



# Small/Mid Cap Managed Account

## Management Team

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## Objective

Seeks to generate consistent, long-term investment performance in excess to the Russell 2500™ Index

### Facts

Strategy inception	4/1/98
Composite inception	4/1/98
Strategy assets	\$1,111.3M
Composite assets	\$61.4M

## Highlights

- The investment universe includes all stocks generally within the market cap range of the benchmark at initial purchase
- We believe that known and recurring inefficiencies are available in the small cap market causing stock prices to deviate from their intrinsic value
- These inefficiencies can be categorized into three areas: misunderstood franchises, underfollowed and special situations
- A repeatable investment process can uncover higher quality businesses that are trading at a discount to intrinsic value utilizing rigorous fundamental research
- Disciplined bottom-up portfolio construction within a risk aware framework
- Sector guidelines: typical range is +/- 50% for benchmark sectors over 10%
- Individual security exposure: typical position range is 0.5% to 2.5% with a maximum weight of 3%
- 65 to 90 stocks typically; turnover: 20% to 40% annually

## Benchmark

Russell 2500™ Index

## Small/Mid Cap Managed Account Composite Performance (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
PURE GROSS*	10.08	20.17	20.17	8.47	13.92	8.95	10.51
NET WRAP FEE	9.29	16.71	16.71	5.32	10.62	5.78	7.30
BENCHMARK	13.35	17.42	17.42	4.24	11.67	8.36	8.47

## Small/Mid Cap Managed Account Composite Period Performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PURE GROSS*	20.17	-18.00	29.52	13.30	32.67	-11.08	18.09	12.44	-3.39	7.65
NET WRAP FEE	16.71	-20.44	25.82	10.01	28.88	-13.70	14.68	9.18	-6.22	4.53
BENCHMARK	17.42	-18.37	18.18	19.99	27.77	-10.00	16.81	17.59	-2.90	7.07

Composite inception: 4/1/1998

\*Pure gross returns are presented as supplemental information.

The Small/Mid Cap Managed Account Composite's returns were calculated on a total return basis, and assume the reinvestment of dividends, capital gains and other earnings. For periods after September 1, 2021, 100% of the accounts are Managed/Bundled fee accounts which do not reflect the deduction of any trading costs, fees, commissions or expenses. Prior to September 1, 2021, 0.00% of the accounts are Managed/Bundled fee accounts which reflect the deduction of transaction costs because performance is from the Small/Mid Cap Institutional Composite. Net of total wrap fee results reflect the deduction of an annual fee of 3.00%, the highest applicable fee for a managed account. This managed account fee includes all charges for trading costs, portfolio management, custody and other administrative fees.

**There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return. Actual accounts have the potential for loss as well as profit.**

**Past performance is no guarantee of future results.**

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PORTFOLIO CHARACTERISTICS			TOP 10 HOLDINGS (%)		SECTOR DISTRIBUTION (%)		
	Rep. Account	Index		Rep. Account		Rep. Account	Index
Price/earnings (trailing 12 mths)	14.95x	15.77x	Kadant Inc	2.3	Industrials	26.4	19.8
Est. P/E (forward 12 mths)	14.97x	15.97x	Tidewater Inc	2.1	Healthcare	16.2	12.2
5 Year Historical EPS Growth	18.45%	16.83%	SYNNEX Corp	2.0	Financials	11.4	16.6
3-5 yr EPS Growth	11.18%	11.84%	Icon Plc	1.9	Consumer Discretionary	10.7	12.9
ROE (1-yr equal wtd)	18.70%	17.68%	Teledyne Technologies Inc	1.9	Information Technology	8.9	12.7
Free cash flow yield	6.54%	4.12%	Tenet Healthcare Corp	1.8	Energy	8.8	4.8
Wtd avg market cap	\$9.99B	\$7.01B	Churchill Downs Inc	1.8	Communication Services	4.1	2.6
Median market cap	\$6.59B	\$1.49B	API Group Corp	1.7	Materials	3.6	5.5
Median Active Share (since inception)	93.28%	-	PulteGroup Inc	1.7	Real Estate	3.4	7.2
			WEX Inc	1.6	Consumer Staples	2.4	3.2
			Total	18.8	Utilities	1.6	2.6
					Cash	2.4	-

  

MARKET CAPITALIZATION (%)		
	Rep. Account	Index
> \$5 Billion	69.6	59.0
\$2 to \$5 Billion	25.3	27.1
\$0.5 to \$2 Billion	2.1	11.9
< \$0.5 Billion	0.5	2.0
Cash	2.4	-

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**Key Risks:** Equity Risk, Market Risk, Non-US Securities Risk, Liquidity Risk. Investing involves risk including possible loss of principal.

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

*Characteristics are shown for a representative account. Due to systems limitations, it is difficult to analyze characteristics on a composite basis. The representative account was selected because it closely reflects the Loomis Sayles Small/Mid Cap Managed Account investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts in the Loomis Sayles Small/Mid Cap Managed Account Composite.*

*Due to rounding, Market Capitalization and Sector Distribution totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. Top 10 Holdings may combine more than one security from the same issuer and related depository receipts. Portfolio weight calculations include accrued interest. Holdings are based on total gross assets before any fees are paid; any cash held is included. Reference to specific securities or holdings should not be considered recommendations for action by investors. There is no guarantee the account continues to invest in the securities referenced. Cash may include unsettled trades, fees and/or derivatives. Median Active Share (since inception) indicates the proportion of the portfolio’s holdings (by market value) that is different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.*

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*The Small/Mid Cap Managed Account Composite includes all discretionary Managed Accounts with market values greater than \$100 thousand managed by Loomis Sayles that seek to identify attractively-valued, small and mid-sized companies with the potential for above average capital appreciation. The strategy objective is to generate consistent, long-term investment performance over a full market cycle superior to the Russell 2500 Index, and generally within the market capitalization range of the Index. As of September 1, 2021, the Composite was redefined to include only Managed Accounts. Prior to the redefinition, the Composite included separate and commingled accounts. Performance results prior to September 1, 2021 are those of the Small/Mid Cap Composite. The Composite inception date is April 1, 1998. The Managed Account Composite was created in 2021. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.*

MALR028039-0324