

# Large Cap Growth

## MANAGEMENT TEAM

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## OBJECTIVE

Seeks to produce long-term, excess returns vs. the Russell 1000® Growth Index on a risk-adjusted basis over a full market cycle (at least 5 years) through bottom-up stock selection

## HIGHLIGHTS

- Active management with a long-term, private equity approach to investing
- High active share: typically greater than 80%\*
- Low turnover: approximately 17% since inception
- Seven-step research framework focuses on quality, growth and valuation
- High-conviction portfolio of typically 30 to 40 stocks
- Looks to identify high-quality companies—those with difficult-to-replicate business models
- Team must view growth as sustainable and profitable
- Valuation analysis models and regularly updates our best-, base-, bear- and worst-case scenarios
- Seeks to create a margin of safety by investing only when company is selling meaningfully below the team's estimate of intrinsic value
- Active risk management defines risk as a permanent loss of capital, not tracking error or short-term relative underperformance
- Bottom-up stock selection drives excess returns

## BENCHMARK

Russell 1000® Growth Index

### FACTS

Strategy inception	7/1/06
Composite inception	7/1/06
Strategy assets	\$47,859.7M
Composite assets	\$31,002.5M

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
<b>GROSS</b>	7.18	11.16	18.30	20.52	17.05	15.73	13.54
<b>NET</b>	7.07	10.82	17.82	20.03	16.61	15.26	13.04
<b>BENCHMARK</b>	9.17	17.09	26.30	20.55	16.58	14.31	11.36

\*Active share indicates the proportion of the portfolio's holdings (by market value) that are different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.

The manager for the Large Cap Growth Composite joined Loomis Sayles May 19, 2010, and performance prior to that date was achieved at his prior firm. As required by GIPS, the prior performance information is being included as part of the Loomis Sayles Large Cap Growth Composite.

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## COMPOSITE PERIOD PERFORMANCE (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>GROSS</b>	34.03	6.54	11.00	11.75	36.83	19.77	1.95	14.13	41.24	-28.04
<b>NET</b>	33.49	6.10	10.58	11.41	36.37	19.31	1.56	13.57	40.45	-28.47
<b>BENCHMARK</b>	30.21	7.08	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44

### 2006: since composite inception 7/1/2006

**Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted.** Returns are shown in US dollars and are annualized for one and multi-year periods. Gross returns are net of trading costs. Net returns are gross returns less effective management fees.

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

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## PORTFOLIO CHARACTERISTICS

	Rep. Account	Index
Price/earnings (trailing 12 mths)	25.57x	24.15x
Est. P/E (forward 12 months)	24.53x	23.11x
ROE (1-yr equal wtd)	21.87%	23.59%
3-5 yr EPS growth	18.86%	17.35%
Price/Cash Flow	19.32%	16.96%
Price/book	6.11	7.19
Dividend Yield	1.20%	1.17%
Wtd avg market cap	\$253,028M	\$291,612M
Median market cap	\$88,007M	\$12,673M
Active Share	80.57%	-

## TOP 10 HOLDINGS (%)

	Rep. Account
Amazon.com Inc	7.7
Visa Inc	6.4
Alphabet Inc	6.1
Facebook Inc	5.6
Alibaba Group Holding Ltd	5.4
Oracle Corp	5.0
Autodesk Inc	4.4
Microsoft Corp	3.4
Monster Beverage Corp	3.4
Regeneron Pharmaceuticals Inc	3.3
Total	50.8

## SECTOR DISTRIBUTION (%)

	Rep. Account	Index
Information Technology	43.5	41.9
Healthcare	14.3	13.8
Consumer Discretionary	13.1	18.0
Consumer Staples	12.9	5.4
Industrials	6.5	12.0
Financials	5.4	4.2
Energy	2.4	0.9
Real Estate	-	2.0
Materials	-	1.7
Telecommunication Services	-	0.2
Cash	1.8	-

Please note that effective 9/28/18, MSCI changed their GICS (Global Industry Classification Standard) sector classifications. Given the change occurred after market close, all data as of 9/28/18 will continue to reflect the former GICS sector classifications. As of 10/1/2018, all data will reflect the new GICS sector classifications as well as the new Communications Services sector title, also effective on 9/28/18.

## MARKET CAPITALIZATION (%)

	Rep. Account	Index
> \$50 Billion	70.8	68.4
\$25 to 50 Billion	15.5	13.2
\$10 to 25 Billion	7.7	12.1
< \$10 Billion	4.3	6.2
Cash	1.8	-

## KEY RISKS

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

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 depositary 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.

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 Large Cap Growth investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts in the Composite.

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The Large Cap Growth Composite includes all separate and commingled discretionary accounts with market values greater than \$1 million managed by Loomis Sayles that seek to produce long-term excess returns at or below benchmark risk over a full market cycle relative to the Russell 1000 Growth Index and generally within the market capitalization range of the Index. As of 6/1/2013 the Composite was redefined to include commingled vehicles, previously only separate accounts were included. The Composite was created in 2010. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomisayles.com](http://www.loomisayles.com).

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(For ERISA accounts only)

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