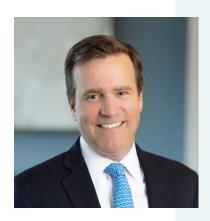


UK Stewardship Code Report 2024

Committed to Being an Effective Steward of Our Clients' Capital

This 2024 report has been submitted to the Financial Reporting Council for annual review.





KEVIN P. CHARLESTON
Chairman & CEO

Introduction from the Chief Executive Officer

Loomis Sayles welcomes the high stewardship standards set by the UK Stewardship Code and is committed to being an effective steward of our clients' capital.

We have long recognised the importance of responsible allocation, management and oversight of investment capital to create long-term value for our clients. We see effective stewardship as key to achieving our goal of delivering superior long-term risk-adjusted returns, and inherent in our fiduciary duty to our clients.

Throughout this report, we seek to describe and demonstrate how we have continued to apply the Code's 12 Principles in a manner that is aligned with our business model and strategy. Our strategy and culture serve as the foundation of our approach to stewardship.

We manage investment strategies for our global clients across many asset classes. Our investment teams are empowered with deep fundamental research, data, training, and the tools and resources to enable effective stewardship consistent with each team's investment philosophy and each client's goals. This approach is supported by a robust governance structure committed to providing the strategic direction, resources, risk management and oversight necessary to support our stewardship activities.

We are pleased to have been a signatory to the Code for the past 11 years, and welcome the opportunity it provides to assess our firm-wide stewardship efforts, demonstrate past achievements and reflect on our experiences. This is firmly aligned with Loomis Sayles' commitment to continually assess and advance our approach to stewardship in order to meet our clients' investment needs.

Sincerely,

Kevin P. Charleston



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PRINCIPLE ONE

Purpose, Strategy and Culture

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

PRINCIPLE ONE | PURPOSE, STRATEGY AND CULTURE

Everything we do at Loomis Sayles is borne out of our mission to be a trusted fiduciary partner to our clients, helping them achieve their financial objectives through disciplined investment processes that result in superior long-term performance and exceptional investment solutions. We strive to be one of the world's premier active managers and believe our distinct culture, which prioritises respect, collaboration and client-centricity, will continue to be the driving force of meeting that objective. We firmly believe in fostering a work environment that is inclusive, supportive and places the needs of our clients at the core of all our actions.

What We Do

Since 1926, Loomis Sayles has helped fulfil the investment needs of institutional and retail clients worldwide.

Our performance-driven investors integrate deep proprietary research and risk analysis to make informed, judicious decisions. Using foresight and flexibility, our investment teams look far and wide for value — across traditional asset classes and alternative investments — to pursue attractive, risk-adjusted returns for clients.

To deliver on our goals and responsibilities, we focus on three key areas that shape our corporate, investment and individual conduct:

1

Our foundations for investment excellence and the responsible stewardship of client assets 2

Our values, our culture and our working environment 3

Our impact in our community

Our foundations for investment excellence and responsible stewardship of client assets.

Delivering sustainable performance demands the ability to understand and synthesise a wealth of global analytical inputs, then act on them with confidence to make informed investment decisions.

Six pillars underpin all of our investment strategies, which we believe provide the foundations of success in delivering superior long-term risk-adjusted returns.

A SOUND PHILOSOPHY

Every Loomis Sayles strategy starts with a solid foundation or "alpha thesis." This alpha thesis seeks to identify market inefficiencies and the investment process necessary to exploit them.

INCORPORATED SUSTAINABILITY FACTORS

Our investment teams each use a tailored approach to incorporate ESG factors and engage with issuers and companies to meet our clients' objectives. We do not view ESG as an overlay to our investment processes.

We view it as an integral component throughout. We describe the integration of ESG factors in our research and investment processes in Principle 7.

PROPRIETARY RESEARCH

In this information age, being well informed is no longer a competitive advantage. High-conviction, prudent risk taking requires deep insights that can only be generated through proprietary research.

Tailored research, distinct to each alpha thesis, is an inextricable part of the investment process.

A RIGOROUS, REPEATABLE PROCESS

Investment processes must take an exacting, consistent approach to idea generation, portfolio construction, reward-to-risk assessment and decision making in any market environment. But discipline should never mean dogma; each team continually evaluates and refines its investment process in line with the core tenets of its strategy.

INTEGRATED RISK MANAGEMENT

Risk management is central to alpha generation, not ancillary. Our integrated risk management capabilities are customised to each investment strategy—an approach we believe optimises each team's ability to identify, analyse and utilise risk.

We describe our approach to risk management in Principle 4.

DISCIPLINED PORTFOLIO CONSTRUCTION

Though our strategies have different return patterns and time horizons, they all seek strong risk-adjusted returns. Disciplined portfolio construction requires constant assessment of reward-to-risk at the security and portfolio levels.

Investment teams look for asymmetric reward-to-risk opportunities and minimise exposure when information is lacking or insufficient.

Investment Capabilities

BREADTH OF STRATEGIES POWERED BY PROPRIETARY RESEARCH & INFRASTRUCTURE

EQUITY

Large Cap (US)

- · Large Cap Growth
- All Cap Growth

Small Cap (US)

- Small Cap Growth
- Small Cap Value

Small/Mid Cap (US)

- Mid Cap Growth
- Small/Mid Cap Growth
- Small/Mid Cap (Core)

Global*

- Global Equity Opportunities
- Global Growth

International*

International Growth

Emerging Markets

Global Emerging Markets

FIXED INCOME

US Broad Market

- Short Duration
- Intermediate Duration
- Core
- Core Plus
- Multisector

Corporates

- Investment Grade
- High Yield
- Senior Loans

Emerging Markets

- Corporate Debt
- Local Currency
- Short Duration Credit
- Asia Credit
- Blended

Euro Credit

- Sustainable Furo IG Credit
- Euro Investment Grade Credit
- Euro High Yield Credit

Global

- Bond
- Credit
- Unconstrained
- Sustainable
- High Yield

Liability Driven Strategies

- Corporates/Credit
- Government Credit

Municipals

- Short
- Intermediate
- Core
- Crossover

Mortgage & Structured Finance

- Agency MBS
- Core Securitized
- IG & Opportunistic Credit
- Dedicated CLOs
- Euro ABS

Treasury

- Active Treasury
- Inflation Protected

ALTERNATIVES

- Absolute Return
- Long/Short Equity
- Risk Premia

MULTI-ASSET

- Multi-Asset Credit
- Multi-Asset Income
- Global Allocation

PRIVATE CREDIT

Investment Grade

BESPOKE SOLUTIONS

Our highly flexible investment infrastructure enables strategy customization for distinct client requirements and goals.

Insurance Cash Flow Matching Buy & Maintain LDI Solutions Managed Accounts Sustainability

Our values, our culture and our working environment

We firmly believe in fostering a work environment that is inclusive, supportive and places the needs of our clients at the core of all our actions.

We believe a working culture that prioritises respect, collaboration and client-centricity is a key factor in delivering investment success for our clients as well as providing an enriching working environment for our employees.

Defining our values

The Loomis Sayles **IDEALS** represent the core characteristics of who we aspire to be as employees, colleagues and trustworthy partners to our clients and global stakeholders.

