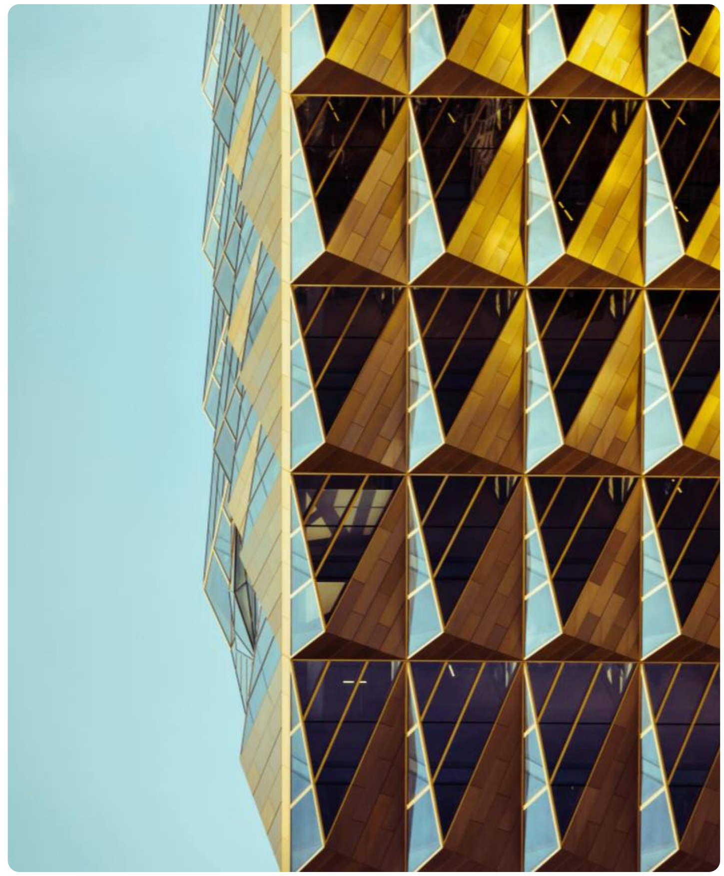
LOOMIS, SAYLES & COMPANY

What can Structured Finance do for *your portfolio?*



Key Takeaways

- **At $17 trillion, securitized markets play a vital role in global financing yet are under-represented in many client portfolios.**
- **Nearly two decades after the Global Financial Crisis (GFC), securitization markets demonstrate maturity, strong regulation, and resilience.**
- **Securitized credit offers diversified fundamentals and low-rate sensitivity, resulting in lower correlation to traditional corporate allocations.**
- **Investors can access attractive risk-adjusted yields in securitized credit relative to corporate bonds.**
- **The source of additional yield in securitized assets needs to be properly understood to build resilient portfolios.**
- **Agency mortgage-backed securities (MBS) provide a yield pickup compared to US Treasurys (UST), along with enhanced liquidity.**

Scope of the Asset Class

Securitized assets represent a $17 trillion global market that is the primary source of funding for real estate, consumer debt and a diverse range of capital-intensive industries, such as aircraft leasing and rental car companies.

US residential mortgages are primarily funded via Government Sponsored Enterprises that support the only large-scale market of 30-year fixed rate and fully prepayable mortgages. This market is either effectively guaranteed (Fannie Mae, Freddie Mac) or explicitly guaranteed (Ginnie Mae) by the US Government and is the most liquid market after US Treasuries. Conversely, most mortgages outside of the US tend to have a floating rate component and are primarily funded by banks via liquid Covered Bond programs.

Along with traditional mortgage markets there is a large and diverse securitized credit market ($4.9T) that includes consumer and commercial asset-backed securities (ABS), non-government guaranteed residential (RMBS) and commercial mortgage-backed securities (CMBS), and collateralized loan obligations (CLOs).

Structured Finance Team

A specialized Boston & Paris based group, brings deep and broad expertise with scale to structured finance investing.

$51
Billion USD

Securitized assets overseen across US and European markets, spanning agency MBS to deeply subordinated credit, in both public and private formats.

