LOOMIS | SAYLES

MUTUAL FUND COMMENTARY

DECEMBER 31 2024

Global Allocation Fund

Fund Facts

OBJECTIVE

Seeks high total investment return through a combination of capital appreciation and current income

Share class	Y
Inception	5/1/1996
Ticker	LSWWX
CUSIP	543487870
Primary Benchmark	MSCI All Country World Index (Net)
Secondary Benchmark	60% MSCI All Country World Index (Net)/ 40% Bloomberg Global Aggregate Bond Index

The fund's primary benchmark is the ***MSCI All Country World Index (Net)****. The fund's secondary benchmark is a blended benchmark of* ***60% MSCI All Country World Index (Net)/ 40% Bloomberg Global Aggregate Bond Index****. Indexes are unmanaged and do not incur fees. It is not possible to invest directly in an index.*

The ***MSCI All Country World Index (Net)*** *is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets.*

The ***Bloomberg Global Aggregate Bond Index*** *provides a broad-based measure of the global investment grade fixed income markets. The three major components of this Index are the US Aggregate, the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The Index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.*

Market Conditions

- Financial assets produced mixed results in the fourth quarter. Strong economic conditions in the United States, together with an election result perceived to be market-friendly, supported risk assets but weighed on investments with a higher degree of interest-rate sensitivity. International markets - including equities, bonds, and currencies - generally lagged due to the broadly weaker economic outlook outside of the United States.
- Most segments of the US bond market lost ground in the quarter. The US Federal Reserve (Fed) reduced interest rates by a quarter point at its meetings in November and December, which followed a half-point cut in October. However, investors primarily focused on Fed Chair Jerome Powell's indication that the central bank may slow its pace of easing in the year ahead in response to inflation that remains above the long-term target. Additionally, uncertainty about the economic impact of the new administration's policies prompted the Fed to take a less accommodative stance. Whereas the Fed projected as many as four quarter-point rate cuts in 2025 at its September meeting, that number fell to two in December.
- In this environment, longer-dated bonds experienced the weakest relative performance in the United States. Rate-sensitive categories, such as Treasurys and mortgage-backed securities, lagged the headline investment-grade indexes. On the other hand, credit-oriented investments -including asset-backed securities, high yield bonds, and bank loans- held up better amid mounting optimism about the economy and strength in investor risk appetites.
- The prospect of better relative growth in the United States and fewer rate cuts in 2025 helped fuel an impressive rally in the US dollar, weighing on the returns of non-dollar assets for US investors. All major G-10 currencies fell against the greenback, with the most pronounced weakness occurring in the New Zealand dollar, Australian dollar, and Japanese yen. Most major emerging-market currencies also declined relative to the US dollar.

Class Y Performance as of December 31, 2024 (%)

	CUMULATIVE TOTAL RETURN		ANNUALIZED TOTAL RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	-2.08	12.53	12.53	1.97	6.95	8.15
PRIMARY BENCHMARK	-0.99	17.49	17.49	5.44	10.06	9.40
SECONDARY BENCHMARK	-2.64	9.49	9.49	1.47	5.32	5.72

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. Investment return and value will vary and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For most recent month-end performance, visit www.loomissayles.com.

Additional share classes may be available for eligible investors. Performance will vary based on the share class. Performance for periods less than one year is cumulative, not annualized. Returns reflect changes in share price and reinvestment of dividends and capital gains, if any. You may not invest directly in an index.

Gross expense ratio 0.92% (Class Y). Net expense ratio 0.92%. As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses once the expense cap of the fund has been exceeded. This arrangement is set to expire on 1/31/2025. When an expense cap has not been exceeded, the fund may have similar expense ratios and/or yields.

The Class Y inception date is 5/1/1996. Class Y shares are sold to eligible investors without a sales charge; other Classes are available for purchase.

Top Ten Equity Holdings (%)

NVIDIA Corp	3.7
Amazon.com Inc	3.7
Alphabet Inc	3.3
S&P Global Inc	3.3
Mastercard Inc	3.0
Taiwan Semiconductor Manufacturing Co Lt	2.4
O'Reilly Automotive Inc	2.3
Roper Technologies Inc	2.3
Parker-Hannafin Corp	2.3
UnitedHealth Group Inc	2.2
Total	28.5

Data is based on total gross assets before any fees are paid; any cash held is included. The portfolio is actively managed and holdings are subject to change. References to specific securities or industries should not be considered a recommendation. Holdings may combine more than one security from the same issuer and related depositary receipts. Portfolio weight calculations include accrued interest. For current holdings, please visit our website.