We draw upon them in service of our mission and goals.

Inclusive

We value the lived experiences and alternative viewpoints of all colleagues. An inclusive and equitable workplace that reflects the diverse communities in which we work and live fosters innovation, creative thinking and best-in-industry solutions that help us exceed client expectations.

Dedicated to teamwork

We believe respect, partnership and collaboration across teams and departments makes us better. We support and share success with our teammates and colleagues. We aim to inspire the people around us to be their best.

Excellent

We hold ourselves to the highest standards, both individually and for the sake of our clients. Every employee brings unique expertise and skills to our organisation. Our collective success is dependent on the development and retention of our talented individuals and we respect and honour their contributions to our shared purpose.

Accountable

We honour the commitments we make to our clients, teammates, colleagues and selves. We do not make excuses but instead take responsibility for our actions. We are honest, transparent and are always seeking opportunities to be better.

Leaders

We help ourselves and our colleagues by modelling behaviour that inspires the people around us, including respect, humility, gratitude, empathy and encouragement.

Solutions-Oriented

We are critical thinkers and passionate problem solvers. We assess issues and identify opportunities to deliver innovative solutions to our clients and colleagues.



MARQUES BENTON
Chief Diversity, Equity
& Inclusion Officer

Diversity, Equity & Inclusion (DEI)

At Loomis Sayles, we recognize that an inclusive culture that leverages diverse views is an important element to our success as an organization.

We believe advancing early talent leads to more impactful and innovative solutions, and best positions us to deliver outperformance to our clients. Therefore, we continue to invest in recruiting, developing and retaining talent in many innovative ways. We believe this fosters an environment in which differences contribute to better outcomes for our clients and greater equity for our colleagues. These diverse perspectives are aligned with and integrated into our mission, vision and values. We define diversity as spanning all dimensions of identity, including but not limited to race, ethnicity, nationality, gender identity and expression, physical and mental ability, military status, sexual identity and orientation, marital status, religion, socioeconomic background, and age.

Our internship and mentorship programmes also prioritise career development for candidates who are underrepresented in the investment management industry. For example, our Undergraduate Summer Internship Development (USID) programme focuses on first-generation college students. Additionally, the firm's Undergraduate Women's Investment Network (UWIN) internship and mentorship programme has introduced hundreds of undergraduates to the investment industry.

Our Associate Development Program (ADP) is a two-year program that draws on the talent from the internship and mentorship programmes providing rotations within various areas of the organisation.

Employee Resource & Affinity Groups (ERGs)

Our employee resource & affinity groups strive to promote a culture of diversity, connectivity, and understanding, where all colleagues feel valued, respected, and heard.

Examples of the firm's established employee resource & affinity groups and their missions include:

WOMEN@WORK

Foster an inclusive network to connect, develop, and champion women within Loomis Sayles and the industry.

MOSAIC

Promote a culture of diversity and inclusion. MOSAIC strives to develop and retain a community of talented and diverse employees at all levels of leadership through professional development, networking and engagement.

LS PRIDE

Create fellowship among the LGBTQ+ employees at Loomis Sayles, help foster a workplace environment that encourages all employees to bring their whole selves to work.

VALOR

Provide a platform to support and connect our veterans, family members, and military supporters by providing opportunities for community engagement, education, and resource identification.

GREEN COUNCIL

Reduce the firm's environmental footprint utilizing a systematic approach that educates our workforce and brings about behavioral changes for a more sustainable and healthier future.

HEALTHY MINDS

Build a culture of mental health well-being and foster a workplace that promotes and supports the mental health of all employees, their families and their loved ones.

ALLIES

Reduce barriers to professional advancement through an ongoing commitment to DE&I education and best practices to try to ensure that Loomis Sayles is an employer of choice that attracts, develops and retains the most talented individuals at all levels.

EARLY CAREER PROFESSIONALS

Foster and retain a diverse community of talent through networking, career development, and engagement opportunities.

BLACK COMMUNITY

Create a supportive and inclusive community that champions the advancement, empowerment, and representation of Black professionals. We aim to provide a platform for Black professionals within the firm to network, stay connected, and build a strong sense of community.

AUTISM SUPPORT

Connecting those with family or friends on the autism spectrum with support, resources and personal perspectives.

A Strategic Approach to Community Investments

The Community Investments Team adopts a data-led approach, treating its initiatives as a diversified portfolio while establishing long-term, commitments to maximise its effectiveness.



MELISSA PARTRIDGE
Director of Community
Investments

EMPLOYEE-LED

We seek to involve the broader employee base in philanthropy, fostering a culture of corporate responsibility and enabling it to contribute positively—beyond a dedicated team's efforts.

2 MATERIAL IMPACT

We target opportunities for significant, lasting community benefits, focusing on strategic philanthropic investments.

RELATIONSHIP-DRIVEN

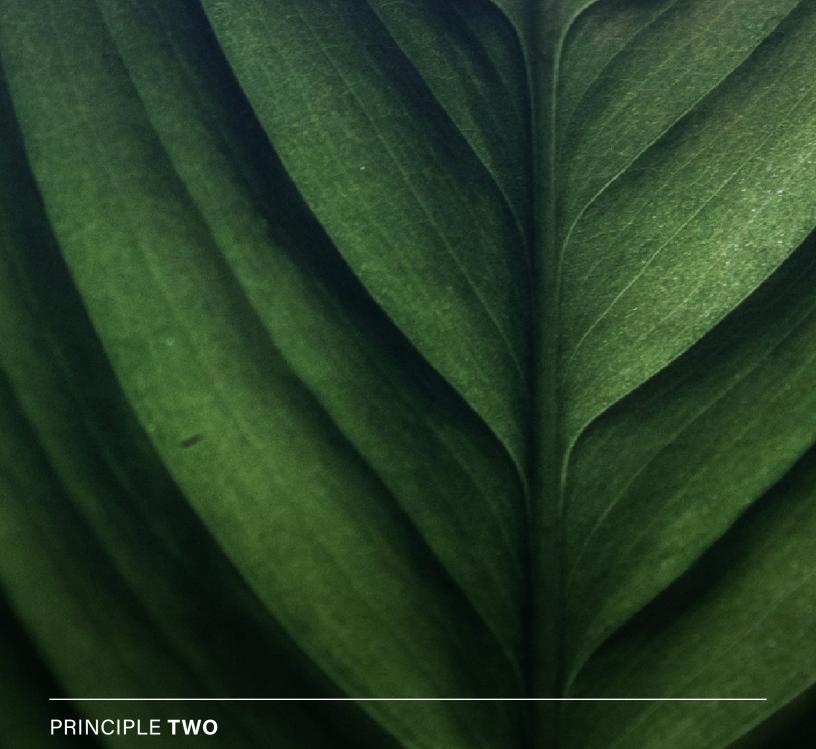
We adopt a trust-based philanthropy model, prioritising building relationships with non-profit organisations and community partners focused on collaboration and shared values.

TARGETED APPROACH

Our method for sizing donations is tailored and discerning, based on the distinctive needs and characteristics of each non-profit partner.

At Loomis Sayles, community investment is a structured, year-round priority that is woven into the fabric of our corporate culture. We believe in regular, purposeful community support.

