Fourth Quarter 2023

Core Plus Full Discretion: A Differentiated Approach

An extended period of low interest rates and, more recently, an increase in interest rate and spread volatility has investors re-thinking their approach to "core" fixed income strategies

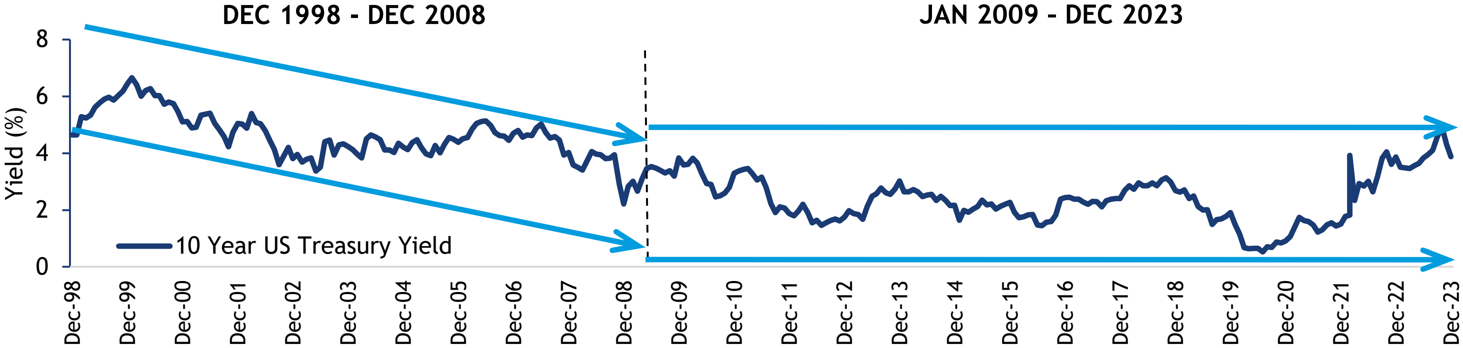
- Loomis Sayles' Core Plus Full Discretion strategy takes a differentiated approach to traditional, domestic fixed income – focusing on income generation and total return potential, utilizing a broad opportunity set and an investment process which seeks to effectively manage economic, interest rate and credit cycles.
- The Core Plus Full Discretion strategy is managed by the Loomis Sayles Full Discretion team. With $67.9 billion in assets under management as of December 31, 2023, the Full Discretion investment team is experienced, well-resourced and disciplined in implementing a repeatable investment process.

Please refer to the end of this material for additional important disclosures. For more information, please request a full presentation book for the Core Plus Full Discretion Composite.

Re-Thinking the Approach to "Core" Fixed Income: High Tracking Error

A Tale of Two Interest Rate Environments

- Throughout the late 1990s and 2000s interest rates continued their decline, offering investors attractive fixed income returns as well as a source of diversification within their broader asset allocation.
- As the 2008 Global Financial Crisis (GFC) unfolded, we entered an extended period of low inflation and easy monetary policies from global central banks. As a result, interest rates have largely remained range-bound over the past decade.