20
Year track record

In both US and European securitization markets, pre-dating & persisting through the Global Financial Crisis and subsequent market cycles.

21
Person team

Integrating specialized portfolio management, credit research, & trading.

As of 3/31/2026.

Looking Past 2008

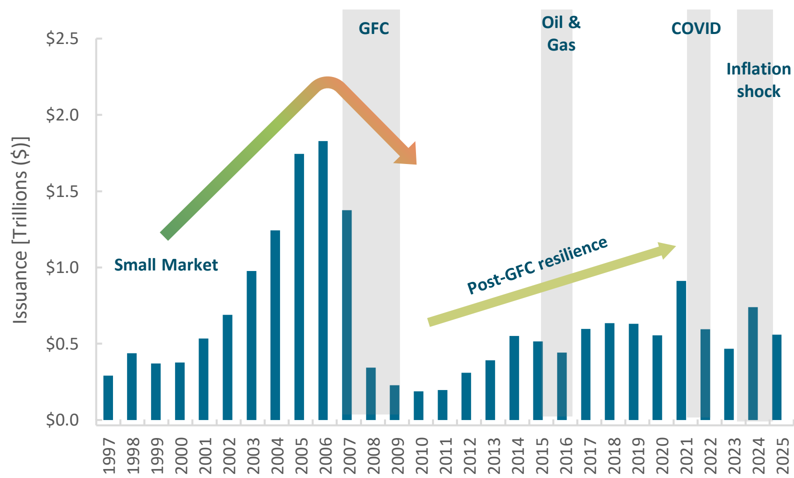
The securitization market became infamous for triggering the Global Financial Crisis (GFC) of 2008-2009. The chart to the right shows the rapid growth of the US Market from 1997 to 2008, fueled by weak lending standards and aggressive securitization techniques that preceded the GFC (e.g. subprime RMBS and CDOs backed by subordinated tranches).

Structured/tranched securitizations generally have higher credit enhancement requirements than comparable pre-GFC structures and there is broad mandatory risk retention by originators

We are now 18 years past the GFC, the market has matured, growth has been gradual, its diversity has increased, and the market has withstood several cycles since then.

We believe investors may be well served by removing the lens of the GFC and observe the pattern of risk-adjusted returns and diversification that these markets can offer.

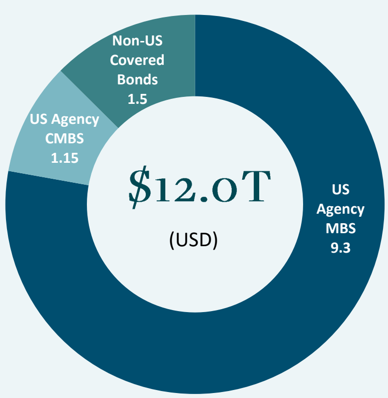
1997–2025 SECURITIZED CREDIT ISSUANCE



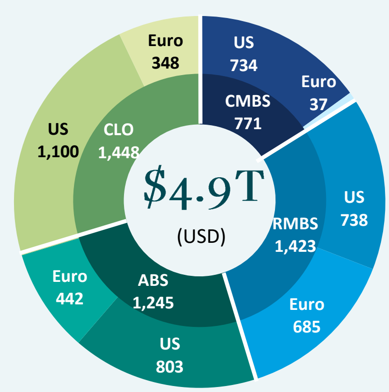
Source: JPMorgan, SIFMA, BofA Merrill Lynch, Barclays Capital, as of 8/31/2025.
The chart presented above is shown for illustrative purposes only.

Securitized Credit is a $4.9T global market materially underrepresented in the US & Global Aggregate Indices

SECURITIZED AGENCY & COVERED BOND MARKET SIZE



SECURITIZED CREDIT MARKET SIZE



AGENCY MBS AND AGENCY CMBS

25 % BBG US AGGREGATE BOND INDEX

10.3 % BBG GLOBAL AGGREGATE INDEX

SECURITIZED CREDIT

1.1 % BBG US AGGREGATE BOND INDEX

0.6 % BBG GLOBAL AGGREGATE INDEX

All of **CLO** and a vast majority of **RMBS** are not represented in either index.

