



Global Bond Fund

Fund Facts

OBJECTIVE

Seeks high total investment return through a combination of high current income and capital appreciation

Share class	I
Inception	5/10/1991
Ticker	LSGBX
CUSIP	543495782
Benchmark	Bloomberg Global Aggregate Index

Bloomberg Global Aggregate Index provides a broad-based measure of the global investment grade fixed income markets. The three major components of this Index are the US Aggregate, the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The Index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. Indexes are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Market Conditions

- Financial assets produced strong, broad-based returns in the third quarter. Worries about US trade policy faded as market participants became less worried about the negative impacts of tariffs on inflation, economic growth and corporate profits. A dovish shift in US Federal Reserve (Fed) policy was an additional tailwind for the markets. The Fed reduced interest rates by a quarter point at its September meeting, its first easing since December 2024. Subsequent comments by Fed Chair Jerome Powell indicated that the central bank was becoming less concerned about inflation and instead was shifting its focus toward maintaining stability in the labor market. Investors, seeing this as a sign that the Fed was likely to continue easing policy, bid up asset prices across the board.
- Softer labor market data and a more dovish Fed outlook, with still strong corporate earnings and outperformance for the US fixed-income market, with positive total returns for Treasuries and corporate bonds continued to decline. Notably, yield spreads on investment-grade corporate bonds continued to decline. According to the Federal Reserve Bank of St. Louis, the yield advantage for corporates relative to government issues fell from 86 basis points (0.86 percentage points) at the start of the quarter to 76 basis points at the end of September, marking the narrowest level since the late 1990s. Spreads on high-yield debt also declined to the low end of the historical range.
- Developed-market government bonds lagged the United States in local currency terms. European bond markets were pressured by fiscal worries, with France, Germany, and the United Kingdom all posting losses. Japan, which faced a headwind from rising inflation and reduced bond purchases by its central bank, also finished in the red. Emerging-market debt produced robust total returns and outpaced the US credit sectors on the strength of improving economic conditions and investors' elevated appetite for risk.
- The US dollar rose modestly against a basket of developed-market currencies. However, concerns about profligate global fiscal policies—and their longer-term impact on currencies—was evident in a pronounced rally in precious metals and cryptocurrencies.

Class I Performance as of September 30, 2025(%)

	CUMULATIVE TOTAL RETURN		AVERAGE ANNUALIZED RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	0.39	8.54	2.51	5.45	-1.53	1.49
BENCHMARK	0.60	7.91	2.40	5.45	-1.56	1.15

Performance data shown represents past performance and is no guarantee 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.

Additional share classes may be available for eligible investors. Performance will vary based on the share class. Performance for periods less than one year is cumulative, not annualized. Returns reflect changes in share price and reinvestment of dividends and capital gains, if any. You may not invest directly in an index.

Gross expense ratio 0.77% (Class I). Net expense ratio 0.67%. As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense limitation of the fund has been exceeded. This arrangement is set to expire on 1/31/2027. When an expense limitation has not been exceeded, the fund may have similar expense ratios and/or yields.

The Class I inception date is 5/10/1991. Class I shares are only available to certain institutional investors only; minimum initial investment of \$100,000.



- Global equities delivered strong returns in the third quarter, with most major, broad-based indexes hitting a series of all-time highs. The favorable backdrop of positive global growth and accommodative central bank policies contributed to a surge in investor risk appetites. Technology-related stocks, particularly those anticipated to benefit from the growth of artificial intelligence, generally led the way in the rally.

Portfolio Review

- The fund underperformed its benchmark, the Bloomberg Global Aggregate Index on a gross of fee basis, primarily due to spread sector allocation and yield curve/duration positioning.

Contributors

- The allocation to investment grade corporate credit was the primary driver of positive excess return. Within investment grade corporate credit, banking was the top contributor, driven by the risk-adjusted overweight. Allocation to the consumer non-cyclical and technology industries had a positive impact on excess return, driven by the risk-adjusted overweights and positive security specific selection.
- Within the energy industry, the risk-adjusted overweight to investment grade energy issuers contributed to relative performance as did the off-benchmark allocation to high yield energy issuers.
- Within emerging market credit, the overweight to select hard currency emerging market sovereign issuers in countries such as Colombia, South Africa, and Mexico contributed to relative performance.
- Yield curve and duration positioning had a positive impact on excess return, led by the targeted local market overweights in select emerging market countries such as Brazil, South Africa, Indonesia, and Mexico.

