

# Loomis Sayles High Income Fund

Q2 • June 30, 2022

## Fund Highlights<sup>1</sup>

- A high-yield bond fund that invests globally, pursuing yield and capital appreciation opportunities
- Security selection is key driver of performance
- Portfolio is diversified across holdings and industries to reduce risk
- Managed by Matthew Eagan and Elaine Stokes – combined investment experience of more than 50 years
- Backed by Loomis Sayles research
- May be suitable for investors seeking a high-yield portfolio with the potential to generate current income

## Average annualized total returns<sup>†</sup> (%)

	3 months	YTD	1 year	3 years	5 years	10 years
Class Y	-11.97	-16.57	-16.68	-1.51	0.78	3.68
Class A at NAV	-12.00	-16.63	-16.85	-1.76	0.52	3.40
Class A with 4.25% maximum sales charge	-15.77	-20.17	-20.46	-3.18	-0.34	2.95
Bloomberg U.S. Corporate High-Yield Bond Index <sup>5</sup>	-9.83	-14.19	-12.81	0.21	2.10	4.47

## Calendar year returns (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Class Y	21.70	5.42	4.55	-6.22	15.04	7.80	-3.21	12.52	8.19	3.15
Bloomberg U.S. Corporate High-Yield Bond Index <sup>5</sup>	15.81	7.44	2.45	-4.47	17.13	7.50	-2.08	14.32	7.11	5.28

## Fund Facts

### Objective

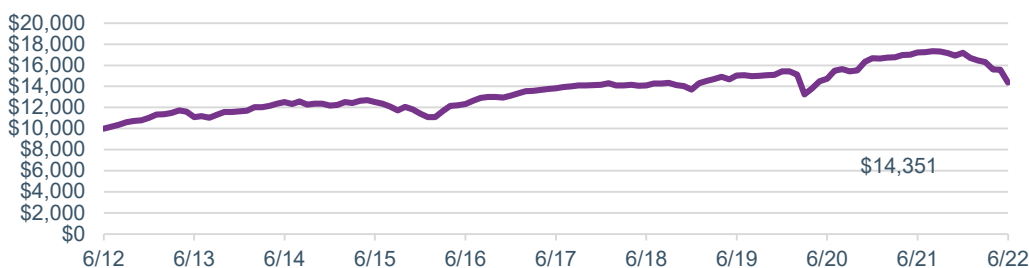
Seeks high current income plus the opportunity for capital appreciation to produce a high total return

Share Class	Ticker	Cusip
Class Y	NEHYX	543488-80-3
Class A	NEFHX	543487-38-3
Class C	NEHCX	543487-36-7
Class N	LSHNX	543488-76-1

Class A maximum sales charge of 4.25%  
Class C maximum CDSC of 1.00%

Total net assets	\$120.8 million
Inception date	02/22/1984
Turnover as of 12/31/2021	67%
Effective duration	4.14 years
Average maturity	5.85 years
30 Day SEC Yield (Y, Subsidized) <sup>2</sup>	7.39%
30 Day SEC Yield (Y, Unsubsidized) <sup>2</sup>	7.29%
Distribution frequency	Monthly
Gross Expense Ratios (Y/A) <sup>3</sup>	0.95%/1.20%
Net Expense Ratios (Y/A) <sup>3</sup>	0.76%/1.01%

## Investment return – Hypothetical growth of \$10,000 investment<sup>4</sup>



Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. Total return and value will vary, and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For most recent month-end performance, visit [im.natixis.com](http://im.natixis.com). Performance for other share classes will be greater or less than shown based on differences in fees and sales charges. You may not invest directly in an index. <sup>†</sup>Performance for periods less than one year is cumulative, not annualized. Returns reflect changes in share price and reinvestment of dividends and capital gains, if any.