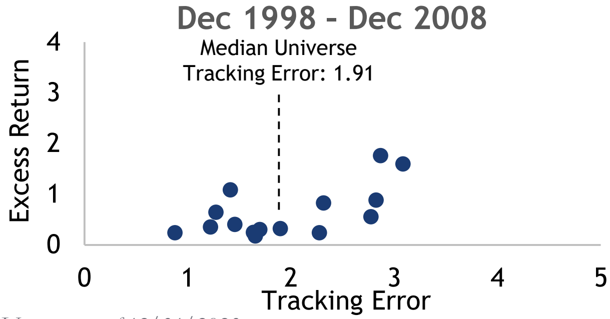


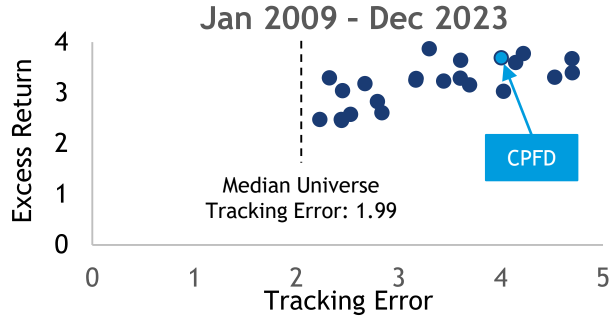
Source: Bloomberg, as of 12/31/2023

A Distinct Trend Emerges Over the Past Decade

- In comparing the performance results of the eVestment US Core Plus Fixed Income universe over the same two periods as above, top quartile managers had materially different tracking error profiles.
- Median tracking error for the universe was consistent at approximately 2% in both time periods, however, prior to the GFC approximately 60% of top quartile managers had ex-post tracking error of 2% or less.
- In the years following the peak of the GFC, there were no top quartile managers with less than 2% ex-post tracking error.

EVESTMENT US CORE PLUS UNIVERSE TOP QUARTILE MANAGERS
DISTRIBUTION OF EXCESS RETURN & TRACKING ERROR





Source: eVestment as of 12/31/2023
Past performance is no guarantee of future results.

Conclusion

- Over the past decade, we believe that top quartile managers with higher tracking error demonstrated 1) a willingness to take active risk, and 2) employed a repeatable process that sought to take advantage of market volatility.
- Today, uncertainty remains on the direction of economic activity, with recession, slowing growth/stubborn inflation and a soft landing all potential outcomes. We believe this broad range of economic scenarios will likely keep the 10 year US Treasury within a range in the near-term.
- As it has been for over a decade, we expect the fixed income environment going forward to continue to be a tailwind for high tracking error strategies, regardless of the economic outcome.

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Core Plus Full Discretion

Philosophy

We believe that bond markets are inefficient, often mispricing risk and overreacting to market events, corporate earnings and technical supply/demand factors. These inefficiencies offer investors an opportunity to potentially generate consistent risk-adjusted performance in excess of traditional market benchmarks.

Investment Process

We believe that fundamental and quantitative research based on a credit cycle framework offers our best approach to identifying attractive investment opportunities. The strategy seeks to maximize total return through research-driven security selection while managing downside risk through careful portfolio construction. Our rigorous investment process utilizes six pillars of security selection, which are the primary drivers of excess return.

We believe successful strategy development, portfolio construction and investment implementation are best achieved through our disciplined team collaboration between portfolio managers, research analysts, traders, investment directors and portfolio specialists. In addition, a consistent application of our value-driven investment approach assists us in seeking to capitalize on the distinct opportunities within varying market conditions.

STRATEGY OVERVIEW	
Style	Core Plus Fixed Income
Strategy Assets	$27.4 billion
Composite Inception	January 1989
Benchmark	Bloomberg US Aggregate Index
Investment Objective	Benchmark + 150-250 bps
Expected Volatility	3% to 6%
Expected Tracking Error	2% to 5%
Typical Duration Range	Benchmark +/- 3 years
Credit Quality	15% limit non-investment grade

Key Attributes

ACTIVE CREDIT SELECTION	BENCHMARK-AGNOSTIC, HIGH TRACKING ERROR	COMPLEMENTARY EXPOSURES	COMPETITIVE PERFORMANCE
We believe bottom-up, value-driven investment analysis combined with a clear macroeconomic and credit cycle perspective is our best approach to identifying attractive opportunities.	A broad opportunity set combined with flexibility to allocate away from benchmark exposures helps to create a more balanced risk profile and can offer diverse sources of potential excess return throughout a cycle.	We believe the strategy's active management and diverse credit exposures complement traditional Passive, Core and low tracking error Core Plus fixed income strategies.	Our team employs a repeatable investment process that has generated strong benchmark-relative returns through various phases of the economic and credit cycle.

