

# Loomis Sayles Bond Fund

Goes anywhere to pursue income opportunities

## Portfolio highlights

- Value-driven, long-term fixed income investing strategy that attempts to exploit price inefficiencies and market volatility to deliver strong performance over a full market cycle.
- Combines bottom-up security selection, which is expected to be the primary driver of alpha<sup>4</sup>, with top-down strategic macroeconomic views.
- Benchmark agnostic portfolio draws on a global investment universe that includes investment grade credit, high yield credit, non-US dollar debt, securitized debt, emerging market debt, convertible bonds, and equities.
- Focuses primarily on investment grade fixed income securities, but has the flexibility to invest in higher yielding parts of the market to pursue value and enhance diversification.
  - May invest up to 35% of assets in below investment grade fixed income securities.
  - May invest any portion of its assets in securities of Canadian issuers and up to 20% of its assets in other foreign securities, including emerging market securities.
  - May invest up to 20% of assets in preferred and common stocks, with up to 10% of assets in common stocks.

## Portfolio applications

As a holding in a diversified fixed income portfolio to address the need for yield and capital appreciation.

As an alpha-generating fixed income fund that leverages the renowned research and experienced portfolio management capabilities of Loomis Sayles.

To complement and provide diversification to a traditional bond allocation, as the Fund has the flexibility to invest in sectors that fall outside the benchmark.

To help minimize the impact of interest rate changes, as the Fund's strategy explicitly manages duration with a focus on credit and valuation.

<sup>1</sup> CFA® and Chartered Financial Analyst® are registered trademarks owned by the CFA Institute.

<sup>2</sup> The Bloomberg Barclays U.S. Government/Credit Bond Index is a component of the Bloomberg Barclays U.S. Aggregate Bond Index and includes securities in the Government and Credit Indices. The Bloomberg Barclays U.S. Government Bond Index includes Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and Agencies (i.e., publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government). The Bloomberg Barclays U.S. Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

<sup>3</sup> As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense cap of the fund has been exceeded. This arrangement is set to expire on 1/31/20. When an expense cap has not been exceeded, the gross and net expense ratios and/or yields may be the same.

<sup>4</sup> A measure of the difference between a portfolio's actual returns and its expected performance, given its level of systematic market risk. A positive alpha indicates outperformance and negative alpha indicates underperformance relative to the portfolio's level of systematic risk.



## ABOUT THE FUND

### Objective

Seeks high total investment return through a combination of current income and capital appreciation

### Portfolio manager<sup>1</sup>

Brian P. Kennedy  
 Matthew J. Eagan, CFA®  
 Elaine M. Stokes  
 Daniel J. Fuss, CIC, CFA®

### Inception date

05/16/1991

### Share classes

Admin Class	LBFOX
Retail Class	LSBRX
Institutional Class	LSBDX
Class N	LSBNX

### Benchmark<sup>2</sup>

Bloomberg Barclays U.S. Government/Credit Bond Index

### Expense ratios (gross/net)<sup>3</sup>

LBFOX	1.16%	1.16%
LSBRX	0.91%	0.91%
LSBDX	0.66%	0.66%
LSBNX	0.59%	0.59%

## Philosophy, process, and risk management

Loomis Sayles views fixed income investing as a research-intensive process focused on understanding the fundamentals of each issuer and the factors that influence valuation.

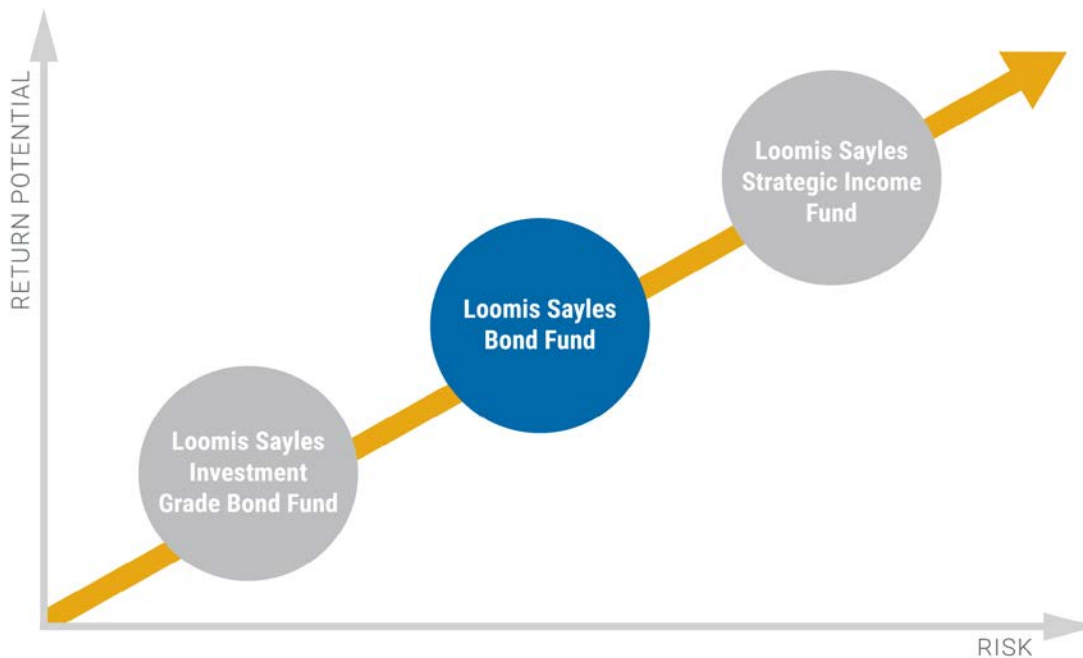
Top-down analysis develops long-term themes and sector outlooks on the global economy, central bank policy expectations, worldwide interest rate differentials and an assessment of geopolitical factors to establish investment bias on duration, yield curve, and credit quality.

Research analysts, portfolio managers, and traders form sector teams to determine the risk/return value and performance potential of individual securities. Collectively, the various sector teams cover a variety of corporate, government, municipal, mortgage- and asset-backed issuers.

The product team focuses on strategy and implementation, developing investment themes that reflect their macro perspective and sector teams' assessments. The product team is also supported by the quantitative research and risk analysis team, which assists in monitoring and evaluating the portfolio's sensitivities and risk profile.



Loomis, Sayles & Company helps fulfill the investment needs of institutional and mutual fund clients worldwide. The firm's performance-driven investors integrate deep proprietary research and integrated risk analysis to make informed, judicious decisions. Loomis Sayles looks for value across traditional asset classes and alternative investments to pursue attractive, sustainable returns.



**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. **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. **Currency exchange rates** between the US dollar and foreign currencies may cause the value of the Fund's investments to decline. **Equity securities** are volatile and can decline significantly in response to broad market and economic conditions.

**Before investing, consider the fund's investment objectives, risks, charges, and expenses. Visit [im.natixis.com](http://im.natixis.com) or call 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.**

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