

FUND HIGHLIGHTS

# Core Plus Bond Fund (NERYX) Investment Grade Bond Fund (LSIIX)

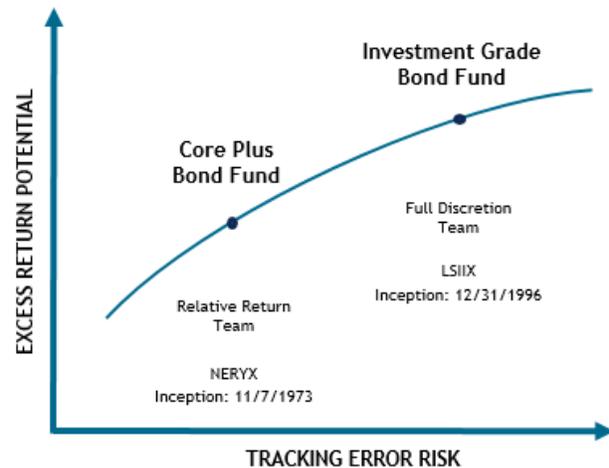
DIFFERENT APPROACHES, EACH SUPPORTED BY LOOMIS SAYLES RESEARCH ENGINES

### Distinct Investment Processes Seeking to Deliver Consistent Returns

The Relative Return and Full Discretion teams both utilize a credit cycle framework and input from Loomis Sayles research analysts, including credit, securitized and macro, to help inform their respective investment decisions; however, their processes are distinct, resulting in differentiated performance objectives and outcomes. Each team offers a fund designed to meet clients’ specific needs and can also be paired together to offer a diversified risk/return profile.

Staying true to their team names, the Relative Return team takes a benchmark-aware approach to active risk exposures and positioning while the Full Discretion team is benchmark-agnostic, focusing on total return and risk in making investment decisions. This typically results in a lower credit quality and a wider duration range for Full Discretion’s Investment Grade Bond Fund (IGBF) relative to Relative Return’s Core Plus Bond Fund (CPBF).

DIFFERENTIATED APPROACHES		
	Core Plus Bond Fund	Investment Grade Bond Fund
Index Awareness	Benchmark-Aware	Benchmark-Agnostic
Portfolio Construction & Alpha Drivers	Top-Down Sector Allocation	Bottom-Up Security Selection
Duration	Index +/- 2 years	Index +/- 3 years
Active Risk (Tracking Error)	Typically 1-3%	Typically 2-5%



*Tracking error is a range and the strategy may not always be able to remain within it. Although the Investment Manager actively seeks to manage risk for a targeted level, there is no guarantee that the portfolio will be able to maintain its targeted risk level. There is no guarantee that the investment objective will be realized or that the Fund will generate positive or excess return.*



The two teams also hold distinctive investment philosophies, which have influenced the emphasis each team places on individual drivers of excess returns. The Relative Return team seeks to deliver the majority of its excess return potential through sector allocation, which is primarily driven by the team’s top-down macro views. Investment grade credit and “plus” sectors are typically favored during stable and improving environments, while government securities tend to be favored for quality and liquidity through downturns. Within sectors, the team focuses on their best relative value opportunities and seeks to limit idiosyncratic and liquidity risk. In contrast, the Full Discretion team seeks to deliver the majority of its excess return potential through bottom-up security selection, predicated on long-term enterprise value and a philosophy that uses six pillars of security selection.

### Typical Sector Ranges

IGBF’s general bias is to have an increased level of spread exposure and to seek a yield advantage through higher allocations to investment grade corporates, its differentiation in security selection within the securitized credit allocation (the use of non-agency RMBS, ABS, CMBS and CLOs over agency MBS) and a wider duration band. CPBF, on the other hand, generally does not exhibit sector biases; rather, the team applies their top-down view to sector allocations. They also tend to utilize a wider range of sectors (TIPS, agency MBS, and non-US dollar), which have historically provided diversification benefits. In general, CPBF will seek a yield advantage, but will typically weigh the tradeoffs between yield, liquidity, and quality in the context of the credit cycle. The ranges and averages below demonstrate the typical ranges and also how the funds have positioned themselves on average historically.