All figures are approximate and apply under normal market conditions. They are based on guidelines that are subject to change.
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 strategy will generate positive or excess return. Excess return objectives are subject to change and are not based on past performance.
Diversification does not ensure a profit or guarantee against a loss.
For additional important disclosures, please refer to the end of this material.
For additional information, please request a full presentation book for the Core Plus Full Discretion Composite.

Core Plus Full Discretion Differentiators

Focus on Income Generation & Total Return

- Broad opportunity set across sectors, industries, credit qualities and currencies.
- Active credit selection helps drive income generation and by building positive convexity into our portfolios, we seek to maximize total return.

Flexibility for Each Phase of the Credit Cycle

- Bottom-up security selection is the primary driver of excess return. Thematic pillars of security selection – fallen angels, cheap for rating, upgrade candidates, stressed/distressed, avoid losers and new issue premium - are drivers of potential return across the various stages of the credit cycle.
- A top-down credit cycle framework establishes overall risk posture, inclusive of interest rate and spread risk, and the strategy's guidelines provide flexibility to shift portfolio risks in up and down markets.

Benchmark-Agnostic Approach

- An investment process that actively allocates to non-benchmark risk exposures and helps drive excess return potential through security selection decisions.
- The output of the investment process has resulted in above average tracking error, as seen in the charts on page 2, which has historically been beneficial to investors, particularly in range-bound or rising rate environments.

Diversified Risk Profile

- By diversifying the portfolio's risk profile, the strategy tends to exhibit lower correlation to traditional, domestic core fixed income strategies while also maintaining diversification relative to risk assets.

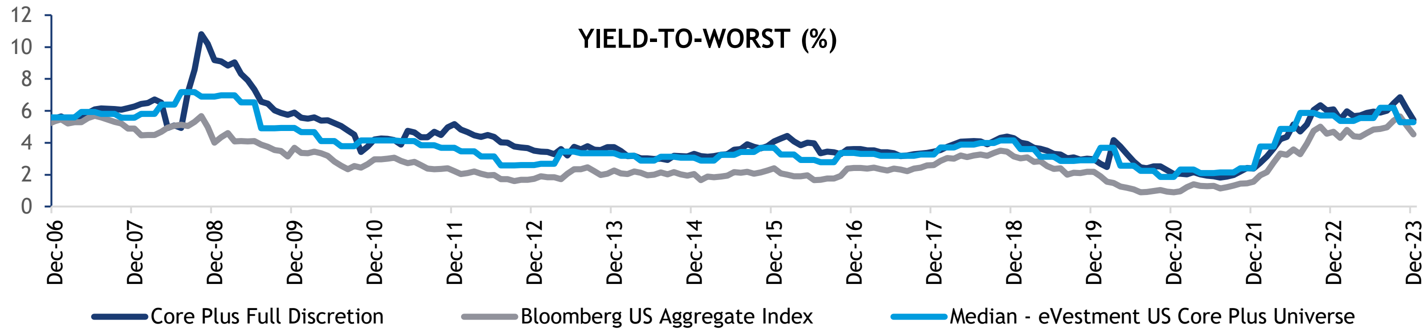
Transparency and Liquidity

- Portfolios are implemented primarily through physical bonds, which seeks to provide investors with an adequate liquidity source.
- Limited use of derivatives also provides investors with a transparent view of portfolio exposures and risks.

Income Generation & Total Return Primarily Driven by a Broad Opportunity Set

- Our strategy can utilize a diverse opportunity set across sectors, industries, credit qualities and currencies.
- Active credit selection within corporate and securitized debt has led to a yield advantage over time and by building positive convexity into our portfolios, we seek to maximize total return potential.