Beyond our commitments in the US, our activities have a broad international reach, with key initiatives spanning London, Singapore and Utrecht. Aligned with our trust-based approach and goal for meaningful philanthropy, we grant our global offices the autonomy to directly address the distinctive needs and giving landscapes of their regions.



Governance, Resources & Incentives

Signatories' governance, resources and incentives support stewardship.

PRINCIPLE TWO | GOVERNANCE, RESOURCES & INCENTIVES

The Loomis Sayles Management Committee is chaired by our CEO and Chairman of the Loomis Sayles Board of Directors.

Its members include the Chief Investment Officer (CIO), Chief Financial Officer (CFO), General Counsel, Chief Operating Officer (COO), and the

heads of Loomis Sayles' major business units. The Management Committee is responsible for setting policy and strategy for the firm and overseeing the activities of Loomis Sayles' functional committees. It sets the tone at the top by articulating, implementing and overseeing the realisation of the organisation's strategy and values and by maintaining our culture of accountability, transparency and compliance.

LOOMIS SAYLES MANAGEMENT COMMITTEE



Risk Management Committee

The Risk Management Committee, chaired by our CEO, is the firm's key oversight committee.

This committee also includes our Head of Trading, Head of Investment Operations, Director of Quantitative Research & Risk Analysis, Chief Sustainability Officer, COO, Chief Investment Risk Officer (CIRO), Head of Investment Strategy and Risk Management, Co-Director of Credit Research, Model Risk Officer, Head of Global Distribution, Head of Global Product Management, General Counsel, Chief Operating Officer-Growth Equity Strategies, Chief Compliance Officer, Assistant General Counsel, CFO, CIO, Regulatory Compliance Specialist and Risk Officer. It meets quarterly to identify and monitor all areas of firm and investment risk, including stewardship activities. The committee is responsible for reviewing and evaluating reports that assess how effectively governance is supporting all firm risk controls and establishing corrective measures where necessary. The Chief Sustainability Officer and the CIRO are members of the Committee and they are responsible for reporting on many of the stewardship activities undertaken by the firm and our investment teams.

We believe that our governance structures and processes have been very effective in supporting stewardship. For example, the flexibility of our multi-subcommittees system enables the firm to address a wide range of issues related to stewardship. We are flexible and adapt our structure to meet evolving stewardship needs, most recently demonstrated by the formation of an AI oversight Committee.



Diversity, Equity & Inclusion

Loomis Sayles believes in a workplace culture that acknowledges, supports and invests in the diversity of all its members. This is critical to fulfilling the investment needs of our clients worldwide, managing the complexity of our dynamic business and building a community where all employees have an equal opportunity to reach their potential.

Diversity Committee: Led by our Chief DEI Officer, our Diversity and Inclusion Committee is comprised of representatives from the major departments and includes two Board members. It works to oversee the firm's efforts at expanding and deepening our diversity.

Sustainability

Our dedicated Sustainability Team is responsible for identifying and advancing the firm's sustainability initiatives. It partners with the investment teams to provide forward-looking insights on sustainability, helps to identify transition risks and opportunities related to industry trends, and assists in navigating regulatory changes to help meet clients' evolving sustainability needs.

Stewardship and sustainability are embedded throughout the organization and as detailed in Principle 1, each investment team has the tools and resources to effectively conduct stewardship in a manner consistent with its investment philosophy. We believe this structure fosters a culture of shared responsibility and alignment with the firm's stewardship activities across the organisation. This structure is supported by our wider governance arrangements, which ensure effective oversight and reporting of the firm's stewardship activities.

Stewardship at Loomis Sayles is implemented and overseen by several senior committees, including the Risk Management Committee and the Sustainability Leadership Team, both of which report to the Board of Directors on stewardship activities and the monitoring thereof.

SUSTAINABILITY LEADERSHIP TEAM

Our decision-making body provides strategic support, guidance and governance

DEDICATED SUSTAINABILITY TEAM MEMBERS



COLLEEN DENZLER, CFA
Chief Sustainability Officer



JUSTIN DUTCHER Associate Director of Sustainability



JUSTINE GEARIN Sustainability Analyst



STEPHANIE MITTAZ
Sustainability Associate

BOARD & SENIOR LEADERSHIP TEAM MEMBERS



KEVIN CHARLESTON Chairman & Chief Executive Officer



JOHN GIDMAN Chief Operating Officer



REBECCA O'BRIEN RADFORD General Counsel



MAURICE LEGER
Head of Global
Distribution



DAVID WALDMAN
Chief Investment



HOLLIE BRIGGS, CFA, CAIA Head of Global Product Management, GES



MICHAEL GILES Chief Investment Risk Officer



CHRISTOPHER GOOTKIND, CFA Co-Director of Credit Research



ERIN HEARD
Head of Global
Communications



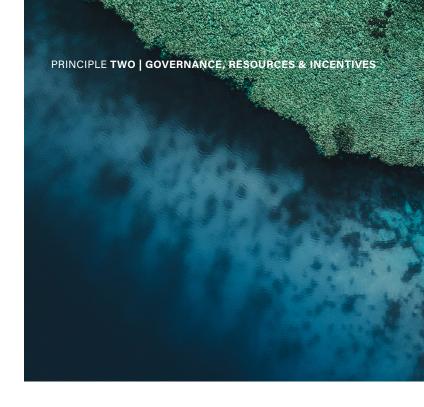
GENE MORRISON, CFA Head of Global Product Management



CHRIS YIANNAKOU Head of EMEA Institutional Services

Sustainability Leadership Team

Throughout 2024, the team met nearly weekly to make decisions regarding the allocation of resources, the implementation of initiatives and the selection of tools and data to support those initiatives at the firm. The members of this group include, among others, the Chief Sustainability Officer, CEO, General Counsel, CIO, COO, Head of Global Distribution, CIRO, Co-Director of Credit Research, Head of Global Product Management, Head of Global Product Management, Five of these and the Head of Global Communications. Five of these individuals are also members of the firm's Management Committee and Board of Directors.



STEPHANIE MITTAZ
Sustainability Associate

Resources

In October of 2024, Stephanie joined the Sustainability Team as a Sustainability Associate. Stephanie works with the team to provide sustainability analysis, maintains various investment databases and liaises with ESG data providers. She also supports ESG integration working with the investment teams and analysts. Stephanie joined the team from the Loomis Sayles Associate Development Program (ADP) having previously worked on both the Sustainability and Relative Return Teams.



VICKI BACHELLER
Sustainability
Marketing Manager

In May of 2024 Vicki assumed the role of Sustainability Marketing Manager. Her remit includes providing support and guidance to colleagues for firm and strategy marketing materials related to sustainability.



Our in-house research which includes more than **190** research professionals across all asset classes, is core to our investment strategies and is fundamental to delivering on stewardship outcomes."

Data and Technology

We are continuously evaluating the marketplace for data solutions that address client needs, increase our coverage of asset classes and accurately reflect industry and regulatory standards. Additionally, our Sustainability Team conducts an in-depth evaluation of potential providers as each evolving category of ESG analysis unfolds.

Our proprietary technology application was developed to serve as a central location for external and internal ESG data. This includes internal proprietary fixed income ESG scores and climate footprint analysis for all portfolios, both equity and fixed income. Our portfolio managers use these proprietary tools to assess ESG metrics within their portfolios and relative to their respective benchmarks.

