

# Natixis/Loomis Sayles Core Total Return Strategy (with Funds)



Q1 | March 31, 2022

## Manager Overview

Loomis, Sayles & Company, L.P. ("Loomis") has served the needs of institutional and individual investors for more than 90 years. An active, multi-style investment manager, the firm offers both traditional and highly specialized asset classes. Employing an opportunistic approach, balanced with disciplined, bottom-up research and quantitative risk analysis, the investment teams strive to produce above-average returns across asset classes and categories.

**Founded: 1926**  
**AUM: \$363.1 billion (as of 12/31/21)**

### Portfolio team:

**Clifton V. Rowe, CFA®**, *Vice President and Portfolio Manager*; began investment career in 1992; joined Loomis Sayles in 1992; BBA, James Madison University; MBA, University of Chicago

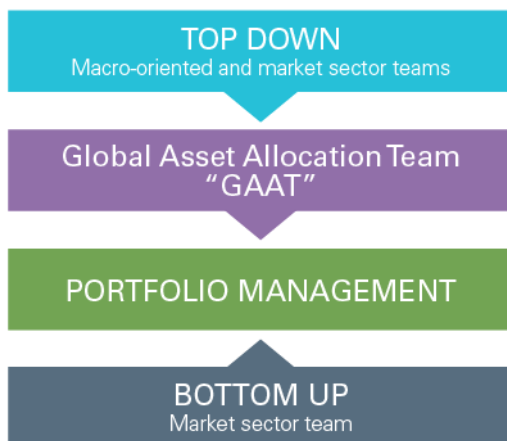
**Christopher T. Harms**, *Vice President and Portfolio Manager*; began investment career in 1980; joined Loomis Sayles in 2010; BSBA, Villanova University; MBA, Drexel University

**Dan Conklin, CFA®**, *Vice President and Portfolio Manager*; began investment career in 2010; joined Loomis Sayles in 2012; BS, University of Massachusetts; MS in Finance, Northeastern University

## Strategy Overview – Investment Philosophy

The portfolio managers, applying in-house research, seek to outperform the benchmark with comparable volatility by utilizing:

- Bottom-up security selection combined with top-down macro analysis
- Durations managed within a close range to the Bloomberg US Aggregate Bond Index
- Sector allocation and selection



## The Natixis approach

Natixis Advisors, LLC ("Natixis Advisors") manages portfolios based on the specific models and recommendations of Loomis Sayles, the strategy's model portfolio provider. Loomis Sayles continually adjusts these recommendations based on changing market conditions. Our goal is to mirror these recommendations in portfolios that can be customized to address the tax and cash flow considerations of each investor.

Natixis Advisors is one of the independent affiliated managers comprising Natixis Investment Managers. Natixis Advisors provides discretionary advisory services through its division Natixis Investment Managers Solutions.

Natixis Investment Managers' multi-affiliate approach connects you to the independent thinking and focused expertise of more than 20 active managers. We deliver a diverse range of solutions across asset classes, styles, and vehicles. We're dedicated to advancing sustainable finance and developing innovative ESG products. We consult and partner with our clients, and continually evaluate markets and assumptions to ensure their strategy delivers on long-term goals. Natixis ranks among the world's largest asset management firms<sup>1</sup> (\$1,390.0 billion AUM).<sup>2</sup>

<sup>1</sup> Cerulli Quantitative Update: Global Markets 2021 ranked Natixis Investment Managers as the 15th largest asset manager in the world based on assets under management as of December 31, 2020.

<sup>2</sup> Assets as of March 31, 2022. Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

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PERFORMANCE OVERVIEW (AS OF 3/31/2022)

Natixis/Loomis Sayles Core Total Return Strategy (with Funds) wrap composite<sup>1</sup>