<sup>1</sup> Diversification does not assure a profit nor protect against loss. <sup>2</sup> The 30-day SEC yield is a standardized calculation, calculated by dividing the net investment income per share for the 30-day period by the maximum offering price per share at the end of the period and annualizing the result. Treasury Inflation-Protected Securities (TIPS) are designed to provide protection against inflation through monthly adjustments to the principal value of TIPS, which increases with inflation and decreases with deflation as measured by the Consumer Price Index. Monthly principal adjustments for inflation (increases and decreases) are excluded from the 30-day SEC yield calculation. Such adjustments can vary substantially from one month to the next, and if they were included, may materially impact the 30-day SEC yield either higher or lower. A subsidized 30-day SEC yield reflects the effect of fee waivers and expense reimbursements. The SEC yield is not based upon distributions of the fund and actual income distributions may be higher or lower than the 30-day SEC yield amounts. During periods of unusual market conditions and/or activity in the sales or redemptions of fund shares, the fund's 30-day SEC yield amounts may be materially higher or lower than its actual income distributions. Unsubsidized 30-day SEC yield is calculated using the gross expenses of the fund. Gross expenses do not include any fee waivers or reimbursement. <sup>3</sup> As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense limitation of the fund has been exceeded. This arrangement is set to expire on 04/30/2023. When an expense limitation has not been exceeded, the gross and net expense ratios and/or yields may be the same. <sup>4</sup> This chart tracks the hypothetical growth of a \$10,000 investment in Class Y shares. Investment returns would be lower for Class A share investments, which are subject to higher fees and may also include sales charges.

Not all share classes are available for purchase by all investors. Class Y shares are available to institutional investors with a minimum initial investment of \$100,000 and through certain wrap-fee programs, retirement plans and investment advisory accounts with no minimum. See the prospectus for more details.

## Portfolio Overview

## Sector breakdown

Sector	% of Portfolio
High Yield Credit	76.15
Emerging Market Credit	8.13
Convertibles	6.59
Securitized	3.79
Cash & Equivalents	2.54
US Treasury	1.87
Investment Grade Credit	0.82
Equity	0.09

Credit quality<sup>6</sup>

	% of Portfolio
US Treasuries	1.87
BAA	5.84
BA	45.02
B	30.32
CAA & Below	7.15
Not Rated	6.24
Cash & Equivalents	3.56

## Top ten countries

Country	% of Portfolio
1. United States	80.61
2. Canada	2.88
3. Israel	1.90
4. Zambia	1.59
5. Cayman Islands	1.27
6. Italy	1.12
7. Japan	1.09
8. Mexico	1.09
9. Macau	1.04
10. Germany	0.98

## Risks

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

<sup>5</sup> The Bloomberg U.S. Corporate High-Yield Bond Index measures the market of U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. The U.S. Corporate High-Yield Bond Index was created in 1986, with history backfilled to July 1, 1983, and rolls up into the U.S. Universal and Global High-Yield Indices. <sup>6</sup> Credit Quality reflects the highest credit rating assigned to individual holdings of the Fund among Moody's, S&P, or Fitch; ratings are subject to change. The fund's shares are not rated by any rating agency and no credit rating for fund shares is implied. Bond credit ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). <sup>7</sup> Cash and equivalents are excluded from the duration and maturity presented. Accordingly, the total may not equal 100%. <sup>8</sup> Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets and other types of non-regulatory AUM. <sup>9</sup> CFA® and Chartered Financial Analyst® are registered trademarks owned by the CFA Institute.

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

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Maturity<sup>7</sup>

	% of Portfolio
0 to 1 year	3.14
1 to 3 years	7.70
3 to 5 years	23.93
5 to 7 years	32.60
7 to 10 years	25.60
10 + years	3.48

Duration<sup>7</sup>

	% of Portfolio
0 to 1 year	6.41
1 to 3 years	14.91
3 to 5 years	43.74
5 to 7 years	27.01
7 to 10 years	2.61
10 + years	1.77



## Manager Overview

## Investment Manager

Loomis, Sayles & Company helps fulfill the investment needs of institutional and mutual fund clients worldwide. The firm's performance-driven investors integrate deep proprietary research and integrated risk analysis to make informed, judicious decisions. Loomis Sayles looks for value across traditional asset classes and alternative investments to pursue attractive, sustainable returns.

**Headquarters:** Boston, MA

**Founded:** 1926

**Assets under management:** \$335.9 billion (as of 03/31/2022)<sup>8</sup>

Portfolio Managers<sup>9</sup>

**Matthew J. Eagan, CFA®**

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