Detractors

- Currency allocation had a negative impact on excess return. An overweight to the Japanese yen was the main detractor as the yen was among the bottom performing G-10 currencies during the period. An underweight to the Chinese renminbi also detracted from relative performance.
- While overall yield curve and duration positioning contributed to performance, positioning in the US dollar and Chinese renminbi-pay markets had a negative impact on excess return.
- The allocation to global treasuries modestly detracted from relative performance. Within global treasuries, holdings of France and Italy detracted as issues held in the portfolio underperformed the broader index.

Outlook

- The US consumer sector remains healthy, with higher-income consumers—who account for the bulk of spending—continuing to benefit from the wealth effect caused by rising equity prices and increasing home values. Lower-income consumers are under some financial pressure amid weakness in the labor market, but commentary from the largest US financial institutions suggests that credit and debit card spending trends are intact. We are watching this closely, since the current economic expansion and market rally hinges on stability in the employment picture and consumer spending.
- Corporate profits remain robust and strong earnings could continue. The US market has shown fundamental leadership in terms of profitability, and bottom-up consensus earnings estimates for the emerging markets, Europe, and Japan imply strong year-over-year growth rates for 2026. However, the effects of trade wars could cause pain and valuations for corporate credit risk remain stretched.



- Global central banks are attuned to the risk of overly restrictive policies, which opens the door for additional rate cuts and a possible economic acceleration into 2026. However, elevated debt levels and rising interest burdens could weigh on confidence and limit countercyclical responses. Any return of growth fears could renew a market focus on fiscal deficits and put destabilizing upward pressure on term premia in the absence of a policy response. Inflation could be pressured higher as tariff increases are passed through to consumers. While we think US inflation will remain above the Fed's objective of 2.0% growth in core personal consumption expenditures, we believe the Fed will likely look past "one-time" price hikes that impact only certain imported goods.
- The US dollar faces numerous headwinds including twin deficits, moderation in U.S. growth, more growth-supportive fiscal and monetary policies abroad, still expensive valuation, and fading U.S. exceptionalism. Small adjustments on very large foreigner exposure has an impact as well.
- The starting point for valuations on risk assets is the most glaring risk investors face, in our view. Credit spreads are near multi-year tight levels, and US equity price-to-earnings multiples are above their five-year averages. Forward-looking total return prospects, while positive, are not overwhelmingly so. We believe market corrections could provide opportunities as long as the fundamental backdrop is not disrupted.



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. **Currency** exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Foreign securities** may involve heightened risk due to currency fluctuations. Additionally, they may be subject to greater political, economic, environmental, credit and information risks. Foreign securities may be subject to higher volatility than US securities due to varying degrees of regulation and limited liquidity. **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.

Important Disclosure

Outlook as presented in this material reflects subjective judgments and assumptions of the portfolio team and does not necessarily reflect the views of Loomis, Sayles & Company, L.P. There is no assurance that developments will transpire as stated. Opinions expressed will evolve as future events unfold. These perspectives are as of the date indicated and may change based on market and other conditions. Actual results may vary. Please refer to the Fund prospectus for a comprehensive discussion of risks.

This marketing communication is provided for informational purposes only and should not be construed as investment advice. Investment decisions should consider the individual circumstances of the particular investor. Investment recommendations may be inconsistent with these opinions. Information, including that obtained from outside sources, is believed to be correct, but we cannot guarantee its accuracy. This information is subject to change at any time without notice.

Market conditions are extremely fluid and change frequently.

Diversification does not ensure a profit or guarantee against a loss.

Commodity, interest and derivative trading involves substantial risk of loss.

Any investment that has the possibility for profits also has the possibility of losses, including the loss of principal.

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

Past performance is no guarantee of future results.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Please visit www.loomissayles.com or call 800-633-3330 for a prospectus and a summary prospectus, containing this and other information. Read it carefully.

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