

Strategic Alpha

MANAGEMENT TEAM

Matthew J. Eagan, CFA
 Brian P. Kennedy
 Elaine M. Stokes
 Todd P. Vandam, CFA

OBJECTIVE

Seeks to provide absolute returns in excess of US LIBOR + 2-4%*

HIGHLIGHTS

- Seeks alpha and to manage beta via long/short positions in global credit, currency and yield curve markets
- Focuses on absolute volatility and drawdown rather than risk relative to a traditional market benchmark
- Attempts an annualized standard deviation risk objective of 4-6% over a market cycle**
- Historically low correlation to fixed income with the ability to actively manage interest rate risk
- Maximum gross long or short: 100%
Excluding the use of derivatives used for duration, interest rate, yield curve management and cash equivalents
- Duration: -2 to 5 years
- Maximum/Minimum net exposure
 - Below investment grade: +/- 50%
 - Non-US dollar currency: +/- 50%
 - Emerging markets currency: +/- 20%

BENCHMARK

ICE BofA Merrill Lynch
 US Dollar 3-Month LIBOR
 Constant Maturity

FACTS

Strategy inception	11/2/10
Composite inception	5/1/11
Strategy assets	\$4,432.1M
Composite assets	\$3,805.6M

COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	0.07	0.07	18.46	5.63	5.63	-	3.79
NET	-0.04	-0.04	17.98	5.20	5.20	-	3.37
BENCHMARK	0.06	0.06	0.64	1.83	1.49	-	0.91

*This return objective is used for the purpose of portfolio construction, is unofficial, and is provided for informational purposes only. There is no guarantee that the strategy will achieve its excess return objective.

**Although the investment manager actively seeks to manage risk for a targeted risk level, there is no guarantee that the portfolio will be able to maintain its targeted risk level.

Under normal market conditions, adjustments for changes due to market action will be made over a reasonable period of time, consistent with portfolio objectives.

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COMPOSITE PERIOD PERFORMANCE (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GROSS	12.27	4.87	1.10	3.86	6.65	-0.52	2.87	0.88	10.66	-4.02
NET	11.82	4.44	0.69	3.44	6.22	-0.92	2.45	0.47	10.21	-4.30
BENCHMARK	1.08	2.60	2.08	1.11	0.66	0.23	0.23	0.29	0.51	0.16

2011: since composite inception of 5/1/11

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative 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.



STRATEGY ALLOCATION

	Representative Account			
	Long Total	Short Total	Net Exposure (%)	DC (Years)
Securitized	38.4	-0.4	38.0	1.14
High Yield Corporate	19.9	-0.2	19.7	0.99
Investment Grade Corporate	15.4	0.0	15.4	0.77
Convertibles	5.6	0.0	5.6	0.23
Emerging Market	7.1	-1.9	5.2	0.59
Dividend Equity	3.9	-0.3	3.6	-
Global Rates	1.4	-0.2	1.1	-
Bank Loans	0.6	-0.2	0.4	-0.53
Global Credit	0.2	-0.2	0.1	0.01
Currency	-	-	-	-
Risk Management	-	-	-	-
Cash & Equivalents	10.8	-	10.8	0.04
Total	103.3	-3.4	100.0	3.24

DC = Contribution to Duration

TOP 10 ISSUERS (%)

	Representative Account
Boeing Co	2.9
Petroleos Mexica WI USD	1.5
General Motors Co	1.4
T-Mobile US Inc	1.4
Uber Technologies Inc	1.2
Teva Pharmaceutical Industries Ltd	1.1
Vericrest Opportunity Loan Transferee	1.1
Cemex SAB de CV	1.1
Expedia Group Inc	1.1
Rock Holdings Inc	1.0

KEY RISKS

Fixed income securities may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Currency** exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline. **Derivatives** involve risk of loss and may entail additional risks. Because derivatives depend on the performance of an underlying asset, they can be highly volatile and are subject to market and credit risks. **Foreign and emerging market securities** may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than US securities due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Mortgage-related and asset-backed securities** are subject to the risks of the mortgages and assets underlying the securities. Other related risks include prepayment risk, which is the risk that the securities may be prepaid, potentially resulting in the reinvestment of the prepaid amounts into securities with lower yields. **Commodity-related** investments, including derivatives, may be affected by a number of factors including commodity prices, world events, import controls and economic conditions, and therefore may involve substantial risk of loss. **Non-diversified** strategies invest a greater portion of assets in fewer securities and therefore may be more vulnerable to adverse changes in the market.

Data presented above is intended to illustrate the portfolio's exposure to certain asset classes. The portfolio may use the market value, the notional value or an adjusted notional value of a derivative in order to reflect what the Adviser believes to be the most accurate assessment of the Portfolio's real economic exposure. **Top Ten Issuers** shown do not include cash and cash equivalents, currency forwards, currency options and derivative offsets, included in the portfolio's total net assets. **Strategy Allocation** does not include derivative offsets, included in the portfolio's total net assets. The portfolio's long and short investment exposures may, at times, each reach 100% of the assets invested in the portfolio (excluding derivatives used for duration management or yield curve management and cash and cash equivalents), although these exposures may be higher or lower at any given time. **Cash & Equivalents** reflects unsettled trades, fees and derivatives.