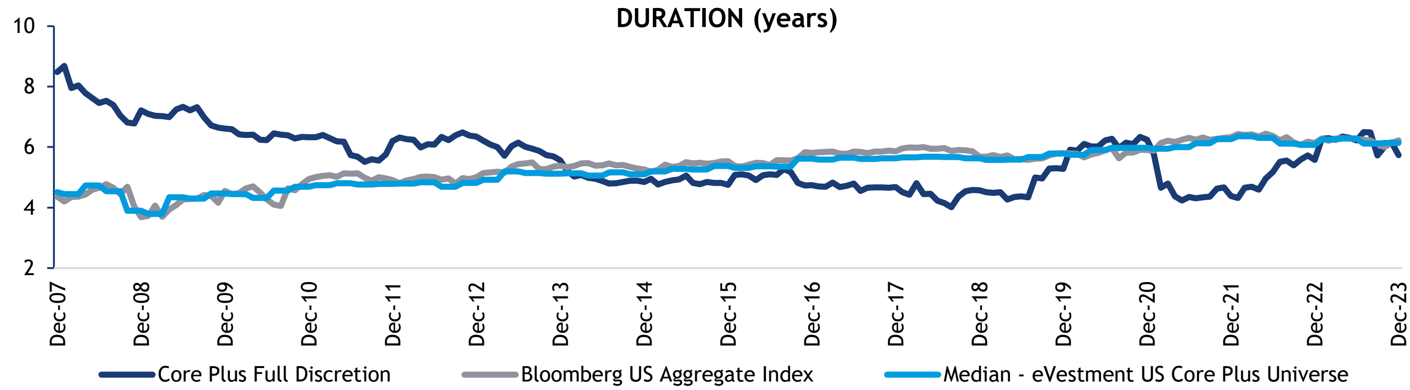
IG Corporate	Actively allocates across industry and quality exposures
Securitized	Structural bias to target distinct exposures with favorable yields across asset-backed securities, CLOs, commercial mortgage-backed and non-agency residential mortgages
Off-Benchmark	Use of high yield corporates, emerging markets, non-USD, convertibles and preferreds to augment yield and total return potential
Liquidity	US Treasurys and cash can be used as a liquidity source to help increase/decrease portfolio risk based on our credit cycle view



Source: Loomis Sayles, Bloomberg, eVestment, as of 12/31/2023.
Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.
Past performance is no guarantee of future results.

Duration Flexibility May Offer an Additional Source of Excess Return Potential

- Strategy duration typically falls within +/- 3 years of the Bloomberg US Aggregate (vs. +0.5 to -0.8 years for the median eVestment US Core Plus Fixed Income Universe strategy).
- With duration flexibility, interest rate risk can be managed to dampen portfolio volatility or help drive excess return potential, particularly in rising rate environments.



Source: Loomis Sayles, Bloomberg, eVestment, as of 12/31/2023.
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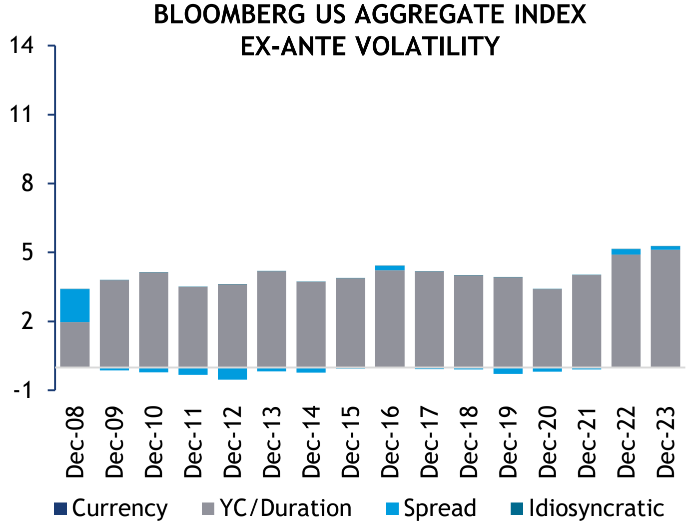
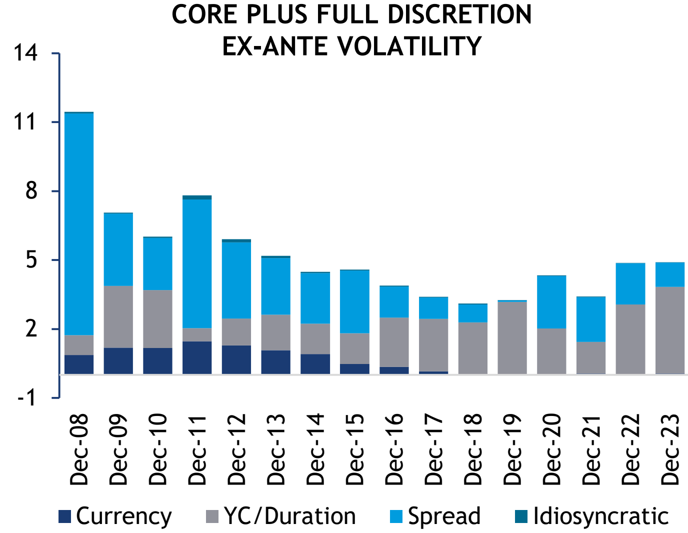
Active Credit Selection Helps to Create a More Balanced Risk Profile