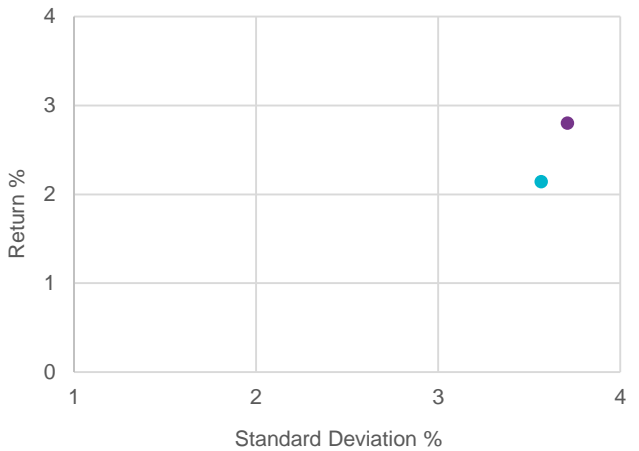
Annualized returns<sup>2</sup> %

	3 months	YTD	1 year	3 years	5 years	10 years	Since inception (3/1/2007)
Gross of fees	-5.86	-5.86	-3.53	2.39	2.80	3.10	3.93
Net of fees <sup>3</sup>	-6.22	-6.22	-4.97	0.87	1.27	1.57	2.39
Bloomberg US Aggregate Bond Index	-5.93	-5.93	-4.15	1.69	2.14	2.24	3.54

Calendar year returns<sup>2</sup> %

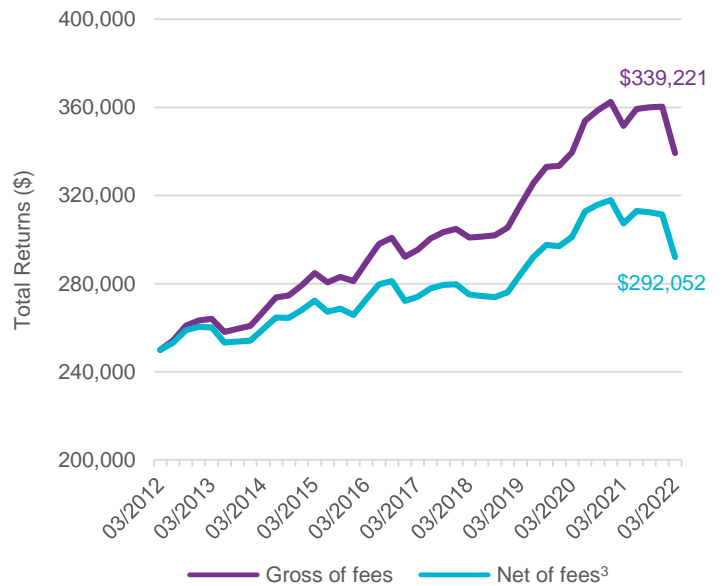
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross of fees	7.47	-0.93	7.06	0.68	3.93	4.33	0.18	9.19	8.68	-0.58
Net of fees <sup>3</sup>	5.87	-2.40	5.48	-0.82	2.38	2.78	-1.31	7.58	7.07	-2.06
Bloomberg US Aggregate Bond Index	4.21	-2.02	5.97	0.55	2.65	3.54	0.01	8.72	7.51	-1.54

5-Year Annualized standard deviation and return



- Natixis/Loomis Sayles Core Total Return Strategy (with Funds)
- Bloomberg US Aggregate Bond Index

10-Year Hypothetical growth of \$250,000 investment



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

Returns shown are considered to be preliminary and are subject to change. Gross performance does not take into account transaction costs, investment advisory fees, custody fees, or other expenses that were charged to clients' accounts or deductions for income taxes. Such fees will reduce investment performance over time. Standard deviation measures the risk of a portfolio or market. Indexes are not investments and do not incur fees and expenses and are not professionally managed. It is not possible to invest directly in an index.

**Bloomberg U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. Bloomberg U.S. Aggregate Bond Index rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. Bloomberg U.S. Aggregate Bond Index was created in 1986, with index history backfilled to January 1, 1976. The securities holdings of the composite may differ materially from those of the index used for comparative purposes. Indexes are not investments and do not incur fees and expenses and are not professionally managed. It is not possible to invest directly in an index.

<sup>1</sup> Please see back page for important disclosures and performance information for the Natixis/Loomis Sayles Core Total Return Strategy (with Funds) wrap composite.