We continually review ESG resources, focusing on providing

value to our investment teams and improving their ability to incorporate ESG considerations into their fundamental analysis of issuers.

Our fixed income credit and sovereign analysts have created materiality maps for their areas of coverage. Material issues can include a broad range of metrics that may be environmental, social, or governance related. These materiality maps drive an internal Loomis Sayles ESG score or assessment for each credit covered and are housed in a dedicated application that feeds into our fixed income valuation tools (Unified Relative Value, and Emerging Market Relative Value and Regime Tool). The ESG score is not an overlay on the internal Loomis Sayles rating of each credit, but a 'subset' of the credit analysis: it shines a light on the material ESG factors—both risks and opportunities.

The firm has also developed an Engagement Database, a proprietary application built to systematically collect our discussions with company management teams and sovereign officials. We continuously strive to enhance our ability to track and dissect the information we collect.

Research

Our in-house research expertise, which includes more than **190** research professionals across all asset classes, is core to our investment strategies and fundamental to delivering on stewardship outcomes. While our structure differs by asset class, the common goal is to develop a thorough understanding of an issuer or company's track record, governance, management strength and strategy, its use of and impact on human and natural resources as well as regulatory and political risks.

We draw on discussions with company management teams and sovereign officials regarding sustainability issues, as well as subscribing to third-party ESG data as part of our research. Analysts develop independent views on material factors impacting fundamentals in their valuation assessments.

Fixed Income

The coverage of our centralised research analysts spans the credit spectrum and includes issuers in developed and emerging markets. Credit recommendations include research of material ESG issues and combine rigorous fundamental analysis with comprehensive relative value assessments. Credit research analysts are integrated into sector teams that offer market and research insight through collaboration with portfolio managers, strategists, product analysts and traders.



CREDIT RESEARCH

analyses issuers in the corporate bond, bank loan and US public finance markets, including convertibles and distressed credits, along with agency issuers.

SOVEREIGN, COMMODITY AND MACROECONOMIC RESEARCH

assesses the global macro investment environment and analyses sovereign issuers and commodity markets.

SECURITISED ASSETS RESEARCH

covers the ABS, MBS, RMBS and CMBS markets.

QUANTITATIVE RESEARCH

provides quantitative research and risk profile information to the investment teams.

Equity

Equity research analysts are dedicated to specific investment teams to enable them to focus on that particular team's investment philosophy and process. Through disciplined and proprietary fundamental analysis, their research includes material ESG and sustainability issues, as well as valuation perspectives applied over various time horizons and opportunity

sets. Analysts are charged with developing company, industry and sector expertise, and use this knowledge to identify the companies within their coverage that they believe fit best with the investment team's approach to equity investing and can offer the best total-return opportunity over a specified time horizon.

GROWTH EQUITY STRATEGIES (GES)

The GES team is an active manager with a long-term, private equity approach to investing. Through its proprietary bottom-up fundamental research framework, the team looks to invest in those few high-quality businesses with sustainable competitive advantages and profitable growth when they trade at a significant discount to its estimate of intrinsic value. In the team's view, investors and other stakeholders can benefit when long-term structural, strategic and financially material ESG considerations are an integral part of an active, longterm, research-driven investment process. Guided by its alpha thesis and with an owner's mindset, the GES team seeks to develop a deep understanding of the drivers, opportunities and limits of each company, including material ESG considerations, through its disciplined and thorough bottom-up fundamental analysis.

GLOBAL EQUITY OPPORTUNITIES

The team believes investing in companies with the alpha drivers of quality, intrinsic value growth and valuation can help deliver long-term outperformance. The team's primary source of idea generation is through fundamental research. Research analysts seek to identify quality companies globally that are mispriced in the market and have a duration effect (compounding effect of the quality and intrinsic value growth alpha drivers, i.e., they add value to a stock over time), effectively targeting two market inefficiencies.

SPECIALTY GROWTH STRATEGIES

The team's traditional fundamental research is the driving force behind its decision-making process and they largely

rely on internal, proprietary research. The goal is for a lower volatility approach to high growth investing. Idea generation consists of methodologies that help target undiscovered secular growth stocks.

SMALL CAP VALUE

The team utilises a disciplined, fundamental, bottomup active approach to investing. The investment philosophy is rooted in the belief that known and recurring inefficiencies are available in the small cap market causing stock prices to deviate from their intrinsic value. The team uses a repeatable investment process to uncover higher quality businesses and seeks inefficiencies in companies that are misunderstood, underfollowed or in the midst of a special situation.

GLOBAL EMERGING MARKETS EQUITY

The team embraces a private equity approach to public equities and represents a high-conviction, benchmarkagnostic approach that exploits emerging markets' inefficiencies rather than conforming to them. The team seeks distinctive insights through deep, fundamental research to identify high-quality companies, as well as companies transitioning to become high-quality, trading at a significant discount to intrinsic value. Deep insight requires going well beyond company management, as the team seeks to exploit the 'quality inefficiency' in global emerging markets through rigorous security selection. By prioritizing stock selection rather than country or sector calls, we generate alpha from companylevel transformations and deliver a truly active approach that maximizes emerging markets' unique inefficiencies and creates meaningful long-term value.

Training

Loomis Sayles is dedicated to ensuring investment teams have access to the training required to understand and integrate sustainability practices that are most effective in the context of their investment processes.

Training is provided via multiple channels using a combination of internal and external resources throughout the year, and the firm supports employees who pursue professional development opportunities related to sustainability. The Sustainability Team coordinates efforts to provide both live training and courses on the Loomis Sayles Learning Portal, a web-based continuing education platform available to all employees.

Incentives

We ensure the firm's remuneration practices promote sound and effective risk management, including sustainability risks.

The Chief Sustainability Officer is responsible for partnering with the investment teams to provide forward-looking insights on sustainability, helping to identify transition risks and opportunities related to industry trends, and assisting in navigating regulatory changes to help meet clients' evolving sustainability needs. The Chief Sustainability Officer's compensation is tied to the continued progress, integration and engagement of sustainability across the firm.

In fixed income, centralised investment analysts are responsible for deciding how material ESG factors affect their view of an issuer's overall creditworthiness and valuation, which includes the incorporation of robust ESG materiality maps. The investment analysts on each equity team are

responsible for assessing and valuing companies within the context of their investment philosophy and process, which integrates material ESG considerations. Since ESG is integral to our analysts' research, and the analysts are measured on performance, ESG 'performance' is embedded in their evaluation. Portfolio managers decide which securities actually go into portfolios, based on their investment process and input from research analysts, investment analysts, traders and others.

Portfolio managers are rewarded for meeting the return objectives communicated to clients. Their compensation has a long-term component. A long-term view of performance will naturally align with financially material sustainability assessments. Portfolio managers will take into account such matters in the normal course of assessing the risks and opportunities related to the long-term prospects for issuers they are considering purchasing or selling, or those that are already held in their portfolios.

PRINCIPLE **THREE**

Conflicts of Interest

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

PRINCIPLE THREE | CONFLICTS OF INTEREST

Our Conflicts of Interest Policy sets out the principles and guidelines for identifying, managing, recording and, where relevant, disclosing existing or potential conflicts and protecting the interests of Loomis Sayles' clients.

