

Stock in Focus

Mastercard (MA)

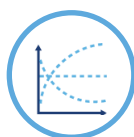
By the Loomis Sayles Global Equity Team



THE LOOMIS SAYLES GLOBAL EQUITY FUND

- The Loomis Sayles Global Equity Fund uses a disciplined, bottom-up, unconstrained approach to investing.
- Based on deep, fundamental research, the Fund features a concentrated portfolio of high-quality companies with the ability to grow their intrinsic value.
- The Loomis Sayles Global Equity Fund's investment strategy features a long-term track record going back to 2004*.

** This refers to the Loomis Sayles Global Equity Opportunity Composite upon which the strategy of the Loomis Sayles Global Equity Fund is based. The Loomis Sayles Global Equity Fund was launched on 1 November 2018.*



STOCK IN FOCUS

Mastercard is a global credit and debit payments processing technology company. It is one of two dominant payments infrastructure companies, and we believe it has a strong and sustainable competitive advantage. Mastercard has multiple structural growth drivers, including the shift from cash and cheques to cards, and expansion into business payments.

INVESTMENT THESIS

We believe Mastercard meets our three alpha drivers of quality, intrinsic value growth and attractive valuation.

Quality Assessment: The company rates highly across our quality criteria. Its market structure drives our quality conviction; we believe Mastercard is in an effective duopoly (albeit the smaller player) in global payments processing (except for China). While there is risk of displacement by new technology, we believe this risk has declined over the past five years (e.g., given that Apple Pay is using Visa/Mastercard payments processing).

The company's business model and intangible assets also support conviction of our quality views. Mastercard has low capital requirements and its opportunistic bolt-on acquisition strategy can create additional growth levers while its network effect and a global leading brand name help reinforce its competitive moat.

Intrinsic Value Growth: We expect intrinsic value growth to be driven by revenue growth, as consumer spending power grows and the conversion from cash to cards continues (supported by the shift to online shopping). Expansion of business-to-business payments and cyber security services to merchants also support of revenue growth.

ABOUT LOOMIS, SAYLES & COMPANY

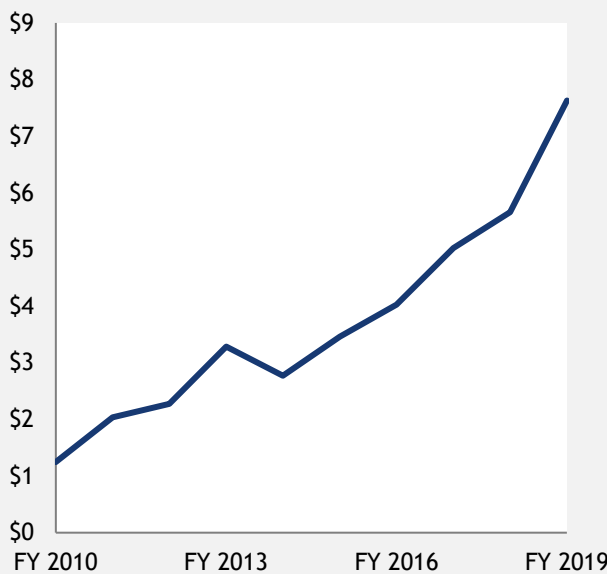
Boston-based Loomis Sayles has been managing money for investors since 1926. The firm currently manages over \$250 billion USD on behalf of clients worldwide. With extensive resources across the US, Europe and Asia, Loomis Sayles is well positioned to manage global equities and seek long term performance.



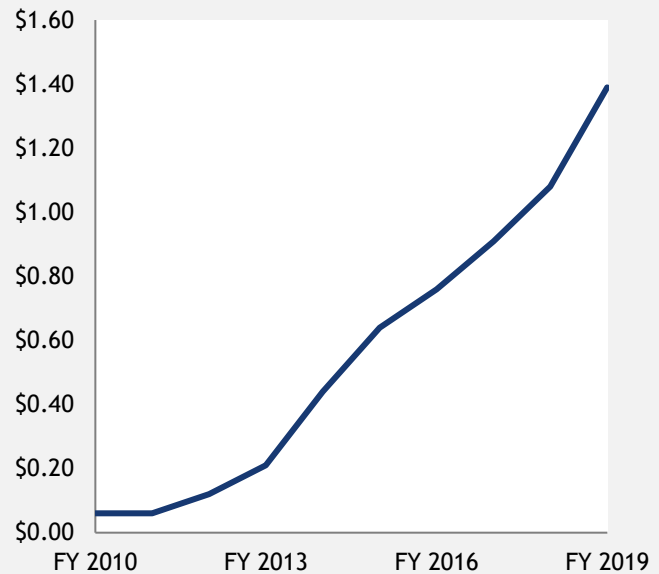
Valuation: The global equity team have been tracking Mastercard for some years as the firm meets our high criteria for quality and intrinsic value growth. The recent market drop created an attractive opportunity for the team to enter at an attractive valuation.

KEY GROWTH & VALUE MEASURES

FREE CASH FLOW PER SHARE



DIVIDEND PER SHARE



Source: IML.

The Loomis Sayles Global Equity Fund has held a position in Mastercard since March 2020. This investment reflects the rigorous investment process undertaken by the Loomis Sayles Global Equity team.

Disclaimer

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Investment in the Fund are not a deposit with, or other liability of, Investors Mutual Limited and are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Investors Mutual Limited does not guarantee the performance of the Fund or any particular rate of return.

The fact that shares in a particular company may have been mentioned should not be interpreted as a recommendation to buy, sell or hold that stock.

This portfolio is actively managed, and holdings are subject to change. Reference to specific securities or holdings should not be considered recommendations for action by investors. There is no guarantee the portfolio continues to invest as indicated.

Prepared: June 2020