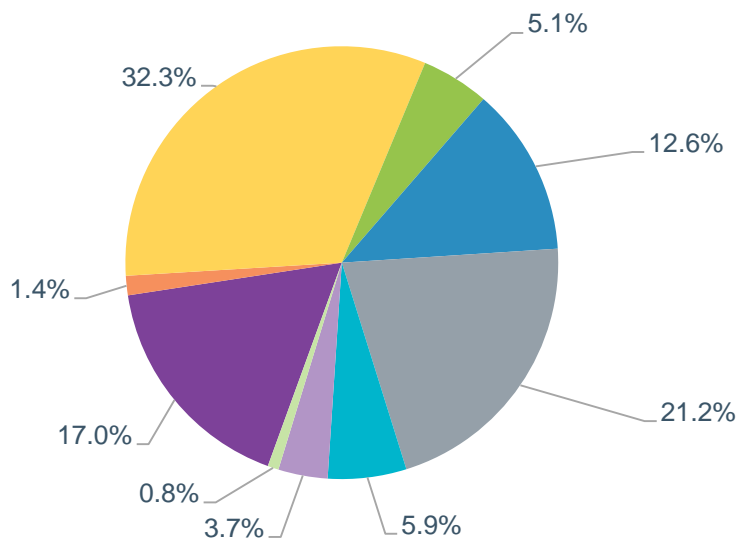
<sup>2</sup> Performance for less than one year is not annualized.

<sup>3</sup> Net-of-fees performance reflects a deduction of a 1.5% annual wrap program fee, but does not take into account income taxes.

PORTFOLIO HOLDINGS AND CHARACTERISTICS (AS OF 3/31/2022)

Natixis/Loomis Sayles Core Total Return Strategy (with Funds)

- U.S. Treasury
- Agency
- Investment Grade Credit
- CMBS
- Asset Backed
- Mortgage Backed
- High Yield Credit
- Cash & Equivalents
- Other



Model portfolio credit quality

	Model Portfolio %
U.S. Treasury	17.03
U.S. Agency	1.45
Cash & Equivalents	3.69
AAA	29.70
AA	10.32
A	17.85
BBB	13.03
BB	3.44
B	2.43
CCC & Lower	0.62
Other	0.44

Model portfolio effective maturity

Years	Model Portfolio %
Less than 1 year	8.63
1 to 3 yrs.	17.36
3 to 5 yrs.	19.25
5 to 10 yrs.	36.33
10 yrs. or more	18.44

Model portfolio characteristics

	Model Portfolio
Average coupon %	2.04
Current yield %	3.74
Yield to maturity %	3.53
Effective duration	6.68
Years to maturity	8.30
Number of securities	82.00
Average quality	A1

The above information is for the Natixis/Loomis Sayles Core Total Return (with Funds) model portfolio. The model portfolio represents the investment recommendations of the portfolio team as of the date indicated. The holdings, characteristics and performance of your portfolio may be different from the holdings, characteristics and performance information presented in this report. Significant dispersion may occur among the holdings and performance of the model portfolio, the client accounts managed by Natixis Advisors using the model portfolio, and the accounts managed by the model portfolio provider on a discretionary basis included in the institutional composite for a variety of reasons. Such reasons include differing account sizes, differing cash flows, the timing and terms of execution of trades, individual client needs, and differing tax situations. As the portfolio is actively managed, its holdings are subject to change. At any date any particular account may include securities not held in the model portfolio. This information should not be considered a recommendation or solicitation by Natixis Advisors, LLC or the model portfolio provider to buy or sell any security shown. Investors should not assume that any of the holdings were or will be profitable. Recommendations over the last year are available on request. Indexes do not incur expenses and are not available for direct investment. The characteristics shown are for illustrative purposes only.

Source: FactSet Industries and Sectors via FactSet Research Systems Inc. The projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate. The credit quality of a particular security, or the average credit quality of a group of securities, does not ensure the stability or safety of the overall portfolio. Credit quality reflects the highest credit rating assigned to individual holdings of the account among Moody's, S&P or Fitch; ratings are subject to change.

Natixis/Loomis Sayles Core Total Return Strategy (with Funds) wrap composite (as of calendar year end)

Year	Total return (gross of fees) %	Total return (net of fees) %	Bloomberg U.S. Aggregate Bond Index %	Number of portfolios in composite	Total composite assets at end of period (\$ mm)	Standard deviation of account returns %	Percentage of total firm assets %
2021	-0.66	-2.14	-1.54	3,654	\$2,138.5	0.11%	4.60%
2020 <sup>1</sup>	8.68	7.07	7.51	3,638	\$2,101.6	0.15%	5.99%
2019	9.19	7.58	8.72	1,799	\$780.4	0.08%	2.78%
2018	0.18	-1.31	0.01	1,391	\$548.2	0.07%	2.57%
2017	4.33	2.78	3.54	1,378	\$537.0	0.07%	2.41%
2016	3.93	2.38	2.65	1,120	\$417.1	0.10%	2.26%
2015	0.68	-0.82	0.55	788	\$292.6	0.06%	1.77%
2014	7.06	5.48	5.97	410	\$160.7	0.12%	1.14%
2013	-0.93	-2.40	-2.02	210	\$84.0	0.08%	0.76%
2012	7.47	5.87	4.21	156	\$69.7	0.13%	0.85%

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. Performance of the Natixis/Loomis Sayles Core Total Return wrap composite and the Bloomberg U.S. Aggregate Bond Index reflects the reinvestment of dividends and other earnings. Returns shown are preliminary and are subject to change. Performance for periods of less than one year is not annualized. The composite was created in March 2007.