- The Bloomberg US Aggregate Index ex-ante volatility profile is dominated by yield curve and duration risk and as a result, the performance of traditional Passive, Core or low tracking error Core Plus strategies is largely driven by changes in interest rates.
- By taking a more balanced approach to interest rate and spread risk, we believe the Core Plus Full Discretion strategy can provide a differentiated volatility profile.





Source: Loomis Sayles and Bloomberg, as of 12/31/2023

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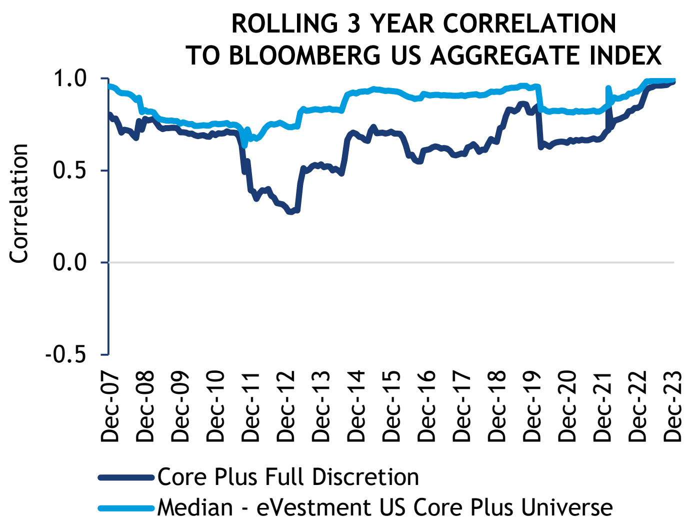
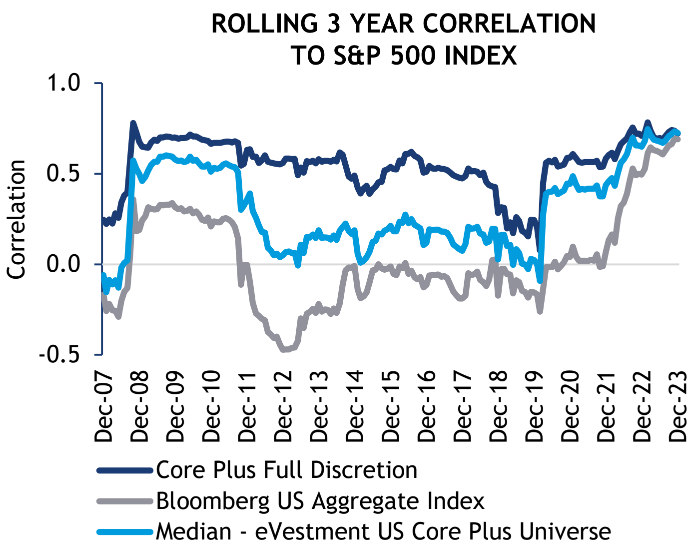
Potential Diversification Benefits Against Both Domestic Fixed Income and Equities

- By embracing a more balanced risk profile, we believe the strategy exhibits favorable diversification benefits to domestic fixed income indices, and while correlations to risk assets increase marginally, they still remain attractive, in our view, in the context of a broader asset allocation.