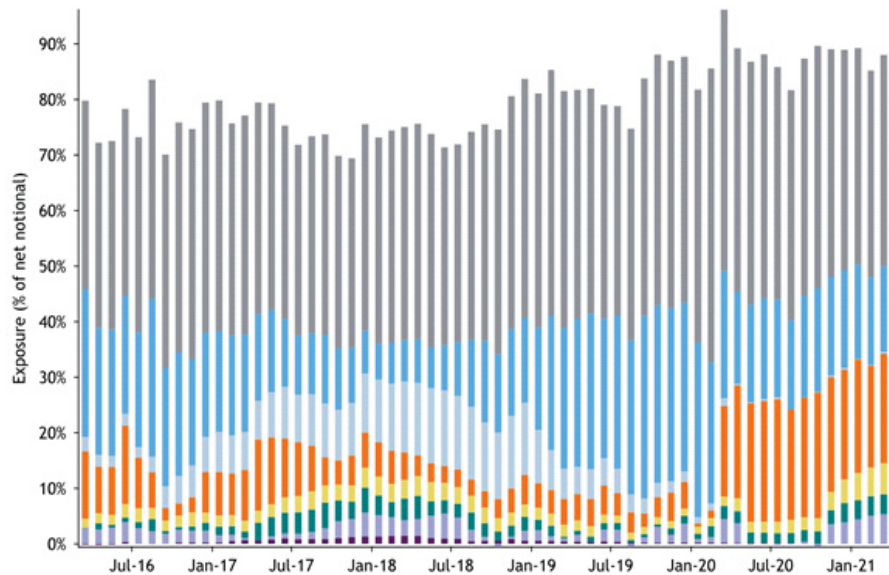
Characteristics are shown for a representative account. Due to systems limitations, it is difficult to analyze characteristics on a composite basis. The representative account was selected because it closely reflects the Loomis Sayles Strategic Alpha investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts in the Composite.

The Strategic Alpha Composite includes all discretionary separate accounts with market values greater than \$25 million, managed by Loomis Sayles with guidelines that allow it to invest long and short, and employ up to a maximum of 100% gross on a notional basis, primarily in the corporate, sovereign, asset-backed, currency and interest rate markets and employs the use of derivatives that may include interest rate futures and swaps, credit default swaps, commodity futures, options, and currency futures and forwards. Potential primary alpha sources are expected to fall in the credit, interest rate and currency categories. The Composite inception date is May 1, 2011. The Composite was created in 2011. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomissayles.com.

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HISTORICAL CREDIT ALLOCATION (%)



Historical Exposure (%)	Actual Min (%)	Actual Max (%)	3/31/2021 (%)	Change 12/31/2020 to 3/31/2021 (%)
Securitized	6.19	52.95	38.03	-1.63
Invst Grade Corp	-5.09	32.90	15.39	-2.24
Bank Loans	0.02	19.27	0.38	0.05
High Yield Corp	0.58	34.71	19.68	-
Convertibles	0.05	5.63	5.63	1.32
Equity	0.07	6.39	3.59	0.11
Emerging Market	-2.24	7.65	5.25	1.44
Global Credit	-0.84	3.12	0.06	0.01

CREDIT QUALITY (%)

	Fund		
	Long Total	Short Total	Net
AAA	14.6	-0.6	13.9
AA	4.1	-0.2	3.9
A	11.9	0.0	11.9
BBB	36.7	-1.9	34.8
BB	16.6	-	16.6
B	13.4	-	13.4
CCC & Lower	2.1	-	2.1
Not Rated*	3.9	-0.7	3.2

*Not Rated consists of non-rated issues plus securities such as common stock, ADR's, ETF's, CDX's and forwards.

TOP 10 CURRENCIES (ex USD) (%)

	Representative Account
Mexican Peso	0.5
Brazilian Real	0.3
Indian Rupee	0.2
Argentine Peso	0.2
British Pound Sterling	0.1
Euro	0.0
Colombian Peso	0.0
Canadian Dollar	0.0

This portfolio is actively managed and holdings are subject to change. There is no guarantee the strategy continues to invest in the securities referenced. Due to active management, allocations will evolve over time. Certain portfolio exposures may be excluded from the Credit Allocation Chart above. The portfolio may use the market value, the notional value or an adjusted notional value of a derivative in order to reflect what the Adviser believes to be the most accurate assessment of the strategy's real economic exposure. **Top Ten Currencies** calculation includes all assets held in the portfolio. **Credit Quality** shown includes only the debt securities, convertibles and credit default swaps on the individual debt issues. Given some asset groups are excluded from the tables, the total portfolio percentages may not equal 100%. **Cash & Equivalents** reflects unsettled trades, fees and derivatives.

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The Strategic Alpha Composite includes all discretionary separate accounts with market values greater than \$25 million, managed by Loomis Sayles with guidelines that allow it to invest long and short, and employ up to a maximum of 100% gross on a notional basis, primarily in the corporate, sovereign, asset-backed, currency and interest rate markets and employs the use of derivatives that may include interest rate futures and swaps, credit default swaps, commodity futures, options, and currency futures and forwards. Potential primary alpha sources are expected to fall in the credit, interest rate and currency categories. The Composite was created in 2011. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomisayles.com.