As of 12/31/2025
Please see important disclosure at the end of this document.

Delivering Diversified Exposure

Securitization is the process of pooling together a large number of loans to reduce their idiosyncratic risk. This can offer a fundamental risk factor specific to that asset class (beta) in various degrees of risk, return, and liquidity to investors.

Despite lingering negative perceptions shaped by the GFC, securitization sectors outside of US subprime mortgages have experienced strong credit performance and demonstrated long-term durability through multiple shocks in the decades since. There is now broad mandatory risk retention by originators. European markets have benefited from the recourse nature of consumer debt and a strengthened regulatory framework. The granularity and transparency of underlying collateral allows for a thorough evaluation of credit risk.

- **The US Agency MBS and CMBS market offers a large exposure to US Treasury-like credit risk, similar liquidity and a spread pick up versus US Treasurys.**
- **Securitized Credit (ABS, RMBS, CMBS, and CLOs) can offer higher yield and deliver potentially greater risk-adjusted returns versus comparably rated corporates.**
- **Underlying collateral, such as US and European residential and commercial mortgages, consumer loans, aircraft engines, or various type of equipment leases, offers exposure to different fundamental performance drivers versus more traditional fixed income allocations, e.g. lower correlation to corporate bonds.**
- **Many securitized assets, particularly ABS and CLOs, are typically shorter in duration or floating rate, resulting in a reduced sensitivity to interest rate volatility.**
- **As a result, securitized assets can offer diversification from traditional fixed income assets while potentially delivering attractive risk adjusted returns.**

Today, securitized assets represent *a mature, well-regulated asset class offering yield enhancement, diversification, and structural resilience.* Rating sensitive investors may find an attractive combination of spread with high investment grade ratings.

SECTOR BREAKDOWN OF SECURITIZED CREDIT MARKET

Asset-Backed Security (ABS)

Secured by: **Auto loans, credit cards, personal consumer loans, aircraft, equipment**

Commercial Mortgage-Backed Security (CMBS)

Secured by: **Commercial properties – hotels, warehouses, offices, retail centers**

Residential Mortgage-Backed Security (RMBS)

Secured by: **Home mortgages**

Collateralized Loan Obligation (CLO)

Secured by: **Corporate and business loans**

COMPOSITE 10YR CORRELATION OF RETURNS (NET)

Indices:	Pure Agency MBS	Core Securitized	Investment Grade Securitized Credit	Opportunistic Securitized Credit	Euro ABS Investment Grade	Euro ABS Opportunities
Strategy Benchmark*	0.98	0.94	0.90	0.75	-	-
BBG US Corporate IG	0.86	0.90	0.71	0.54	-	-
BBG US Corporate HY	0.53	0.61	0.68	0.64	-	-
CS Leveraged Loan	0.15	0.31	0.75	0.76	-	-
S&P 500	0.41	0.44	0.40	0.37	-	-
BBG US Aggregate	0.96	0.94	0.52	0.33	-	-
BBG Global Aggregate	0.87	0.86	-	-	0.12	0.10
ICE 1-5 Year Euro Corp	-	-	-	-	0.35	0.30
ICE 1-5 Year Euro Gov't	-	-	-	-	0.16	0.14

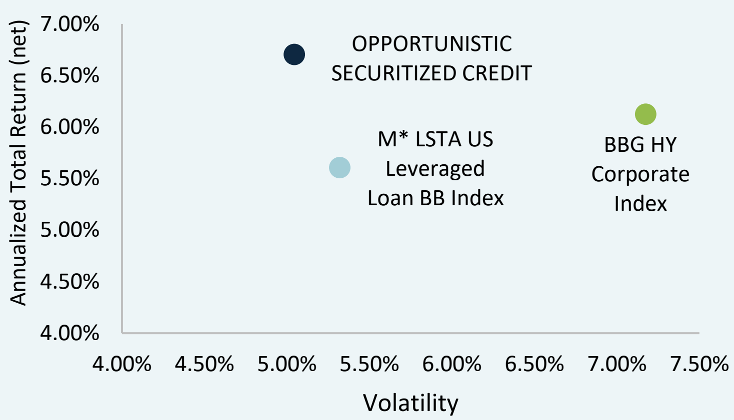
**Benchmarks: Pure Agency MBS is the Bloomberg US MBS Index. Core Securitized is the Bloomberg US Securitized Index. IG Securitized Credit and Opportunistic Securitized Credit is the ICE BofAML US ABS & CMBS Index. As of 3/31/2026.*

