Small/Mid Cap

**MANAGEMENT TEAM**
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Jeffrey Schwartz, CFA

**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: $1,204.1M
- Composite assets: $327.2M

**COMPOSITE PERFORMANCE (%)**

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<tr>
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<th>COMBINED MEASUREMENT</th>
<th>BENCHMARK</th>
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<td>3 MO</td>
<td>YTD</td>
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<tr>
<td>GROSS</td>
<td>5.63</td>
<td>22.15</td>
</tr>
<tr>
<td>NET</td>
<td>5.41</td>
<td>21.65</td>
</tr>
<tr>
<td>BENCHMARK</td>
<td>2.96</td>
<td>19.25</td>
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**COMPOSITE PERIOD PERFORMANCE (%)**

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</thead>
<tbody>
<tr>
<td>GROSS</td>
<td>-11.08</td>
<td>18.09</td>
<td>12.44</td>
<td>-3.39</td>
<td>7.65</td>
<td>35.84</td>
<td>22.26</td>
<td>-0.25</td>
<td>24.89</td>
<td>37.32</td>
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<tr>
<td>NET</td>
<td>-11.83</td>
<td>17.12</td>
<td>11.58</td>
<td>-4.07</td>
<td>6.94</td>
<td>34.93</td>
<td>21.44</td>
<td>-0.94</td>
<td>24.04</td>
<td>36.31</td>
</tr>
<tr>
<td>BENCHMARK</td>
<td>-10.00</td>
<td>16.81</td>
<td>17.59</td>
<td>-2.90</td>
<td>7.07</td>
<td>36.80</td>
<td>17.88</td>
<td>-2.51</td>
<td>26.71</td>
<td>34.39</td>
</tr>
</tbody>
</table>

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.
KEY RISKS

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. 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.

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 was created in 1998. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomissayles.com.