

# Euro High Yield Credit

## MARKETING COMMUNICATION

### Management Team

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### Objective

Seeks to generate consistent excess returns versus the benchmark utilizing a conservative alpha investment process which combines a top-down market view with bottom-up corporate fundamental analysis

### Benchmark

The reference benchmark is a combination of:

- 85% ICE BofA BB Euro High Yield Non-Financial Constrained Index
- 15% ICE BofA Euro Subordinated Financial Index

### Highlights

- Combines a top-down market view with bottom-up corporate fundamental analysis
- Actively managed strategy that invests primarily in the BB segment of the euro-denominated high yield corporate bond market
- Strong beta-driven risk orientation and focus on quality
- Diversified strategy with uncorrelated positions

### Portfolio Construction:

- BB Corporates 60-100%
- B Corporates 0-10%
- Investment Grade Corporates 0-30%

### Beta Ranges vs Benchmark:

- Overall portfolio (-30% | +30%)
- Sector level (-5% | +5%)
- Issuer level (-3% | +3%)
- Duration is managed within a narrow range to the benchmark

Facts		Portfolio Characteristics <sup>^</sup>	Composite	Index
Strategy inception	2/5/21	Average maturity	3.76 yrs	3.68 yrs
Composite inception	4/1/21	Average duration	3.33 yrs	3.15 yrs
Strategy assets	\$539.6M	Average yield	5.22%	5.04%
Composite assets	\$150.8M	Average credit quality	BA1	BA1
		Average number of issues	210	721
		Weighted average coupon	4.23%	4.35%
		Z-Spread	203	211

### Composite Performance (%) as of March 31, 2026

	CUMULATIVE TOTAL RETURN		ANNUALIZED TOTAL RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	-1.17	-1.17	4.30	7.52	-	-	3.74
NET	-1.29	-1.29	3.78	6.99	-	-	3.23
BENCHMARK	-1.35	-1.35	3.43	6.61	-	-	2.11

<sup>^</sup>Performance and risk metrics are calculated on a gross-of-fee basis and do not reflect the deduction of fees and expenses. Please see the Composite trailing returns for standard gross and net performance.

**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 EUR. Gross returns are net of trading costs. Net returns are gross returns less effective management fees. Returns may increase or decrease as a result of currency fluctuations.

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

Average Yield is Yield to Effective Maturity. Duration and Maturity for equity securities are deemed to be zero.

The Z-spread, also known as the zero-volatility spread, is a measure used in fixed income markets to measure a portfolio's credit risk in relation to the risk-free rate. A larger Z-spread indicates higher credit risk and, a smaller Z-spread indicates lower credit risk.

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

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

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## SECTOR DISTRIBUTION (%)

	Composite	Index
Telecommunications	11.9	13.0
Automobiles & Parts	11.8	11.9
Utilities	11.6	11.2
Banks	10.2	9.0
Industrial Goods & Services	7.8	9.1
Real Estate	7.0	6.7
Travel & Leisure	6.9	5.0
Health Care	6.1	6.4
Insurance	4.4	5.8
Retail	3.1	2.8
Oil & Gas	2.8	2.7
Personal & Household Goods	2.6	2.2
Chemicals	2.3	3.0
Media	2.2	2.6
Infrastructure	2.0	2.9
Food & Beverage	1.6	1.3
Construction & Materials	1.3	1.1
Technology	0.9	1.0
Basic Resources	0.8	0.9
Financial Services	-	0.3
Cash	2.7	1.0

## COUNTRY DISTRIBUTION (%)

	Composite	Index
France	23.3	24.2
United States	14.2	9.7
Germany	13.8	13.5
Italy	8.2	9.8
Spain	5.2	6.0
Netherlands	4.2	4.2
United Kingdom	4.1	6.4
Denmark	2.9	1.1
Sweden	2.7	3.2
Other	21.4	21.9

## CREDIT QUALITY (%)

	Composite	Index
AAA	-	-
AA	-	0.1
A	10.4	8.2
BAA	28.6	21.6
BA	58.3	68.7
B	-	0.5
Not Rated	-	-
Cash & Equivalents	2.7	1.0

## MATURITY DISTRIBUTION (%)

	Composite	Index
Less than 1 Yr.	9.4	4.3
1 to 3 Yrs.	24.2	37.2
3 to 5 Yrs.	36.7	33.8
5 to 7 Yrs.	23.4	19.5
7 to 10 Yrs.	3.3	3.9
10 Yrs. or more	0.3	0.2
Cash & Equivalents	2.7	1.0

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## Key Risks

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Non-US Securities Risk, Currency Risk, Prepayment Risk and Extension Risk. **Investing involves risk including possible loss of principal.**

Due to rounding, **Sector, Country, Credit Quality** and **Maturity** distribution totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. **Credit Quality** ratings on underlying securities of the holdings within the composite are received from S&P, Moody's and Fitch and converted to the equivalent Moody's major rating category. This breakdown is provided by Loomis Sayles and takes the highest rating of the three agencies. In absence of a rating from S&P, Moody's or Fitch, a rating determined by the Loomis Sayles Research Department will be used. Ratings and portfolio credit quality may change over time. **Cash & Equivalents** may include unsettled trades, fees and/or derivatives.

The Composite includes all discretionary accounts with market values greater than €20 million managed by Loomis Sayles that seek to add value for clients primarily through seeking to generate consistent excess returns versus the benchmark utilizing a conservative alpha investment process. This process combines a top-down market view with bottom-up corporate fundamental analysis whereby ESG is fully integrated. This results in an actively managed, diversified strategy, with strong beta-driven risk orientation and uncorrelated positions. The Composite invests primarily in BB-rated, euro-denominated corporate bonds. Accounts may allow up to 30% in securities rated investment grade, up to 10% in B-rated securities and up to 10% in non-EUR denominated securities, albeit hedged for currency and interest rate risk. Portfolio duration is managed within a narrow range to the benchmark. The Composite inception date is April 1, 2021. The Composite was created in 2023. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomisayles.com](http://www.loomisayles.com).