Please reference Composite trailing returns for standard performance. Please see important disclosure at the end of this document. Past performance is no guarantee of future results.

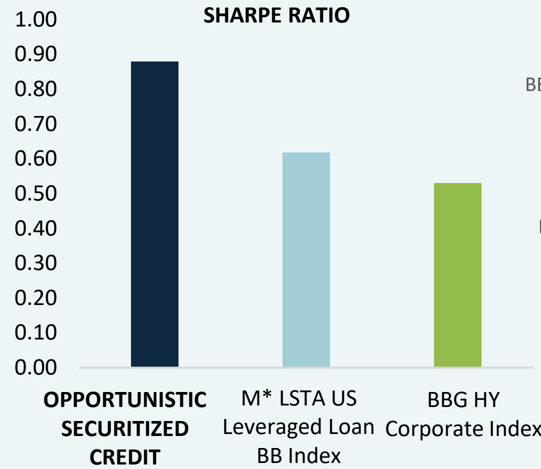
TRAILING 10-YEAR DATA

OPPORTUNISTIC SECURITIZED CREDIT COMPOSITE (NET) VS. BB RATED LEVERAGED LOANS & HIGH YIELD CORPORATES

TOTAL RETURN VS VOLATILITY



SHARPE RATIO



CORRELATION

BBG HY CORPORATE INDEX

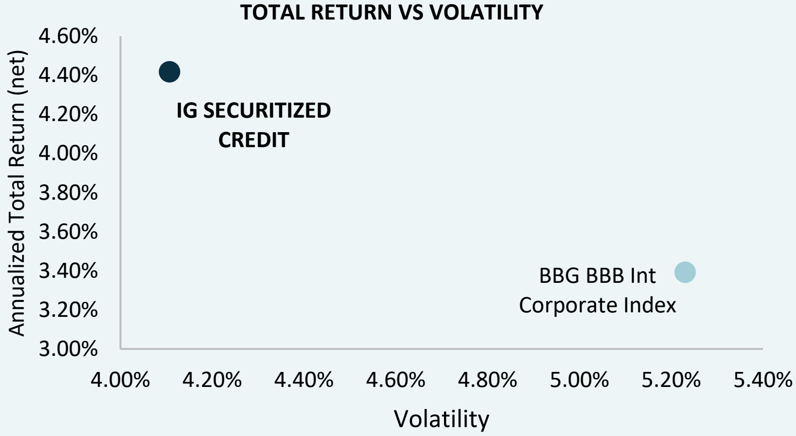
0.64%

M* LSTA US LEVERAGED LOAN BB INDEX

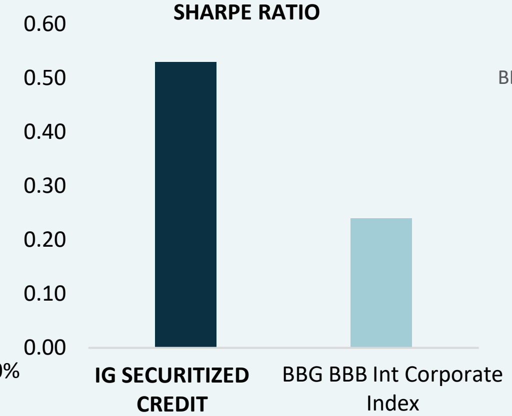
0.75%

IG SECURITIZED CREDIT COMPOSITE (NET) VS. BBB RATED INTERMEDIATE CORPORATES

TOTAL RETURN VS VOLATILITY



SHARPE RATIO



CORRELATION

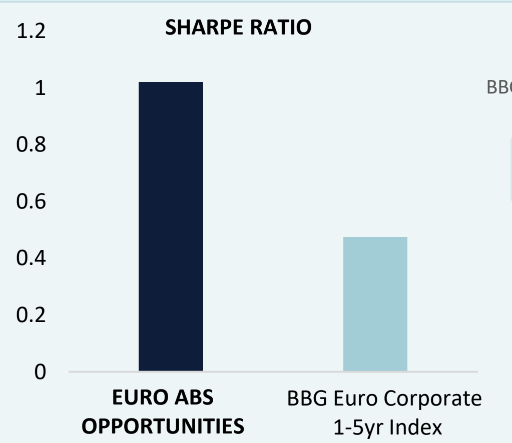
BBG BBB INT CORPORATE INDEX

0.83%

EURO ABS OPPORTUNITIES COMPOSITE (NET) VS. EURO CORPORATES 1-5YR

TOTAL RETURN VS VOLATILITY

SHARPE RATIO



CORRELATION

BBG EURO CORPORATE 1-5YR INDEX

0.30%

Data as of 3/31/2026. Please see important indices disclosure at the end of this document. ***Please reference Composite trailing returns for standard performance. Please see important disclosure at the end of this document. Past Performance is no Guarantee of Future Results***.

Demystifying the Complexity

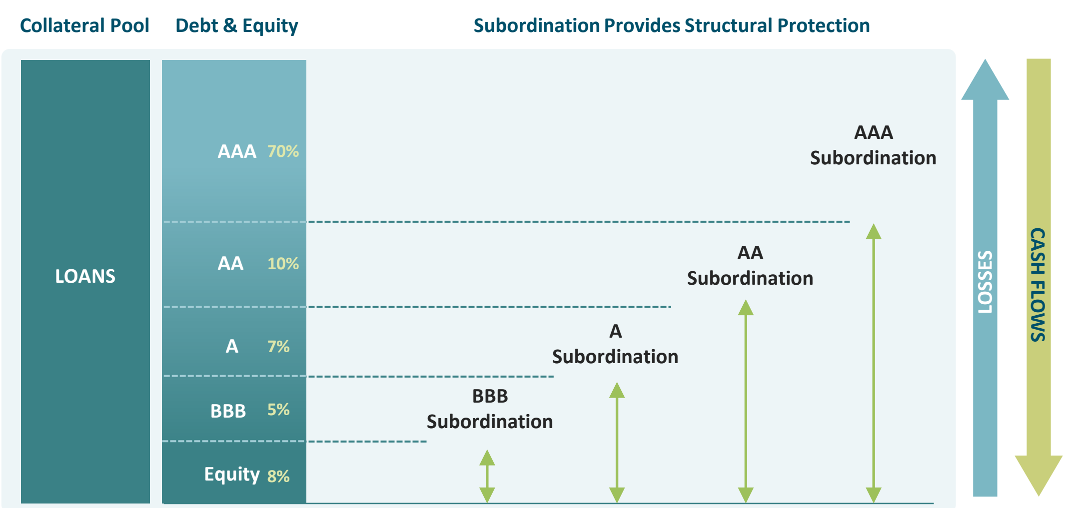
"Complexity" is often a term used by investors to explain the additional yield typically offered by securitized assets versus similarly rated corporates. While the market is certainly fragmented (40x more bonds than corporates), and deal structures are complex, we believe such a term confounds the relatively simple essence of the allocation: An allocation to securitized assets can provide exposure to specific consumer, commercial, or real estate fundamentals.

"Complexity" is better described by the sources of risk that require compensation:

- The non-recourse nature of the debt; assets are sold into a bankruptcy remote Special Purpose Vehicle to isolate the assets from the corporate entity, but there is no recourse to the corporate entity. Issuers compensate investors for this lack of recourse.
- Potential average life variability in response to changes in interest rates (i.e. negative convexity) or other factors.
- Subordinate classes have intrinsic "structural leverage" which can magnify returns but also losses if fundamentals deteriorate beyond the levels of historic losses expected by the rating agencies for a particular rating category. See chart below.
- Thin classes may diminish liquidity and limit the ability to deploy large amounts of capital in a specific security.
- Conversely, senior classes have structural protections allowing investments in sectors with distressed fundamentals at attractive spreads and with more limited downside.
- Private Asset Based Finance transactions can offer scale via large bespoke deal structures with attractive yields.

