

Strategic Alpha Fund

MANAGEMENT TEAM

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BENCHMARK

3-month US LIBOR

OBJECTIVE

Seeks to provide an attractive absolute total return, complemented by prudent investment management designed to manage risks and protect investor capital. The secondary goal of the fund is to achieve these returns with relatively low volatility

HIGHLIGHTS

- Seeks alpha and to manage beta via long/short positions in global credit, currency and yield curve markets
- Focuses on absolute volatility and drawdown rather than risk relative to a market benchmark
- Attempts an annualized standard deviation risk objective of 4-6% over a market cycle*
- Historically low correlation to fixed income with ability to actively manage interest rate risk
- Maximum gross long or short: 100%
Excluding the use of derivatives used for duration, interest rate, yield curve management and cash equivalents
- Duration: -2 to 5 years
- Maximum/Minimum net exposure
 - Below investment grade: +/- 50%
 - Non-US dollar currency: +/- 50%
 - Emerging markets currency: +/- 20%

FUND FACTS

Fund inception	12/15/10
Total net assets	\$1,601.1M
Average maturity	3.99 yrs
Average duration	1.27 yrs

Share class	Y
Inception	12/15/10
Ticker	LASYX
CUSIP	63872T620
Gross expense ratio	0.75%
Net expense ratio	0.75%

Additional share classes may be available for certain funds for eligible investors. Performance results will vary based on the share class.

PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN			
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
CLASS Y	1.36	3.27	2.66	3.78	2.53	2.89
3 MO US LIBOR	0.70	1.43	2.60	1.66	1.12	0.80

CALENDAR YEAR PERFORMANCE (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
CLASS Y	0.53	3.38	6.86	-1.43	2.52	1.19	12.57	-3.78	-	-
BENCHMARK	2.08	1.11	0.66	0.23	0.23	0.29	0.51	0.27	-	-

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. Investment return and value will vary and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For most recent month-end performance, visit www.loomissayles.com

Returns reflect changes in share price and reinvestment of dividends and capital gains, if any.

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

**Although the fund actively manages risk for a 4% to 6% standard deviation level, there is no guarantee that the fund will always maintain its targeted risk level.*

Institutional Class shares (Class Y) are available to certain institutional investors only; minimum initial investment of \$100,000.

As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses once the expense cap of the fund has been exceeded. This arrangement is set to expire on 4/30/20. When an expense cap has not been exceeded, the fund may have similar expense ratios.

Duration and Maturity for equity securities are deemed to be zero.



STRATEGY ALLOCATION

	Long Total	Short Total	Net Exposure (%)	DC (Years)
Securitized	36.1	-0.8	35.4	0.63
Investment Grade Corporate	33.5	-0.9	32.6	0.56
Bank Loans	5.3	0.0	5.3	0.00
High Yield Corporate	4.7	0.0	4.7	0.20
Emerging Market	2.3	0.0	2.3	0.10
Convertibles	1.5	0.0	1.5	0.06
Dividend Equity	3.8	-2.6	1.2	0.00
Global Rates	2.2	-1.6	0.6	-0.35
Global Credit	0.7	-0.4	0.4	0.02
Currency	2.3	-2.1	0.2	0.00
Risk Management	0.0	0.0	0.0	0.00
Cash & Equivalents	9.9	0.0	9.9	0.05
Total	102.4	-8.3	94.1	1.27

DC = Contribution to Duration

TOP 10 ISSUERS (%)

	Fund
Citigroup Inc	2.3
CME E-Mini Standard & Poor's 500 Index Future	-2.0
Banco Santander SA	1.6
Republic of South Africa	1.6
CarMax Inc	1.4
Vericrest Opportunity Loan Transferee	1.2
General Motors Co	1.2
NewView Capital Management LLC	1.1
CVS Health Corp	1.0
Toyota Motor Corp	1.0

3-month US LIBOR, or the London InterBank Offered Rate, represents the average rate a leading bank, for a given currency (in this case, US dollars), can obtain unsecured funding, and is representative of short-term interest rates. Indices are unmanaged. It is not possible to invest directly in an index.

ABOUT RISK

Fixed income securities may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Currency** exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline. **Derivatives** involve risk of loss and may entail additional risks. Because derivatives depend on the performance of an underlying asset, they can be highly volatile and are subject to market and credit risks. **Foreign and emerging market securities** may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than US securities due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Mortgage-related and asset-backed securities** are subject to the risks of the mortgages and assets underlying the securities. Other related risks include prepayment risk, which is the risk that the securities may be prepaid, potentially resulting in the reinvestment of the prepaid amounts into securities with lower yields. **Commodity-related** investments, including derivatives, may be affected by a number of factors including commodity prices, world events, import controls and economic conditions, and therefore may involve substantial risk of loss. **Non-diversified** funds invest a greater portion of assets in fewer securities and therefore may be more vulnerable to adverse changes in the market. **Short exposures** using derivatives may present various risks. If the value of the asset, asset class or index on which the Fund holds short investment exposure increases, the Fund will incur a loss. The potential risk of loss from a short exposure is theoretically unlimited, and there can be no assurance that securities necessary to cover a short position will be available for purchase.

