LOOMIS | SAYLES

FACT SHEET DECEMBER 31, 2024

Loomis Sayles Global Bond Fund (AUD)

WHOLESALE INVESTORS ONLY

Objective
Seek to offer excess total returns (income and capital appreciation) relative to the Benchmark.

Benchmark Bloomberg Global Aggregate Index (AUD Hedged)

Portfolio Managers

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Scott M. Service, CFA

FUND FACTS	
APIR	ETL9501AU
ARSN	674 487 686
Inception	29 Apr 2024
Distributions	Annual
Inv't timeframe	>3 years
Management fee & costs	0.28% p.a.
Buy/Sell spread	0.05%
No performance fee	

FUND RATINGS	
Lonsec	Recommended

PLATFORM ACCESS	
AMP North	Macquarie
Netwealth	

Fund performance

	CUMULATIVE RETURN (%)			AVERAGE ANNUALIZED RETURN (%)				
	1 MTH	3 MTH	6 MTH	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION[1]
FUND	-1.28	-1.73	1.47					2.90
BENCHMARK	-0.86	-1.22	2.72					4.06

[1] Since inception returns calculated from 29 April 2024. Fund returns are calculated using the net asset value per unit at the start and end of the relevant period in AUD, net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not a reliable indicator of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments.

Portfolio characteristics

	FUND	BENCHMARK
Average maturity	8.03	8.34
Average duration	6.13	6.49
Average yield	3.33	3.04
Average credit quality	AA3	AA3
Number of issues	162	30,582

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

CREDIT QUALITY (%)		
	FUND	BENCHMARK
AAA	45.42%	42.07%
AA	11.03%	14.00%
A	26.76%	31.15%
BAA	14.94%	12.77%
BA	3.84%	0.01%
B		
CAA & lower	-	-
Not rated	-	-

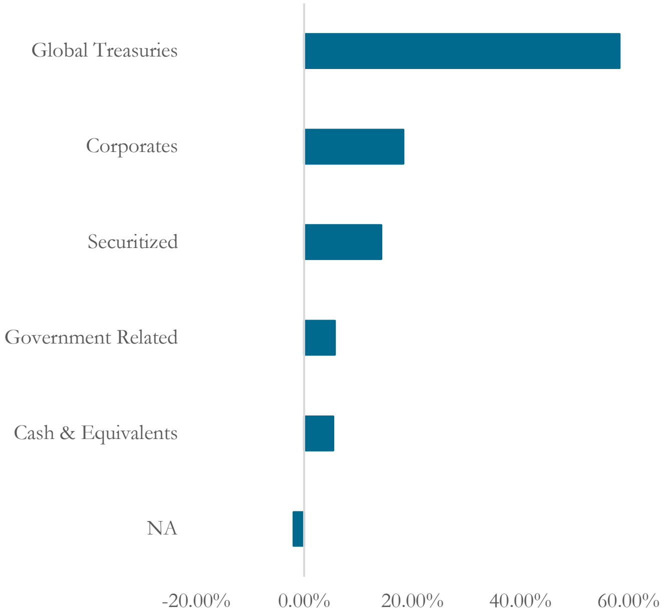
MATURITY DISTRIBUTION (%)		
	FUND	BENCHMARK
Less than 1 yr	7.25%	1.08%
1-3 years	15.94%	23.80%
3-5 years	18.50%	19.68%
5-10 years	39.13%	33.58%
10-20 years	13.85%	11.36%
20 years or more	7.33%	10.50%

*Due to rounding, **Sector, Currency, Country, Credit Quality, Duration** and **Maturity** distribution totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. **Credit Quality** reflects the highest credit rating assigned to individual holdings of the composite among Moody's, S&P or Fitch; ratings are subject to change. **Duration** and **Maturity** Distribution Less than 1 Yr. may include cash and equivalents. **Cash & Equivalents** may include unsettled trades, fees and/or derivatives.*