> *We believe that through keen attention to the fundamentals driving any given securitized sector, a deep understanding of the structure, and the ability to build well diversified portfolios, investors can capitalize on this additional yield.*

CHOICE OF CAPITAL STRUCTURE POSITION CHANGES RISK PROFILE



SENIOR CLASS

Leveraged exposure to **prepayments**

- Strong credit protection
- Low loss severity

SUBORDINATED CLASSES

Leveraged exposure to **credit losses**

- Investment grade ratings
- Thin classes
- Higher returns with greater potential for losses in significant downturn

Graphic is for illustrative purposes only.
Please see important disclosure at the end of this document.

Distinct Solutions Designed to Meet A Range of Investment Needs

Our distinct investment capabilities are built around **4 primary client needs**:

BENCHMARK-AWARE ALPHA

$27B
ASSETS OVERSEEN

Seeks to outperform its respective index using duration neutral strategies with limited credit risk and tracking error commensurate to alpha generated.

- US Agency MBS
- US Core Securitized
- Global Securitized

TOTAL RATE OF RETURN

$15B
ASSETS OVERSEEN

Pursues diversified exposure that generates attractive risk adjusted returns vs corporate allocations of comparable quality

- US Investment Grade Securitized
- US Opportunistic Securitized
- Global Opportunistic Securitized

FLOATING YIELD ENHANCEMENT

$2B
ASSETS OVERSEEN

Targets range from highly liquid cash alternatives to more opportunistic floating rate exposure in European or CLO markets

- Euro Investment Grade ABS
- Euro Opportunistic ABS
- US Core CLO
- US IG CLOs

CUSTOMIZED INSURANCE

$7B
ASSETS OVERSEEN

Custom solutions for insurance clients

- Dedicated Sector Strategies
- Risk/Capital Adjusted Yield Optimization
- Gain/Loss Provisions
- Downgrade Sensitivity

AUM as of 3/31/2026.

Please see important disclosure at the end of this document.

The *Loomis Sayles Edge* in Structured Finance

EXPERTISE

- Stable leadership and consistent investment philosophy since 2008
- Portfolio Managers average 14 years of team tenure & 23 years of investment experience

INTEGRATION

- 21 dedicated portfolio managers, traders, & research fully integrated in Boston and Paris
- Investment platform supported by proprietary technology and modeling, leading-edge 3rd party tools and data reflective of investment philosophy and process

BREADTH & DEPTH

Sector-specialist asset and structure experts invest:

- Across agency and securitized credit offerings
- In both US and European markets
- Up and down the full capital structure
- Via public and private deal forms

CUSTOMIZATION

- Alpha driven through embedding sector-specific fundamental outlook in security selection
- Bottom-up nature of portfolio construction allows for customization of client exposures and objectives
- Robust technology platform allows for continuous risk oversight

Trailing Returns - *Composites*

PURE AGENCY MBS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION (6/1/2013)
Gross	6.47	4.90	0.88	2.05	2.48
Net	6.17	4.60	0.62	1.81	2.25
Bloomberg US MBS Index	5.79	4.17	0.45	1.43	1.83
Excess Returns (Gross)	0.68	0.73	0.43	0.61	0.66
Excess Returns (Net)	0.38	0.43	0.17	0.38	0.43
Information Ratio (Gross)	1.74	1.64	0.58	0.58	0.66
Tracking Error	0.39	0.44	0.75	1.06	1.00

CORE SECURITIZED	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION (5/1/2006)
Gross	5.85	5.56	1.48	2.56	4.46
Net	5.49	5.20	1.16	2.27	4.17
Bloomberg US Securitized Index	5.75	4.26	0.54	1.51	3.15
Excess Returns (Gross)	0.10	1.30	0.94	1.05	1.30
Excess Returns (Net)	-0.26	0.94	0.63	0.76	1.02
Information Ratio (Gross)	0.19	1.48	0.85	0.61	0.54
Tracking Error	0.53	0.88	1.11	1.73	2.40