Source: Loomis Sayles, Bloomberg and eVestment as of 12/31/2023

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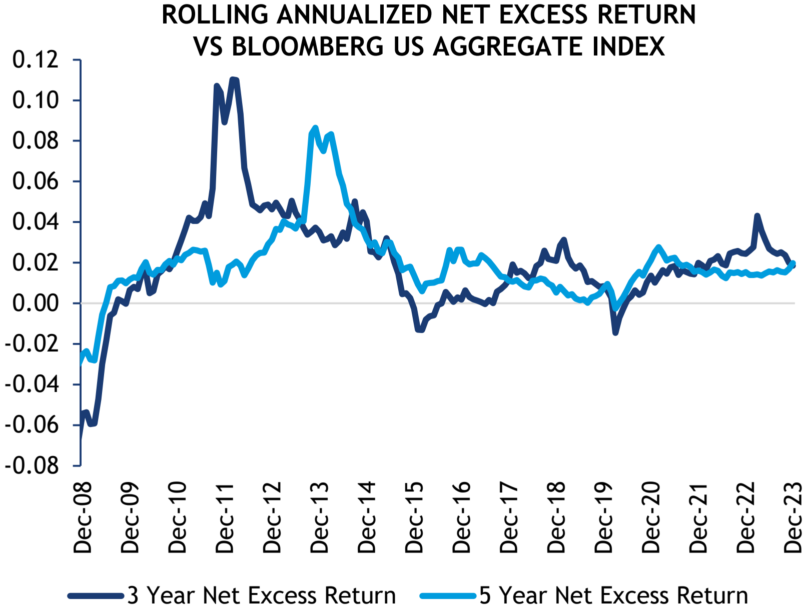
Consistent Performance Throughout a Full Market Cycle

- Our value-driven investment approach seeks to capitalize on the distinct opportunities of varying sets of market conditions.
- We believe intensive bottom-up investment analysis combined with a clear macroeconomic and credit cycle perspective is our best way to deliver consistent performance over a full market cycle.

