



# Long Corporate Disciplined Alpha

## Management Team

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Disciplined Alpha Team

## Objective

Seeks to outperform the Bloomberg US Long Corporate Index consistently over time with a comparable level of risk

## Highlights

- We believe in intense focus on fundamental research-based, relative value investing:
  - Seeks to add value primarily through security selection, aiming to gain an edge through better research and use of market information
  - Seeks to harvest value through continuous rotation to our best opportunities
- Risk management is fundamental to the strategy. We believe:
  - Security selection decisions should be made in a risk-adjusted framework
  - Disciplined duration and curve positioning focuses the investment process
- Source of excess return is primarily from security selection
- Investment universe consists of investment grade credit, US Treasuries, agencies, interest rate futures, CDX, as well as other investments up to 10% in aggregate
- Duration, curve and sector risk are typically managed within a tight range
- Typical portfolio: 200 to 300 issues
- Currency: US dollar only

## Benchmark

Bloomberg US Long Corporate Index

### Facts

Strategy inception	6/30/13
Composite inception	8/1/13
Strategy assets	\$2,234.9M
Composite assets	\$2,234.9M

### Portfolio Characteristics

	Composite	Index
Average maturity	22.90 yrs	22.44 yrs
Average duration	12.93 yrs	12.78 yrs
Average yield	5.47%	5.45%
Average credit quality	A3	A3
Weighted average coupon	4.50%	4.50%
OAS	108 bps	108 bps

## Composite Performance (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	-1.50	-1.50	3.62	-3.87	1.64	3.96	4.43
<b>NET</b>	-1.57	-1.57	3.31	-4.11	1.41	3.74	4.21
<b>BENCHMARK</b>	-1.69	-1.69	3.43	-4.29	0.95	3.11	3.57

## Composite Period Performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GROSS</b>	11.32	-25.40	-0.57	15.75	24.73	-6.86	12.88	12.46	-3.46	16.92
<b>NET</b>	10.99	-25.57	-0.78	15.53	24.50	-7.03	12.67	12.24	-3.65	16.68
<b>BENCHMARK</b>	10.93	-25.62	-1.13	13.94	23.89	-7.24	12.09	10.97	-4.61	15.73

### 2013: since composite inception 8/1/2013

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.

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SECTOR DISTRIBUTION (%)		
	Composite	Index
US Treasury	3.7	-
MBS	-	-
Credit	95.5	99.4
ABS	-	-
CMBS	-	-
Agency	-	-
MBS (Agency)	-	-
MBS (Non-Agency)	-	-
Cash & Equivalents	0.8	0.6

CREDIT QUALITY (%)		
	Composite	Index
US Treasuries	3.7	-
AAA	4.4	3.5
AA	12.9	13.7
A	38.9	44.7
BAA	39.3	37.5
BA & Lower	-	-
Cash & Equivalents	0.8	0.6

KEY RATE DURATION (%)		
	Composite	Index
6 months	0.0	0.0
2 years	0.2	0.3
5 years	1.0	1.0
10 years	13.8	14.4
20 years	42.0	45.0
30 years	43.0	38.8

CURRENCY DISTRIBUTION (%)		
	Composite	Index
US Dollar	100	100

## KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal.

*Due to rounding, Sector, Currency, Credit Quality and Duration 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. Cash & Equivalents reflects unsettled trades, fees and derivatives. Negative Cash & Equivalents reflect the market value of future trade commitments for the portfolio. Cash exposure for the Index represents accrued income provided by Bloomberg.*

*The Composite includes all discretionary accounts with market values greater than \$40 million managed by Loomis Sayles with investment guidelines that may allow for up to 10% in securities below investment grade with the following additional considerations. The Composite seeks to add value for clients primarily through security selection, intending to gain an edge through analysis and market information and minimizing duration, curve, and large sector mismatches. The investment universe is primarily investment grade corporate bonds, with a bias for liquidity. Portfolio duration is tightly constrained and normally managed within 10% of the benchmark. The Composite inception date is August 1, 2013. The Composite was created in 2013. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomisayles.com](http://www.loomisayles.com).*

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