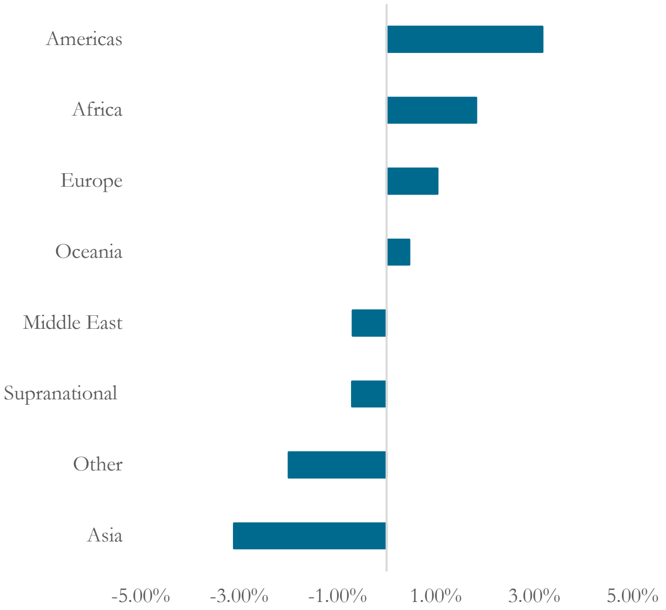
GLOBAL BOND FUND

Portfolio Data as of December 31, 2024

SECTOR WEIGHT (%)



ACTIVE COUNTRY DISTRIBUTION (%)



Outlook & strategy

Global bond markets are not having a happy new year. US Treasury sentiment turned distinctly bearish in the first two weeks of January, amplified by a blow-out US payroll release. The US economy apparently produced a quarter of a million new jobs in December. US growth exceptionalism persists.

Stepping back from the payroll data, the bond markets seem to be pricing two different risks. Core inflation has lately plateaued in the US, and with buoyant underlying growth, prospects for future Federal Reserve policy cuts have faded into the distance.

Separately, US fiscal policy has become less predictable, but very possibly more stimulative. The incoming Trump administration has a majority in both houses of Congress, so may be able to get what it wants, and we typically see most policy initiatives announced in the first three months of an incoming administration. A migration/deportation squeeze on low end labor markets is likely, as is some cocktail of deregulatory initiatives, tax cuts, and tariff hikes. Risk markets seem most concerned about tariffs, but the scale, scope, and timing of these are all unknown for now. The incoming administration inherits a difficult fiscal position, with a full employment economy running a federal budget deficit of some 7% of GDP. We believe that at least some of the recent back-up in yields is the result of a higher fiscal risk premium.

Two longer term trends are supportive of bond valuations, however. US productivity seems to have increased post-pandemic, and the quits rate continues to fall. This has been a good leading indicator of wage growth, so falling nominal wage inflation still looks likely. This is supported as well by ongoing declines in wage inflation measured by the Atlanta Fed Wage Tracker and the Employment Cost Index. The next Fed policy move may still be a cut, but maybe not for a while.

Elsewhere, European growth is negligible, and policy is paralyzed by governance instability in Germany and France. Chinese domestic growth remains weak but note that a weakening CNY is coexisting with a trillion-dollar trade surplus. Maybe even more than $1 trillion wants to leave China? With local bond markets reflecting deflation risks, or even Japanification of the economy, we look for a significant increase in debt monetization of local government liabilities over time.

US credit spreads have benefited from credit ETF inflows attracted by yields, not spreads. At these higher yields, this looks set to continue unless equities fail to cooperate. The principal threat to credit spreads would seem to come from earnings disappointments, either via tariff damage or yield-driven increases in capital costs.

We are broadly neutral USD duration as current 10-year yields of about 4.75% may balance fiscal risks with the inflation outlook for now. However, we may see more short-term USD strength and credit weakness. We suspect that initial tariff headlines will be more unsettling for risk markets than current pricing suggests.

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