- Global equities produced mixed results in the quarter. Broad-based measures such as the MSCI World Index mildly lost ground, as most countries lost value. US stocks outperformed their developed-market peers due to the country's faster economic growth, the election outcome, and a continued rally in mega-cap technology stocks. As the largest member of the MSCI World, this buoyed returns. Performance was more muted overseas. European and emerging-markets stocks slid, reflecting slowing global growth and rising protectionism in the United States.

Performance Review

- The fund underperformed its primary benchmark, the MSCI All Country World Index, primarily due to underperformance in the fund's equity component. The fund outperformed its secondary blended index (60% MSCI ACWI/40% Bloomberg Global Aggregate).

Contributors

- Shares of Amazon rose in the quarter, with most of the outperformance concentrated in November. Share price gains were likely driven by post-election hopes for lower taxes and lighter regulation. Large technology companies such as Amazon have faced scrutiny around their competitive practices, so the prospect of a friendlier regulatory environment may have boosted Amazon more than most companies.
- Shares of Alphabet outperformed as market participants began to appreciate the company's strong position in the current investment cycle around generative AI, abandoning earlier perceptions that the company lagged behind competitors such as Microsoft and OpenAI. The Alphabet has made significant R&D investments, most of which went into pioneering artificial intelligence advances such as Transformer, the model architecture that created the framework for current leading chatbots including OpenAI's ChatGPT and Google's Gemini. We are pleased to see the company increasingly incorporate more of these capabilities into its core products, delivering value to its customers. Alphabet remains one of the more attractive values in our investment universe.
- Nvidia was a top contributor over the three-month period as optimism over the company's revenue trajectory continued to mount. Nvidia will be ramping their Blackwell product line in 2025, which offers considerable power and compute advantages relative to its current Hopper line. Additionally, further developments in AI models, including OpenAI's o3 model, continue to lend credence to the idea of continued model improvement with more compute and therefore better end-user outcomes. We continue to find shares of Nvidia attractive based on our scenario-based valuation framework.
- In fixed income, credit positioning contributed to performance over the period. In particular, allocations to the communications, consumer cyclical, and consumer non-cyclical sectors benefitted performance. Within communications, holdings of cable/satellite providers Altice and Echostar Corp. highlighted contributions. Holdings of Carnival PLC and Travel + Leisure Co. contributed the most within consumer cyclical, while Teva Pharmaceuticals and Bausch Health led contributions within consumer non-cyclicals.

Detractors

- In equities, the largest three detractors from performance were Atlas Copco, Nomura Research Institute and Mettler-Toledo.
- Atlas Copco shares fell in the quarter, following disappointing guidance from one of its customers, ASML, a manufacturer of semiconductor equipment. The semiconductor industry is an important market for Atlas, comprising nearly a third of its sales. However, Atlas' results remained strong as orders grew in the quarter, a sign that Atlas may outperform ASML, at least in the near term. The stock declined further in December after the Fed meeting.
- Shares of Japanese IT Services company Nomura Research Institute retracted some of their recent gains after the company's quarterly results missed expectations. The miss was largely due to one-time items; namely, a data center impairment charge of 2 billion Japanese Yen (~13 million US dollars), as the strategic migration of the company's software from owned data center to third-party cloud infrastructure is progressing more smoothly than expected. We view this development as a long-term positive, and adjusting for the charge, quarterly results were in line with our expectations. We are encouraged that more Japanese enterprises

are choosing to partner with Nomura Research Institute as they re-invest in technology infrastructure. We continue to view the stock as attractive on our scenario-based valuation framework.