We regularly review our business to identify potential conflicts of interest and ensure already identified conflicts continue to be managed effectively. When assessing a potential conflict of interest, we consider things such as whether Loomis Sayles:

- is likely to make a financial gain, or avoid financial loss, at the expense of the client;
- has an interest that is separate and distinct from that of the client in the outcome of the service provided to the client or of a transaction carried out on behalf of the client;
- has a financial or other incentive to favour the interest of one client or group of clients over the interests of another client or groups of clients; or
- receives or will receive, from a person other than the client, an inducement in relation to the service provided to the client, such as in the form of higher fees

Each Loomis Sayles employee is responsible for:

- identifying actual or potential conflicts of interest and reporting them to the Chief Compliance Officer (CCO);
- discussing any questions or concerns about possible conflicts with the CCO; and
- managing and mitigating conflicts fairly and in accordance with applicable policies and procedures.

UK STEWARDSHIP CODE REPORT | 2024

In accordance with our Procedures for Maintaining the Loomis Sayles & Company Compliance Manual, our CCO or his designee reviews the Conflicts of Interest policy on an annual basis. In 2024, the review concluded that no changes needed to be made to the policy. It is also reviewed and approved annually by the Board to ensure it remains accurate and up to date. Our Conflict of Interest Policy is available on our Website, which is available: Loomis Sayles COI Policy

Annually, employees are required to pass a compliance exam. In part, the exam includes questions designed to address areas of potential conflicts of interest and our fiduciary responsibility to clients. In 2024 all employees completed the compliance exam.

In addition, the firm has several oversight committees that monitor our business practices and risks, including potential conflicts of interest. We take our fiduciary duty to clients seriously and believe we have robust policies and procedures in place to effectively manage conflicts of interest and always act in our clients' best interests.

We have identified specific examples where potential conflicts could arise in relation to our stewardship activities. Many of these conflicts are managed through our Proxy Voting Policies and Procedures, which are designed and implemented in a way to ensure that proxy matters are handled in the best interests of clients.

The Proxy Voting Procedures describe how Loomis Sayles will vote on the most common proxy proposals.



Topics include director nominees, proxy contest defences, ratifying auditors, tender offer defences, governance provisions, capital structure, executive and director compensation, incorporation domiciles, mergers, acquisitions, corporate restructurings and ESG matters. The Proxy Committee determines how the firm will vote on those matters not specifically covered by the Proxy Voting Policies and Procedures. Investment teams have discretion to vote differently from the firm's default position determined by the Proxy Voting Policies and Procedures or Proxy Committee, after taking the following steps: (1) conducting a review for any material conflict of interest Loomis Sayles may have and (2) if any material conflict is found to exist, excluding anyone at the firm who is subject to that conflict of interest from participating in the voting decision in any way. Further details of our Proxy Voting Policies and Procedures are provided under Principle 12. Below we set forth general areas where we expect conflicts to arise in connection with our stewardship and proxy voting matters, as well as actual instances where our policies effectively addressed situations where conflicts may have otherwise occurred in the reporting year.

EXAMPLES OF POTENTIAL CONFLICTS THAT COULD ARISE IN RELATION TO OUR STEWARDSHIP ACTIVITIES INCLUDE:

Different investment teams invested in the same asset may have a different preferred outcome on a particular voting proposal. This could be due to varying investment philosophies or as a result of being invested in different levels of the capital structure. For example, Loomis Sayles' equity and fixed income teams may have divergent interests in a proposal for a merger and acquisition or debt restructuring.

In the event that investments teams have differing views regarding the impact of the proposal on their clients' investment interest, we may cast a split vote, despite the stated policies in our Proxy Voting Policies and Procedures.

We may engage with an investee company whose pension scheme is also a client.

Our proxy voting is not influenced by our client base and thorough checks are undertaken prior to all votes in order to identify any relationships between the investee company and Loomis Sayles that could result in a perceived conflict. In this instance, we would alleviate any potential conflict by voting in accordance with our Proxy Voting Policies and Procedures.

Employees may have a personal interest in the outcome of a voting proposal that conflicts with the interests of a client.

When submitting a voting recommendation, employees must certify the recommendation is made in the client's best interest and they are not aware of any personal conflicts affecting their recommendations. For example, the existence of a personal or professional relationship with members of the investee company board. All employees are subject to our Code of Ethics.

Our engagement and stewardship policies may conflict with those of our clients.

Clients may dictate specific terms with respect to proxy proposals that conflict with the stated policies set out in the Firm's Voting Policy and Procedures. In these situations, we will direct the proxy vote in accordance with our client's wishes.

Case Studies

CASE STUDY 1

Votes split as a result of investment teams' preferred outcomes differing

131 individual proposals where the vote was split.

When multiple investment teams have holdings in the same stock, our policies and practices ensure that votes are cast in alignment with each team's strategy and views on the proposal. These practices ensure that proxy voting is consistent with the strategy in which individual clients are invested.

Over the course of 2024, there were eight different investment teams at Loomis Sayles involved in proxy voting where the votes were split. These proposals included topics such as: director elections, compensation, corporate governance, capitalization matters, shareholder rights, reporting on climate change and human rights. Our investment teams had different views on the preferred outcome of these proposals, and therefore votes were split according to shares held among the teams.

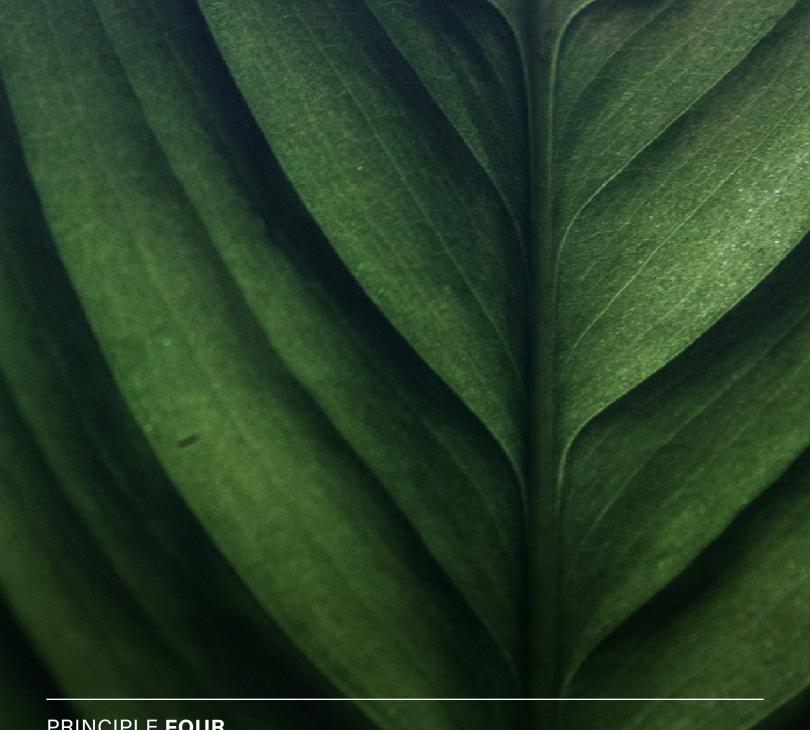
CASE STUDY 2

Votes split as a result of a client's proxy policy directing votes differently from investment team's preferred outcome

Nine clients have their own proxy voting policies that direct their proxy voting.

