

Small/Mid Cap

MANAGEMENT TEAM

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OBJECTIVE

- Seeks to generate consistent, long-term investment performance in excess to the Russell 2500™ 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 0.5% to 2.5% with a maximum weight of 3%
- 75 to 100 stocks typically; turnover: 25% to 50% annually

BENCHMARK

Russell 2500™ Index

FACTS

Strategy inception	4/1/98
Composite inception	4/1/98
Strategy assets	\$1,392.2M
Composite assets	\$576.7M

COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	4.57	17.62	52.53	15.67	15.56	12.57	11.31
NET	4.37	17.18	51.35	14.72	14.62	11.72	10.59
BENCHMARK	5.44	16.97	57.79	15.24	16.35	12.86	9.57

COMPOSITE PERIOD PERFORMANCE(%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GROSS	13.30	32.67	-11.08	18.09	12.44	-3.39	7.65	35.84	22.26	-0.25
NET	12.36	31.58	-11.83	17.12	11.58	-4.07	6.94	34.93	21.44	-0.94
BENCHMARK	19.99	27.77	-10.00	16.81	17.59	-2.90	7.07	36.80	17.88	-2.51

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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)	21.49x	20.94x
Est. P/E (forward 12 months)	19.43x	18.25x
5 Year Historical EPS Growth	11.95%	10.61%
3-5 yr EPS growth	18.90%	16.90%
ROE (1-yr equal wtd)	15.02%	14.75%
Price/book	2.63	2.69
Dividend Yield	0.78%	1.06%
Wtd avg market cap	\$10.98B	\$7.26B
Median market cap	\$7.25B	\$1.88B
Median active share (since inception)	93.14%	-

TOP 10 HOLDINGS (%)

	Rep. Account
Concentrix Corporation	2.5
Liberty Media Corp. Liberty SiriusXM	2.1
Vertiv Holdings Co.	2.1
Avantor, Inc.	1.9
Herc Holdings, Inc.	1.8
AECOM	1.7
Catalent, Inc.	1.7
Kadant Inc.	1.7
First American Financial Corporation	1.7
Popular, Inc.	1.7
Total	18.8

SECTOR DISTRIBUTION (%)

	Rep. Account	Index
Industrials	25.1	15.9
Information Technology	13.8	16.3
Consumer Discretionary	13.5	12.7
Financials	11.6	13.8
Healthcare	11.3	15.8
Communication Services	7.5	3.1
Materials	5.4	5.3
Real Estate	3.8	8.1
Consumer Staples	3.2	3.1
Utilities	1.8	2.4
Energy	1.3	3.6
Cash	1.8	-

MARKET CAPITALIZATION (%)

	Rep. Account	Index
> \$5 Billion	76.1	59.9
\$2 to \$5 Billion	20.4	27.1
\$0.5 to 2 Billion	1.2	11.4
< \$0.5 Billion	0.5	1.6
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 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/Mid Cap 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/Mid Cap Composite includes all discretionary separate accounts with market values greater than \$1 million 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. The Composite inception date is April 1, 1998. The Composite was created in 1998. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.

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