<sup>1</sup> Please note that the composite experienced a material increase in composite assets and accounts in 2020. This increase is due to the inclusion of accounts from a specific sponsor firm that were previously excluded due to operational considerations.

The Natixis/Loomis Sayles Core Total Return (with Funds) wrap composite, which includes exposure to the Loomis Sayles Securitized Asset Fund and Loomis Sayles High Income Opportunities Fund, includes managed account wrap portfolios discretionarily managed by Natixis Advisors, LLC in the Loomis Sayles Core Total Return style. Investors in this strategy will own shares of the funds within the fund components of this strategy and not underlying securities themselves. These portfolios are ones for which Natixis Advisors, LLC has unrestricted ability to create and maintain an investment program in a manner consistent with a client's specific investment objectives. The composite does not include portfolios managed on third party systems whose performance record and calculation is performed by an entity other than Natixis Advisors, LLC. Accounts are included in the composite in the second full calendar month after management begins. Closed accounts remain in the composite through the last full month under management. Only fee-paying portfolios have been included in the composite. Performance is expressed in U.S. dollars. Returns are calculated on a total-return basis (appreciation and income), include cash equivalents, and are time weighted using average capital base monthly valuations. Quarterly returns are calculated by linking monthly composite returns through compound multiplication, and annual returns are calculated by linking quarterly returns. Leverage is not used in the composite. Gross performance does not take into account transaction costs, investment advisory fees, custody fees, or other expenses that were charged to clients' accounts or deductions for income taxes. Such fees will reduce investment performance over time. Net-of-fees performance reflects a deduction of a 1.5% annual wrap program fee, but does not take into account income taxes. Standard deviation measures the consistency of the composite's performance results with respect to the individual portfolio returns within the composite. Only portfolios that have been managed for the full year are included in the standard deviation calculation. A complete list and description of the firm's composites are available upon request.

The information presented in this report may have been obtained from third party sources believed to be reliable; however, neither Natixis Advisors, LLC nor the model portfolio provider guarantees the accuracy, adequacy, or completeness of such information nor the appropriateness of any strategy/fund referred to in this report for any particular investor. This report is provided for information purposes only and is not to be construed as advice or a recommendation for the purchase or sale of any security.

Natixis Advisors will combine the investment recommendations from the model portfolio provider with the ability to customize individual portfolios to meet clients' specific needs, such as cash flows, tax issues and other considerations. In most cases, Natixis Advisors expects to invest substantially in line with the recommendations provided by the model portfolio provider in an effort to seek best overall execution.

Significant dispersion may occur among the holdings and performance of the model portfolio, the client accounts managed by Natixis Advisors using the model portfolio, and the accounts managed by the model portfolio provider on a discretionary basis included in the institutional composite for a variety of reasons. Such reasons include differing account sizes, differing cash flows, the timing and terms of execution of trades, individual client needs, and differing tax situations.

It is important to note that under the agreement between the model portfolio provider and Natixis Advisors, pursuant to which the model portfolio provider supplies the model portfolio, the model portfolio provider's role is limited to assembling the model portfolios and under certain circumstances, trading certain securities. Portfolio transactions will be effected either by Natixis Advisors or the model portfolio provider. When effected by the model portfolio provider, transactions will be aggregated with transactions of the model portfolio provider's other clients when feasible, in an effort to seek best overall execution. All other investment tasks are the responsibility of Natixis Advisors, the investment advisor, including the discretion of what portion of client accounts will be invested using the model portfolio. Accordingly, the information shown may not be representative of the performance of client accounts managed by Natixis Advisors. For more information, please see Part 2 of Natixis Advisors' most recent Form ADV.

**Investment Risks:** All securities are subject to risk, including possible loss of principal. Please read the risks associated with each investment prior to investing. Detailed discussions of each investment's risks are included in Part 2A of each firm's respective Form ADV. The investments highlighted in this presentation may be subject to certain additional risks.

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