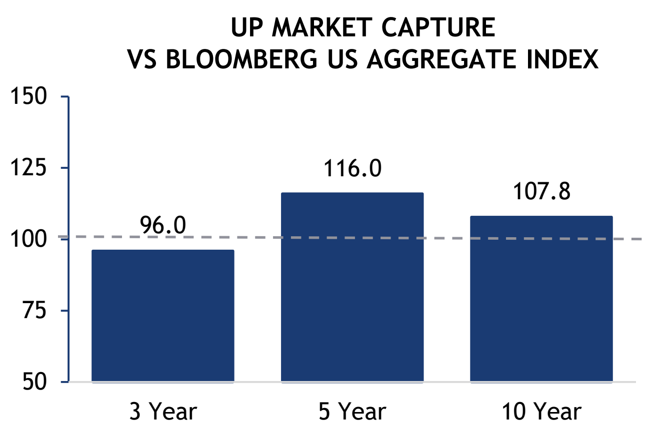


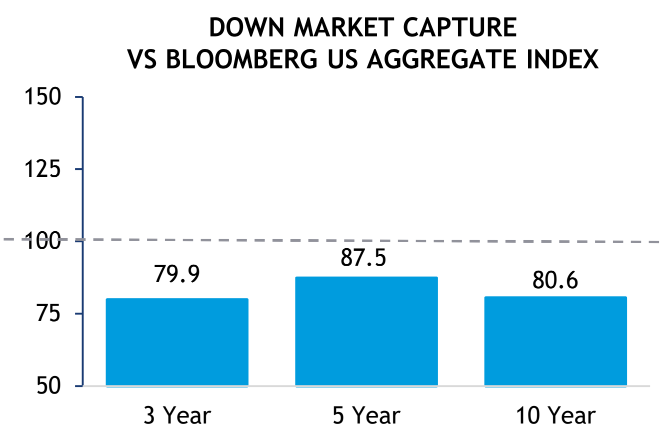
As of Dec-23	% of Monthly Observations with Positive 3 Yr Rolling Net Excess Return	% of Monthly Observations with Positive 5 Yr Rolling Net Excess Return
Last 3 Years	100%	100%
Last 5 Years	95%	98%
Last 10 Years	90%	99%
Last 15 Years	88%	97%

Source: Loomis Sayles and Bloomberg, as of 12/31/2023
Gross returns are net of trading costs. Net returns are gross returns less effective management fees.
Past performance is no guarantee of future results

Participation in Up Markets, Mitigation in Down Markets

- Our investment process, which we believe effectively manages market cycles, can provide a basis for dynamic risk allocation throughout various market environments.
- The strategy has historically outperformed in up markets, characterized by tighter or stable credit spreads, through its broad tilt into credit exposures, yield advantage and security selection.
- Underperformance may occur during down markets when prices are declining due to deteriorating credit fundamentals, illiquidity or event-driven market technicals. In this environment, the market may not adequately reflect the long-term value supporting the issues from our security selection.





Source: Loomis Sayles and Bloomberg, as of 12/31/2023
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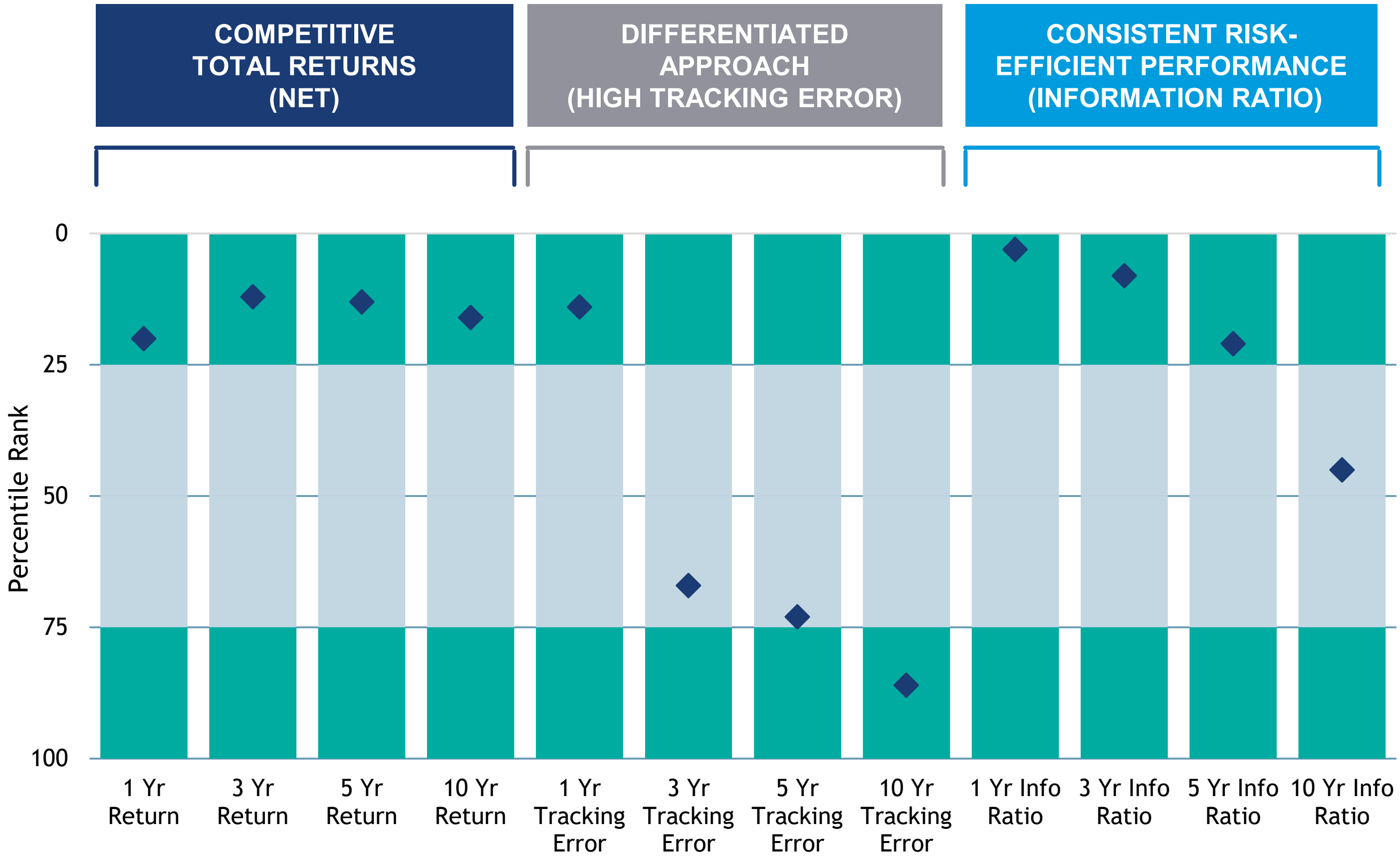
Composite Performance

