# Small/Mid Cap

### **Management Team**

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#### **Objective**

 Seeks to generate consistent, long-term investment performance in excess to the Russell 2500<sup>TM</sup> 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%
- 65 to 90 stocks typically; turnover: 20% to 40% annually

#### Benchmark

Russell 2500<sup>TM</sup> Index

Facts	
Strategy inception	4/1/98
Composite inception	4/1/98
Strategy assets	\$1,111.3M
Composite assets	\$473.9M

## **Composite Performance (%)**

	CUMULATIV	'E RETURN		AVERAGE	ANNUALIZED	UALIZED RETURN			
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION		
GROSS	10.18	20.36	20.36	8.71	14.07	9.02	10.54		
NET	9.94	19.30	19.30	7.82	13.13	8.16	9.81		
BENCHMARK	13.35	17.42	17.42	4.24	11.67	8.36	8.47		

**Composite Period Performance(%)** 

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GROSS	20.36	-17.61	29.55	13.30	32.67	-11.08	18.09	12.44	-3.39	7.65
NET	19.30	-18.27	28.56	12.36	31.58	-11.83	17.12	11.58	-4.07	6.94
BENCHMARK	17.42	-18.37	18.18	19.99	27.77	-10.00	16.81	17.59	-2.90	7.07

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)	14.95x	15.77x		
Est. P/E (forward 12 months)	14.97x	15.79x		
5 Year Historical EPS Growth	18.45%	16.83%		
3-5 yr EPS growth	11.18%	11.84%		
ROE (1-yr equal wtd)	18.70%	17.68%		
Free Cash Flow Yield	6.54%	4.12%		
Wtd avg market cap	\$9.99B	\$7.01B		
Median market cap	\$6.59B	\$1.49B		
Median active share (since inception)	93.28%	_		

TOP 10 HOLDINGS (%)			
	Rep.		
	Account		
Kadant Inc	2.3		
Tidewater Inc	2.1		
SYNNEX Corp	2.0		
Icon Plc	1.9		
Teledyne Technologies			
Inc	1.9		
Tenet Healthcare Corp	1.8		
Churchill Downs Inc	1.8		
API Group Corp	1.7		
PulteGroup Inc	1.7		
WEX Inc	1.6		
Total	18.8		

SECTOR DISTRIBUTION (%)				
	Rep.	Index		
T 1 . 1				
Industrials	26.4	19.8		
Healthcare	16.2	12.2		
Financials	11.4	16.6		
Consumer				
Discretionary	10.7	12.9		
Information				
Technology	8.9	12.7		
Energy	8.8	4.8		
Communication				
Services	4.1	2.6		
Materials	3.6	5.5		
Real Estate	3.4	7.2		
Consumer Staples	2.4	3.2		
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			

### **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. 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 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. As of 1/1/2021 the Composite was redefined to include commingled vehicles, previously only separate accounts were included. 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.loomissayles.com.