When a client has a specific proxy voting policy for their portfolios, our policy and practices ensure that when a vote is cast it is aligned with the client's direction, and commensurate with their portfolio holdings. These practices ensure that proxy voting is consistent with client guidelines.

Throughout 2024, there were nine different client relationships where clients voted their proxies across three different equity investment teams. Sample topics included: Director Elections, Remuneration and Corporate Governance.



PRINCIPLE FOUR

Promoting Well-Functioning Markets

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

PRINCIPLE FOUR | PRESERVING WELL-FUNCTIONING MARKETS

We believe that successful management of client assets is built on an intelligent assessment and understanding of risk. The identification and management of risk is embedded in each investment team's decision-making process. Client interests come first in everything we do.

The identification and management of risk is a central part of our investment decisions. In their assessment of market-wide and systemic risks, our investment teams may choose to access our Macro Strategies research team, which is responsible for assessing the global macro investment environment, including identifying market-wide systemic risks. Research analysts in our sector and

product teams also play a role in identifying asset class and sector-specific risks, as well as interpreting how market-wide issues are likely to affect particular sectors, companies and issuers.

We use proprietary risk management systems and employ various metrics customised to the needs of each investment team to ensure investment decisions are made following a robust assessment of risk.

The firm's Risk Management Committee is responsible for ensuring that the firm is identifying, monitoring and managing the primary risks (investment, operational and legal) inherent in the firm's business. This committee meets quarterly and includes board members and senior representatives from various departments, as described in Principle 2.

Managing Risk In Equity Portfolios

The starting point for equity teams is the portfolio manager's alpha thesis, which leads to a proprietary research and portfolio construction process.

Some equity teams at Loomis Sayles employ 100% bottom-up, fundamental research. Others employ a top-down approach to investment research or a combination of top-down/bottom-up. Equity teams may choose to incorporate the Macro Strategies team's research and tools as an input into their analysis and management of macro risks. For example, they might find it useful to discuss currency views with our sovereign analysts, or policy and growth-rate forecasts with our US yield curve sector team.

Case Study Growth Equity Strategies

Alpha generation requires both active investment management and active risk management

Our alpha thesis encapsulates a deeply held system of persistent beliefs, a rigorous, repeatable investment process and substantive proof points. For alpha generation, the pursuit of greater upside potential and managing absolute levels of risk are inextricable goals. Each tenet of our alpha thesis is designed—individually and collectively—to promote this dual objective for our investors.

We are an active manager with a long-term private equity approach to investing. Because we approach investing as if we are buying into a private business, a long investment horizon is central to our philosophy. We believe a long investment horizon affords us the opportunity to capture value from secular growth as well as capitalize on the stock market's shortsightedness through a process called time arbitrage. In our view, investors and other stakeholders can benefit when long-term structural, strategic and financially material ESG considerations are an integral part of an active, long-term, research-driven investment process.

At the heart of active management lies the belief that one can deliver returns in excess of the benchmark. Over the long-term, we believe that markets are efficient. Near term, however, we believe innate behavioral biases, such as herding, overconfidence or loss aversion lead to a breakdown in dynamic price discovery that results when investment decision-making is driven by factors other than valuation. Overcoming these natural tendencies is difficult. Consequently, the resultant pricing anomalies persist, creating potential opportunities for active, long-termoriented, valuation-driven managers like us. These pricing inefficiencies converge toward intrinsic value over time. Market efficiency is thereby dynamic, existing along a continuum between fully efficient and inefficient pricing. Capitalising on these opportunities requires a disciplined process and a patient temperament.



Our process relies 100% on bottom-up, fundamental research. As a true fundamental investment manager, we build our portfolios stock by stock. All aspects of our Quality-Growth-Valuation investment thesis must be present simultaneously for us to make an investment in a business. Valuation drives the timing of all investment decisions. Often our research is completed well in advance of the opportunity to invest. Patient investors, we maintain our analysis of high-quality growth businesses, for more than five years in some cases, in order to take advantage of meaningful price dislocations if and when they occur.

Counter to the buy discipline of many growth equity managers, we believe the risk of investing in a great company is actually lower after its stock price has fallen, assuming our long-term investment thesis remains intact. Ultimately, we see our job as an investment manager is to allocate capital to the most compelling long-term reward-to-risk opportunities. Holding all else equal, the larger the discount between market price and our estimate of intrinsic value, the greater we view our margin of safety. There is one last essential component to successfully implementing this tenet of our alpha thesis: it demands the temperament—and concomitant discipline—to be a contrarian who can buy into fear and sell into greed. It is not easy to stand alone, apart from the crowd. Adhering to the tenets of our alpha thesis helps us manage downside risk and could increase upside potential.

Growth Equity Strategies Case Study (contd.)

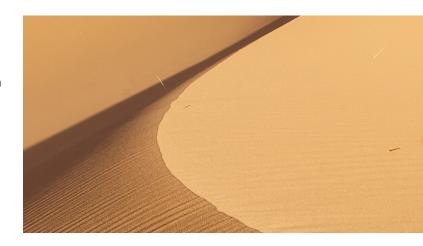
Our active risk management is an integral part of our active investment management. Because we define risk as a permanent loss of capital, we take an absolute-return approach to investing and seek to actively manage our downside risk. More commonly, risk is framed in terms of relative returns and tracking error versus a particular benchmark. While benchmarking investment performance to a specific index began as a tool to help understand and judge portfolio manager performance, this relative-return orientation has morphed into the baseline for acceptable risk and return.

Measuring risk, however, must not be confused with managing risk. We believe defining risk in relative terms obfuscates the fact that the benchmark itself is a risky asset. This is particularly true with cap-weighted indices: downside risk increases significantly when the stocks of a particular sector experience a run-up in prices that are above their fundamental intrinsic values. If portfolio managers tie investment decisions closely to the benchmark, amplifying rather than managing risk, they take on this additional downside risk and may thereby put shareholders at risk of a permanent loss of capital. In the case of a bubble - as we observed in the dot-com bubble of 2000, energy bubble in 2008 and work-from-home bubble in 2020-2021 - stocks can experience a run-up in prices far above their fundamental intrinsic value. We believe the companies in these cohorts reflected unrealistic investor expectations that were borne out by their subsequent underperformance in the years that followed.

This is an example of how the widespread use of non-value-focused decision-making can compromise near-term price discovery, creating market inefficiencies. We believe that noisy stock prices will converge toward fundamentally driven intrinsic value over time. Therefore, we attempt to identify intrinsic value and through time arbitrage exploit the long-term differential between this value and the market's current perception. Because our strategy is to invest in a stock only when its market price is at a significant discount to our estimate of a company's intrinsic value, we actively pursue both greater upside potential and the possibility of lower downside risk.