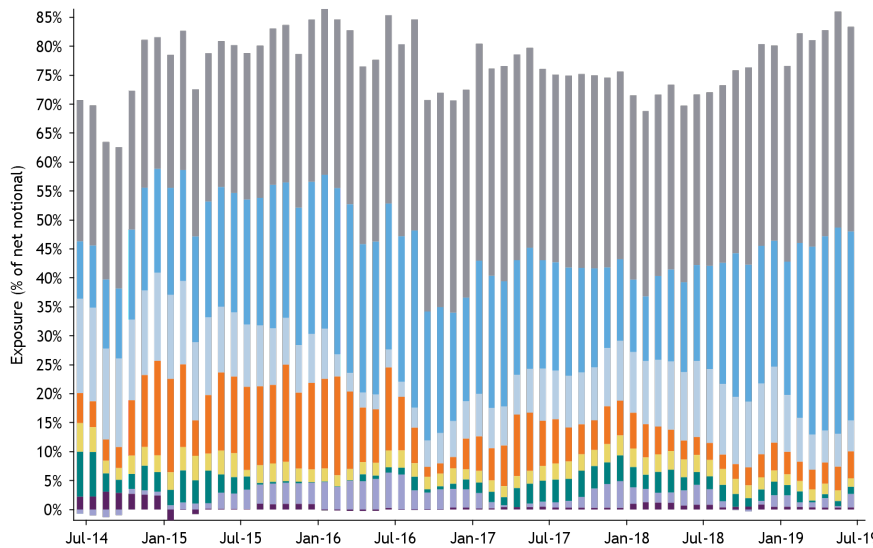
Portfolio composition statistics are from the adviser's internal system and may not match the fund's regulatory documents. This portfolio is actively managed and holdings are subject to change. There is no guarantee the fund continues to invest in the securities referenced. The top ten issuers may not be representative of the fund's current or future investments. Data presented above is intended to illustrate the fund's exposure to certain asset classes. The fund may use the market value, the notional value or an adjusted notional value of a derivative in order to reflect what the Adviser believes to be the most accurate assessment of the fund's real economic exposure. **Top Ten Issuers** shown do not include cash and cash equivalents, currency forwards, currency options and derivative offsets, included in the fund's total net assets. **Portfolio Strategy Allocation** does not include derivative offsets, included in the fund's total net assets. The fund's long and short investment exposures may, at times, each reach 100% of the assets invested in the fund (excluding derivatives used for duration management or yield curve management and cash and cash equivalents), although these exposures may be higher or lower at any given time. **Cash & Equivalents** reflects unsettled trades, fees and derivatives.

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HISTORICAL CREDIT ALLOCATION (%)



Historical Exposure (%)	Actual Min (%)	Actual Max (%)	6/30/2019 (%)	Change 3/31/2019 to 6/30/2019 (%)
Securitized	6.38	37.47	35.36	-0.31
Invst Grade Corp	-5.02	35.61	32.64	0.18
Bank Loans	2.04	21.77	5.31	-0.75
High Yield Corp	1.72	40.56	4.67	1.28
Convertibles	0.01	5.11	1.46	-0.48
Equity	0.09	7.76	1.24	0.95
Emerging Market	-3.40	7.21	2.32	1.44
Global Credit	-1.87	3.15	0.36	-0.02

CREDIT QUALITY (%)

	Fund		
	Long Total	Short Total	Net
US Treasurys	0.0	0.0	0.0
AAA	24.9	-0.3	24.6
AA	10.8	-0.5	10.3
A	20.9	-0.9	20.0
BBB	23.5	-1.6	21.9
BB	7.6	0.0	7.6
B	6.2	0.0	6.2
CCC & Lower	1.9	0.0	1.9
Not Rated*	6.6	-5.0	1.6

*Not Rated consists of non-rated issues plus securities such as common stock, ADR's, ETF's, CDX's and forwards.

TOP 10 CURRENCIES (ex USD) (%)

	Fund
Singapore Dollar	-2.1
Euro	-0.9
Norwegian Krone	0.7
Malaysian Ringgit	0.7
Argentine Peso	0.7
Polish Zloty	0.5
Hungarian Forint	0.4
Indonesian Rupiah	0.3
British Pound Sterling	-0.2
Colombian Peso	0.1

Portfolio composition statistics are from the adviser's internal system and may not match the fund's regulatory documents. This portfolio is actively managed and holdings are subject to change. There is no guarantee the fund continues to invest in the securities referenced. Due to active management, allocations will evolve over time. Certain portfolio exposures may be excluded from the Credit Allocation Chart above. The fund may use the market value, the notional value or an adjusted notional value of a derivative in order to reflect what the Adviser believes to be the most accurate assessment of the fund's real economic exposure. **Top Ten Currencies** calculation includes all assets held in the portfolio. **Credit Quality** shown includes only the debt securities, convertibles and credit default swaps on the individual debt issues. Because some asset groups are excluded from the tables, the total fund percentages may not equal 100%. Credit Quality reflects the highest credit rating assigned to individual holdings of the fund among Moody's, S&P or Fitch; ratings are subject to change. The fund's shares are not rated by any rating agency and no credit rating for fund shares is implied. Bond credit ratings are measured on a scale that generally ranges from Aaa(highest) to D (lowest). **Cash & Equivalents** reflects unsettled trades, fees and derivatives.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Please visit www.loomissayles.com or call 800-225-5478 for a prospectus and a summary prospectus, if available, containing this and other information. Read it carefully.

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