA	56.7	51.7
BA	1.9	-
B	0.4	-
CAA & Lower	-	-
Not Rated	-	-
Cash & Equivalents	1.1	-

DURATION DISTRIBUTION (%)		
	Composite	Index
Less than 1 Yr.	-0.6	-
1 to 3 Yrs.	0.1	-
3 to 5 Yrs.	0.9	-
5 to 7 Yrs.	1.3	0.1
7 to 10 Yrs.	1.7	6.1
10 Yrs. or more	95.5	93.7
Cash & Equivalents	1.1	-

MATURITY DISTRIBUTION (%)		
	Composite	Index
1 to 3 Yrs.	0.1	-
3 to 5 Yrs.	0.5	-
5 to 7 Yrs.	1.1	-
7 to 10 Yrs.	0.7	1.3
10 Yrs. or more	96.4	98.7
Cash & Equivalents	1.1	-

KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Prepayment Risk and Extension 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. ABS/RMBS: Asset-Backed Securities/Residential Mortgage-Backed Securities. Agency MBS: Agency Mortgage-Backed Securities. CMBS: Commercial Mortgage-Backed Securities.

The Long Duration Corporate Bond Composite includes all discretionary separate and commingled accounts with market values greater than \$20 million managed by Loomis Sayles and seeks to provide diversified, actively managed exposure primarily to the long end of the US investment grade corporate market. The Composite inception date is April 1, 2009. The Composite was created in 2010. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomisayles.com.