TYPICAL SECTOR RANGES (%)			HISTORICAL AVERAGES (%)					
			3 YEAR		5 YEAR		10 YEAR	
	CPBF	IGBF	CPBF	IGBF	CPBF	IGBF	CPBF	IGBF
<b>US Government</b> <i>(US Treasury, Agency, TIPS, Agency MBS, Cash)</i>	20-70	5-20	51	22	54	19	46	20
<b>Corporate Credit</b> <i>(Investment Grade, High Yield, Bank Loans)</i>	15-45	25-60	35	59	34	58	38	51
<b>Securitized Credit</b> <i>(Non-agency, RMBS/CMBS/ABS/CLO)</i>	2-10	5-30	8	20	6	21	8	13
<b>Non-US Dollar Denominated</b>	0-10	Not Permitted	4	0	3	0	4	12*
<b>Converts</b>	0-5	0-10	0	2	0	2	0	3
<b>Preferreds</b>	Not Permitted	Not Permitted	0	0	0	0	0	0
<b>Common</b>	Not Permitted	Not Permitted	0	0	0	0	0	1*

*\*The guidelines for Investment Grade Bond Fund changed in 2018 restricting the use of Non-USD and Common. Prior to 2018, allocations were permitted.*

*Typical sector ranges are approximate and apply under normal market conditions. They are based on guidelines that are subject to change. Historical averages are as of 12/31/2023. Due to active management, sector allocations will evolve over time.*



## Core Plus Options that Help Meet Varying Investor Needs

Determining investor preferences, such as overall return objective (absolute versus relative), style bias (top-down versus bottom-up) or impact to the broader portfolio risk (fit against other funds in an investor's asset allocation) may be helpful when considering the two funds. We believe Loomis Sayles offers an interesting opportunity to provide clients with two differentiated, yet complementary, Core Plus options. For investors who are considering a relative return style fund focused on top-down views informed by macro inputs, which seeks to balance credit risk with yield, Core Plus Bond Fund could be an appropriate fit. While other investors may want to consider the Investment Grade Bond Fund, which can offer absolute returns as a result of bottom up security selection and potentially higher yields driven by increased idiosyncratic risk. For investors who are undecided on which way to allocate their Core Plus allocation, we believe over longer time periods a combination of IGBF and CPBF could potentially provide a compelling combined risk/return profile.

### **IMPORTANT DISCLOSURE:**

***This material is as of December 31, 2023. We update the data annually and otherwise believe the content to be current and relevant. This information is subject to change.***

*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. 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. Below investment grade fixed income securities may be subject to greater risks (including the risk of default) than other fixed income securities. 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.*

*Indices are unmanaged. It is not possible to invest directly in an index.  
Commodity, interest and derivative trading involves substantial risk of loss.*

***Diversification does not ensure a profit or guarantee against a loss.***

***Any investment that has the possibility for profits also has the possibility for losses, including the loss of principal.***

***There is no guarantee that the investment objective will be realized or that the Fund will generate positive or excess return.***

***Past performance is no guarantee of, and not necessarily indicative of, future results.***

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

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## MEET THE RELATIVE RETURN PORTFOLIO MANAGEMENT TEAM



**Peter Palfrey, CFA**  
Portfolio Manager



**Rick Raczkowski**  
Portfolio Manager



**Michael Gladchun**  
Associate Portfolio Manager

## MEET THE FULL DISCRETION PORTFOLIO MANAGEMENT TEAM



**Matt Egan, CFA**  
Head of Full Discretion, Portfolio  
Manager



**Brian Kennedy**  
Portfolio Manager



**Bryan Hazelton, CFA**  
Portfolio Manager, Associate  
Portfolio Manager, Portfolio  
Strategist