

Small Cap Value

MANAGEMENT TEAM

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OBJECTIVE

- Seeks to generate consistent, long-term investment performance superior to the Russell 2000® Value Index

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 0.3% to 1.2% with a maximum weight of 2.5%
- Typically 100 to 130 stocks; turnover: 20% to 40% annually

BENCHMARK

Russell 2000® Value Index

FACTS

Strategy inception	5/13/91
Composite inception	4/1/92
Strategy assets	\$1,486.9M
Composite assets	\$1,359.0M

COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	-6.24	-6.24	3.85	11.13	7.91	10.60	11.92
NET	-6.39	-6.39	3.19	10.34	7.13	9.83	11.20
BENCHMARK	-2.40	-2.40	3.32	12.73	8.57	10.54	10.60

COMPOSITE PERIOD PERFORMANCE(%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GROSS	29.77	2.81	25.28	-15.19	10.39	26.90	-2.30	6.23	36.22	16.82
NET	28.95	2.02	24.34	-15.84	9.57	25.96	-2.99	5.59	35.40	16.11
BENCHMARK	28.27	4.63	22.39	-12.86	7.84	31.74	-7.47	4.22	34.52	18.05

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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.



PORTFOLIO CHARACTERISTICS

	Rep. Account	Index
Price/earnings (trailing 12 mths)	14.07x	12.44x
Est. P/E (forward 12 months)	12.74x	12.10x
5 Year Historical EPS Growth	10.13%	10.84%
3-5 yr EPS growth	18.89%	13.81%
ROE (1-yr equal wtd)	15.29%	14.92%
Free Cash Flow Yield	4.33%	3.44%
Wtd avg market cap	\$4.27B	\$3.17B
Median market cap	\$3.10B	\$1.01B
Median active share (since inception)	89.65%	-

TOP 10 HOLDINGS (%)

	Rep. Account
Herc Holdings, Inc.	2.2
Triumph Bancorp, Inc.	1.6
Genco Shipping & Trading Limited	1.6
Rambus Inc.	1.5
Wintrust Financial Corporation	1.5
Popular, Inc.	1.5
ChampionX Corporation	1.4
Meta Financial Group, Inc.	1.4
Tower Semiconductor Ltd	1.4
Allscripts Healthcare Solutions, Inc.	1.3
Total	15.3

SECTOR DISTRIBUTION (%)

	Rep. Account	Index
Industrials	21.7	15.3
Financials	19.7	25.3
Information Technology	14.2	5.4
Healthcare	9.3	8.9
Consumer Discretionary	7.8	7.1
Energy	5.1	9.6
Materials	4.8	4.5
Real Estate	4.3	11.9
Consumer Staples	3.6	3.0
Communication Services	3.3	3.6
Utilities	2.8	5.4
Cash	3.3	-

MARKET CAPITALIZATION (%)

	Rep. Account	Index
> \$2 Billion	75.7	63.4
\$1 to 2 Billion	12.6	22.3
\$0.5 to 1 Billion	6.4	9.5
< \$0.5 Billion	2.0	4.8
Cash	3.3	-

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 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.

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 Cap Value 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 Small Cap Value Composite includes all discretionary accounts with market values greater than \$1 million managed by Loomis Sayles that seek to identify attractively-valued, small-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 2000 Value Index, and generally within the market capitalization range of the Index. As of 1/11/2021 the Composite was redefined to include commingled vehicles, previously only separate accounts were included. The Composite inception date is April 1, 1992. The Composite was created in 1993. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.