



TAX HARVESTING POLICY – FIXED INCOME STRATEGIES

Loomis Sayles believes tax loss harvesting can produce long-term tax benefits for clients, but ultimately defers to the financial consultant to communicate the client's individual tax situation. Tax-loss harvesting trades will incur standard transaction costs which may negatively impact overall account performance in the short-term. We prefer, if possible, that the financial consultant provide loss limits (dollar amount or percentage) which may mitigate some of these transaction costs.

While following a client's request to harvest tax losses, Loomis Sayles applies the following criteria to identify bonds to sell:

- Bonds with relatively large tax losses that can be replaced with a similar quality and duration security
- Aim to sell bonds that further align the portfolio with the overall strategy of the account (i.e. selling a security first that helps put the portfolio more in line with the desired duration of the strategy)
- Seek securities that are owned across a number of accounts so the bonds can be traded as a larger block and thereby minimize transaction costs.

Proceeds from tax loss harvesting transactions are reinvested keeping the account's allocations and characteristics in line with the overall strategy. We currently do not use an ETF or commingled vehicle to reinvest proceeds. During the wash sale window, we are able to reinvest proceeds effectively and efficiently by identifying bonds with similar characteristics that keep the account in line with the strategy. Please note, wash sales rule within the municipal market do not apply as long as two out of three characteristics are different, such as issuer, maturity date and/or coupon.

In addition to the financial consultant/client tax-loss harvest requests, Loomis Sayles may harvest tax losses throughout the year during our normal investment process following similar criteria as laid out above.

If the financial consultant or client requires Loomis Sayles to process tax loss transactions, please email the specific request to RAP@loomissayles.com with written confirmation that the client is directing us to execute such transactions and that client acknowledges and understands that the transaction may negatively impact the performance of the account.

The information and strategies contained herein are neither tax advice nor a legal opinion. A tax advisor should be consulted for professional tax advice.