- Mettler-Toledo shares underperformed despite strong quarterly results from the company and its industry peers. We believe demand for Mettler-Toledo's weights, pipettes and other laboratory tools is on the rebound, driven by the lapping COVID-related revenue streams and the essential nature of its products. We view Mettler-Toledo as one of the best-executing companies in the life sciences tools industry and the health care space more broadly, as evidenced by consistent expansion of both gross and operating margins. At current valuation levels, we believe the stock's risk/reward profile remains attractive.
- In fixed income, currency allocation detracted from performance over the period. In particular, allocations to the euro, Japanese yen, and Canadian dollar detracted over the period as these currencies depreciated against the US dollar.
- The fund's stance with respect to portfolio duration and corresponding interest rate sensitivity detracted over the period as did its positioning along the yield curve (which depicts the relationship among bond yields across the maturity spectrum). In particular, interest-rate positioning in the US dollar and Brazilian real-pay markets weighed on relative performance.

Outlook

- We expect the Fed to continue to cut interest rates, based on our view that the US labor market is likely to soften to some degree. However, given that personal consumption expenditures are two-thirds of US gross domestic product, record household net worth should help support demand. Overall consumer spending is healthy and should be additive to economic growth. Higher-income households have been spending at favorable rates, but lower-income households—a much smaller segment of total spending—have been showing weakness. While disinflationary trends appear likely to remain in place for the near term, policy shifts under the new administration may change the outlook. We expect the US yield curve will continue to steepen as short-term rates continue to decline at a faster pace than for longer maturities.
- We view the Bank of England as in a position similar to that of the Fed. By contrast, inflation in the eurozone should decline more rapidly than in the United States due to much slower demand. Conditions are different in Japan, where inflation is around 2.0% and small rate hikes are possible. Yields across the global credit markets appear attractive, and we believe they could drift lower if central banks pursue rate-cutting cycles.
- Credit-related investments have the potential to outperform US Treasurys given their higher yields and the possibility of further, albeit limited, spread tightening. Based on our bottom-up fundamental analysis, the great majority of industries within the Bloomberg US Aggregate Index are in the expansion phase of the credit cycle, with improving expectations for profit margins and free cash flows. We expect the default rate to remain low, supporting tight spreads.
- The US dollar may benefit from continued demand in the near term due to the United States' strong growth relative to other economies. In addition, the dollar could be helped by its "safe haven" role if geopolitical risks intensify. The US economy has attracted foreign capital due in part to its exceptional degree of technological innovation. Post-election sentiment and the high relative yields in the US bond market have also contributed to robust capital inflows. That said, the dollar's rich valuation versus many developed- and emerging-market currencies could lead to a reversal if the current trends shift.
- The backdrop of healthy economic growth, broadening corporate profits, and falling short-term interest rates is supportive for stock -market performance, but valuations are expensive by historical measures. In contrast, valuations for international equities remain below the five-year average despite a favorable outlook for earnings.
- Potential risks include a resurgence in inflation, slower-than-expected economic growth, geopolitical tensions, and the possibility that investors have priced in too much optimism regarding the incoming US administration.

About Risk

Equity securities are volatile and can decline significantly in response to broad market and economic conditions. **Fixed income securities** may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity. **Foreign and emerging market securities** may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than US securities due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Currency** exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline.

Important Disclosure

The ***Standard & Poor's 500® Index*** *is a market capitalization weighted index consisting of 500 US industrial, transportation, financial, and utility companies, calculated on a total return basis with dividends reinvested.*

Outlook as presented in this material reflects subjective judgments and assumptions of the portfolio team and does not necessarily reflect the views of Loomis, Sayles & Company, L.P. There is no assurance that developments will transpire as stated. Opinions expressed will evolve as future events unfold. These perspectives are as of the date indicated and may change based on market and other conditions. Actual results may vary. Please refer to the Fund prospectus for a comprehensive discussion of risks.

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 Investment recommendations may be inconsistent with these opinions. Information, including that obtained from outside sources, is believed to be correct, but we cannot guarantee its accuracy. This information is subject to change at any time without notice.

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Market conditions are extremely fluid and change frequently.

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

Commodity, interest and derivative trading involves substantial risk of 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 Fund will generate positive or excess return.

Past performance is no guarantee of future results.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Please visit www.loomissayles.com or call 800-225-5478 for a prospectus and a summary prospectus, containing this and other information. Read it carefully.

Natixis Distribution, LLC (fund distributor, member FINRA|SIPC) and Loomis, Sayles & Company L.P. are affiliated.

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