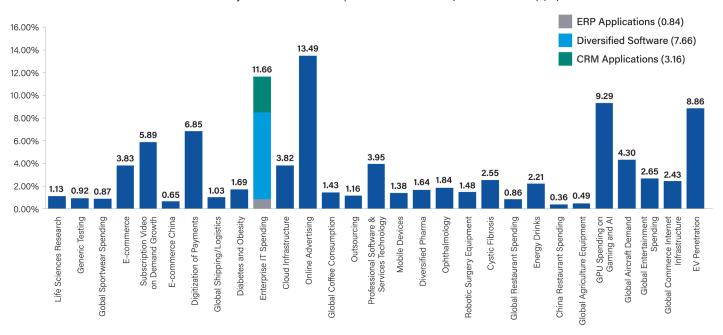
Diversification is an important tool in managing portfolio risk or volatility. However, we believe that diversification using traditional sector definitions can potentially mask high underlying correlation of business drivers. In 2022 for example, the stock price volatility of a 100-stock portfolio that appeared well diversified across sectors would nevertheless contain far greater risk than met the eye if the underlying holdings were outsized beneficiaries of the work-from-home pandemic lockdown.

Cognisant of this risk, we seek to enhance risk management by diversifying the long-term, structural business drivers to which our holdings are exposed. We identify the primary business driver through our bottom-up valuation analysis for each company as the growth driver that has the largest impact on our estimate of intrinsic value. These are dynamics that are unlikely to change over our five- to ten-year investment horizon. The transition of consumer shopping from in-store to online—still only at lowteens penetration rates in the global consumer market—is an example of a long-term secular driver of growth. Other examples include growth in cloud infrastructure, the shift to outsourcing and the increasing penetration of electric vehicles. We seek to invest in a portfolio of companies with imperfectly correlated business drivers because the positive impact of one may offset the negative impact of another. We believe constructing a portfolio of companies with diverse and lowly correlated business drivers fosters more efficient diversification of risk.



Growth Equity Strategies Case Study (contd.)

Growth Equity Strategies Diversification by business driver – Representative Account (as of 12/31/2024) (%)



Source: Loomis Sayles. The team has determined the business driver categories. Certain categories are further broken down into sub-categories for additional clarification. Holdings, category titles and exposures are subject to change. Due to active management, characteristics will evolve over time. Characteristics are shown for a representative account. Due to systems limitations it is difficult to analyze characteristics on a composite basis. This representative account was selected because it closely reflects the Loomis Sayles Large Cap Growth investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts managed in the Large Cap Growth investment style.

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

Please see the GIPS Composite Report at the end of this presentation for a complete description, including performance dispersion, of the Loomis Sayles Large Cap Growth Composite.

We limit our exposure to any one business driver to no more than 15%-20%. Correlation analysis among the business drivers is approximately .33, similar to the correlation among the stocks in the S&P 500.

We take a long-term structural and permanent approach to risk management. We believe portfolio level risk management can only be achieved by first managing risk as the individual security level. At the security level we incorporate an analysis of fundamental risk, financing risk and valuation risk.

FUNDAMENTAL RISK

We develop a deep understanding of each business through our proprietary, bottom-up seven step research framework.

FINANCING RISK

Identify profitable growth companies with sustainable cash flows to self-fund business investments needed for future growth.

VALUATION RISK

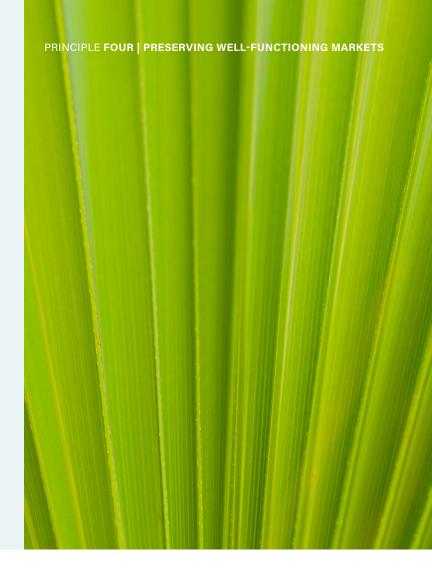
Invest with margin of safety by not overpaying for a company.

Therefore, risk management is an integral part of our investment process, not a separate overlay or optimisation process. As such, it is integrated with our proprietary analysis of business models, competitive advantages, operating efficiency, corporate management strategy and integrity, profitable growth and its intrinsic valuation. In short, our active risk management process is an inherent part of our active investment management process.

Managing Macro Risk in Fixed Income Portfolios

Macro-economic risk is a key factor in managing fixed income portfolios. There are many layers and nuances for investment teams to understand in determining the optimal positioning and exposure of client portfolios.

Our Macro Strategies team uses a mosaic of financial research and resources to assess the global macro-economic environment. Over time we have built up a diverse range of tools for identifying, analysing and quantifying risk and opportunities to give our investment teams clear indications of trends and developments and a solid basis for effective management of client portfolios. These tools are built upon active fundamental research and analysis.



EXAMPLES OF RISK TOOLS

INVESTMENT GRADE RISK PREMIUM

WHAT IS IT?

Regression model estimating projected downgrade loss for US investment grade bonds for comparison to current credit spread.

HOW IS IT USED?

To determine value (risk premium) in credit; provides percent chance of positive excess returns.

WHAT DOES IT ADD IN OUR INVESTMENT PROCESS?

Helps frame asset allocation decisions.

LOOMIS SAYLES RISK APPETITE INDEX

WHAT IS IT?

Diffusion index describing the economy and financial market risk appetite.

HOW IS IT USED?

Signals when risk appetite is increasing, decreasing, above average or below average.

WHAT DOES IT ADD IN OUR INVESTMENT PROCESS?

Provides insights about the risk environment as investment teams think about portfolio risk profiles.

In addition to those highlighted above we have a number of other tools that cover crucial investment factors such as foreign exchange, corporate health, ESG materiality (as described in Principle 7), relative value, inflation, credit and economic cycles and correlations.

Loomis Sayles Credit Analyst Diffusion Index

Our Credit Analyst Diffusion Index (CANDI) is based on a quarterly survey of our analysts' outlook and designed to capture forward-looking views on the health of US corporate bond issuers and industries at a fundamental level. The process is managed by our Macro Strategies team. They provide a top-down assessment of the US economy to senior analysts in our Credit Research team. The credit analysts then complete a survey comprising a standard set of eight questions each quarter on their six month forward-looking views on the companies and industries they cover. Survey responses are quantified as diffusion indices which indicate the direction for critical fundamentals. The result is a data point indicating strength, weakness or no change.



The collaboration between our Macro Strategies and Credit Research teams ensures that the firm is holistically assessing the operating environment for US corporates on an ongoing basis. CANDI helps inform our research and investment teams about corporate behaviour trends and corporate health, enhancing our decision-making on levels of risk in actual client portfolios.

CANDI covers different industry trends in supply side costs, pricing power, leverage, risk, credit outlook and profits margins.

WHAT IS IT?

Quarterly survey-based framework capturing forward looking views on corporate health fundamentals.