INVESTMENT GRADE SECURITIZED CREDIT	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION (5/1/2009)
Gross	5.52	8.27	4.46	4.81	7.05
Net	5.00	7.73	4.01	4.42	6.66
ICE BofA US ABS & CMBS Index	4.91	5.58	2.29	2.74	4.15
Excess Returns (Gross)	0.61	2.69	2.16	2.07	2.89
Excess Returns (Net)	0.09	2.16	1.71	1.68	2.51
Sharpe Ratio (Gross)	0.88	1.44	0.31	0.61	1.26
Standard Deviation	1.48	2.30	3.06	4.11	4.49

OPPORTUNISTIC SECURITIZED CREDIT	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION (2/1/2012)
Gross	10.59	14.15	8.68	7.23	7.73
Net	10.04	13.59	8.14	6.70	7.20
ICE BofA US ABS & CMBS Index	4.91	5.58	2.29	2.74	2.72
Excess Returns (Gross)	5.68	8.58	6.38	4.50	5.01
Excess Returns (Net)	5.13	8.02	5.85	3.97	4.48
Sharpe Ratio (Gross)	4.65	3.94	1.57	0.97	1.30
Standard Deviation	1.37	2.33	3.31	5.04	4.68

EURO ABS INVESTMENT GRADE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION (5/1/2005)
Gross	2.78	4.21	2.58	1.63	1.92
Net	2.42	3.85	2.22	1.27	1.56
ESTR Capitalisé	2.01	2.94	1.78	0.69	1.02
Excess Returns (Gross)	0.77	1.27	0.80	0.94	0.89
Excess Returns (Net)	0.42	0.91	0.44	0.58	0.54
Sharpe Ratio (Gross)	1.73	3.14	1.05	0.93	0.31
Standard Deviation	0.38	0.46	0.89	1.04	2.21

EURO ABS OPPORTUNITIES	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION (10/1/2005)
Gross	3.73	6.03	3.93	3.36	2.20
Net	3.16	5.45	3.37	2.80	1.64
EURIBOR 3M Capitalisé	2.08	3.15	2.00	0.81	1.24
Excess Returns (Gross)	1.65	2.87	1.94	2.55	0.96
Excess Returns (Net)	1.08	2.30	1.37	1.99	0.40
Sharpe Ratio (Gross)	2.32	4.25	1.66	1.30	0.16
Standard Deviation	0.70	0.79	1.44	2.03	8.11

Source: Loomis Sayles, Bloomberg, ICE BofA, ESTR, EURIBOR, as of 3/31/2026.

Returns for multi-year periods are annualized. 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.

Past performance is no guarantee of future results.

Important Disclosure

This marketing communication is provided for informational purposes only and should not be construed as investment advice. Investment decisions should consider the individual circumstances of the particular investor. Any opinions or forecasts contained herein reflect the subjective judgments and assumptions of the authors do not necessarily reflect the views of Loomis, Sayles & Company, L.P. Investment recommendations may be inconsistent with these opinions. There is no assurance that developments will transpire as forecasted and actual results will be different. Information, including that obtained from outside sources, is believed to be correct, but Loomis Sayles cannot guarantee its accuracy. This information is subject to change at any time without notice.

Market conditions are extremely fluid and change frequently.

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

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

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

Past performance is no guarantee of future results.

A *Century* of Insight-Driven Excellence

Since 1926, Loomis Sayles has built a legacy of research-driven investing, guided by a single purpose: helping clients achieve their goals with clarity and confidence.

$417
Billion USD

AUM as of 3/31/2026

Assets of Loomis, Sayles & Co., LP, and Loomis Sayles Trust Company, LLC.

842

Global employees

As of 3/31/2026, including subsidiaries

1926

Founded on trusted investment management

As of 3/31/2026.

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