- Our team is an experienced, disciplined and well-resourced with a repeatable investment process that takes a differentiated approach to an investors' "core" fixed income allocation. In applying this investment process, we have consistently delivered competitive risk-efficient performance over a full market-cycle.



eVESTMENT US CORE PLUS FIXED INCOME UNIVERSE AS OF DECEMBER 31, 2023												
	Annualized Returns (%)				Tracking Error (%) (vs Bloomberg US Aggregate Index)				Information Ratio (vs Bloomberg US Aggregate Index)			
	1 Yr	3 Yr	5 Yr	10 Yr	1 Yr	3 Yr	5 Yr	10 Yr	1 Yr	3 Yr	5 Yr	10 Yr
Core Plus Full Discretion Composite (Gross)	**7.98**	**-1.19**	**3.37**	**3.36**	**0.72**	**1.42**	**2.93**	**2.76**	**3.38**	**1.50**	**0.77**	**0.56**
Core Plus Full Discretion Composite (Net)	**7.55**	**-1.46**	**3.08**	**3.07**	**0.72**	**1.42**	**2.94**	**2.76**	**2.79**	**1.31**	**0.67**	**0.46**
25th Percentile	7.38	-2.21	2.51	2.86	0.85	0.97	1.63	1.36	1.58	0.92	0.64	0.56
Median	6.79	-2.70	2.10	2.53	1.08	1.22	2.24	1.76	1.01	0.55	0.47	0.42
75th Percentile	6.22	-3.11	1.71	2.28	1.46	1.57	2.99	2.37	0.54	0.15	0.29	0.27

Source: eASE Analytics System; eVestment Alliance is the ranking agency. Universe: eA US Core Plus Fixed Income. Rankings are based on gross returns. Annualized performance is calculated as the geometric mean of the strategy's returns with respect to one year. Median is the middle value for the observations as of the end of each period shown. Although we believe it is reliable, we cannot guarantee the accuracy of data from a third party source. This information cannot be copied, reproduced or redistributed without authorization in any form. Gross returns are net of trading costs. Net returns are gross returns less effective management fees.

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Important Disclosure

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Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time.

Market conditions are extremely fluid and change frequently.

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

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

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

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For more information on the Core Plus Full Discretion Composite, please request a full presentation book.

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