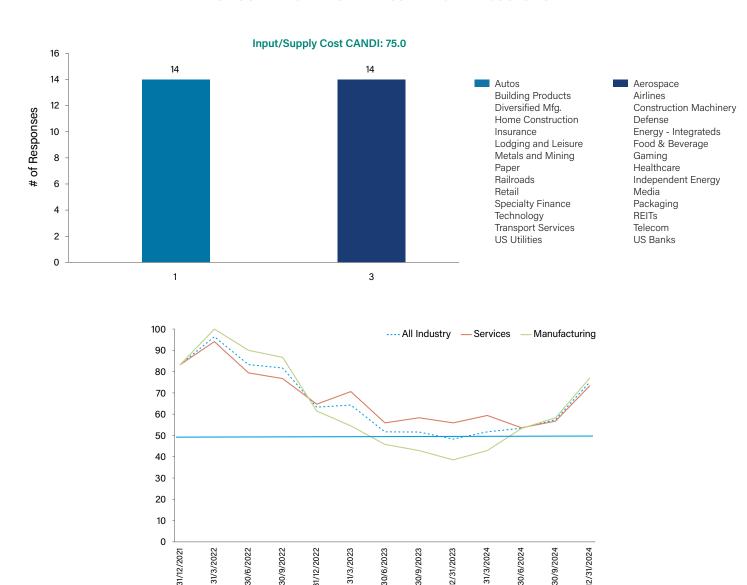
HOW IS IT USED?

Ties together the top-down macro views with the bottomup views from credit analysts, helping to identify investment themes, sectoral opportunities, etc.

WHAT DOES IT ADD IN OUR INVESTMENT PROCESS?

Provides strong insights to investment teams thinking about asset allocation and security selection.

WHERE DO YOU EXPECT INPUT AND SUPPLY CHAIN COSTS TO TREND?

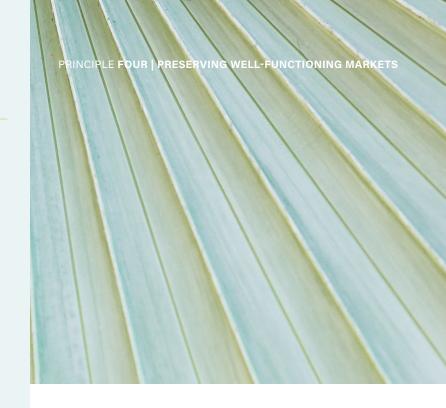


Rising costs, tempered impact

One of the most striking findings from the latest reading is the broad rise in input and supply chain costs across industries.

Credit analysts overwhelmingly expect increasing cost pressures across sectors. Expectations for tariff rollouts and labor shortages are key drivers of this trend, compounded by ongoing supply chain disruptions in some industries.

These pressures are not, in our view, derailing the broader fundamental backdrop. So long as a highly disruptive tariff environment can be avoided—though uncertainty around potential announcements and negotiations is likely to persist—we see potential for some input and supply chain costs to moderate. This view reflects both strategic adaptability at the company level and the continued strength of the US economy as it progresses through the late-stage expansion phase of the credit cycle.



Profit margins show resilience

One might expect rising costs to hit profitability, but the 4Q2024 CANDIs results suggest a more nuanced story. Across industries, profit margins have remained stable, though our analysts do not expect significant expansion. For investment grade and large-cap companies, margins are near all-time highs. We believe stability at this level is a reassuring signal.

Some sectors—US banks, for example—are showing signs of margin improvement. Strong demand for services like investment banking and recovering net interest margins, which troughed in mid-2024, have positioned banks for potential margin expansion, in our view.

On the other hand, industries reliant on discretionary consumer spending, namely retail, are likely to face ongoing challenges. Although consumer spending appears solid on the surface—driven by more affluent spenders who have benefited from consecutive double-digit annual gains in the S&P 500 Index—we expect expanded promotional activities, elevated freight costs and potential tariffs to weigh on profitability in the sector.

In our view, tariffs remain the most significant risk to margins across industries. Furthermore, we believe achieving meaningful margin expansion from here will be challenging given the already elevated levels of corporate profitability.

Select CANDI insights in 2024

CANDI insights had investment implications throughout 2024 from a top-down and bottom-up perspective. The CANDIs helped inform the Macro Strategies team of solid trends in profitability which should help prolong the credit cycle and economic expansion.

DIVERGING SECTOR PERFORMANCE:

Bottom up signals across industries help us add alpha through security selection.

While manufacturing is exhibiting some strength, services sectors face more pronounced challenges in the current environment. Below is a high-level look at some key takeaways from our sector analysts:

AUTOS:

The auto sector remains under pressure, grappling with potential tariff impacts and rising labor costs. Challenges in passing these costs through to consumers could weigh on profitability in the coming quarters, in our view.

HOMEBUILDING:

Homebuilders have been supported by strong demand and supply constraints. Their ability to offer concessions, such as mortgage rate buy-downs, has provided a cushion against rising costs.

TECHNOLOGY:

We think AI infrastructure demand remains a key tailwind, supporting growth and profitability. We are monitoring potential tariff implementation very closely, especially on countries that manufacture tech hardware and equipment for US companies.

ENERGY:

Long a laggard, we believe the energy sector could see upward revisions by mid-year, particularly if crude oil prices remain stable or rise.

GAMING:

The outlook is stable overall, though mobile gaming poses a risk to brick-and-mortar casinos. The continued recovery in Macau is a bright spot and may provide incremental growth opportunities, in our view

We believe market volatility can offer opportunity

For investors, the combination of more broad-based earnings growth, steady corporate health and attractive yields supports a cautious but optimistic outlook, in our view. Fundamentals remain solid and while US credit may not offer much excess return relative to Treasurys, yields and total return expectations are attractive, in our view. In the near-term, we believe any periods of weakness or spread widening may present opportunities to add exposure selectively.

Loomis Sayles Sovereign Analyst Diffusion Index (SANDI)

Similar to CANDI, SANDI tracks the cyclical views our sovereign analysts have on macroeconomic fundamentals, markets and ESG on a monthly basis.

The survey captures our analysts' six-month outlook for 32 developed and emerging countries (not including the US). The index serves to distil team views on the global economy and provide a rationale for sovereign analysts' investment recommendations, together with other key factors such as structural views, valuations and technical considerations.

THE FOCUS

is on country fundamentals (whereas CANDI focuses on corporate fundamentals). The goal is to assess changes in the trajectory of economic variables in terms of whether things are improving, stable or deteriorating. There are nine questions per country:

- Eight macro fundamental questions
- One ESG question

THE GOAL

of SANDI is to assess whether country fundamentals are getting better or worse. Some of the fundamentals looked at are growth, inflation, trajectory for monetary policy, fiscal policy and other key variables.

SANDI provides our analysts with clear signalling of outlook and sentiment that enhances traditional macro forecasting and conveys analyst bias relative to current consensus.

The Loomis Sayles SANDI saw stability in the developed market index, though deterioration in the emerging market index in the last quarter of 2024 drove a decline in the global index. Emerging market growth remained stable, but the index saw a deterioration in expectations for both fiscal and external accounts which weighed heavily on the index in the last months of the year.

Developed market analysts saw the mild weakening growth expectations in the last months of the year as well as expectations of tighter monetary policy over the coming six months, though those deterioration's were balanced out by expectations of mild improvements in external and fiscal account expectations.

WHAT IS IT?

Index tracking sovereign analysts' cyclical views on macroeconomic fundamentals, markets and ESG.

HOW IS IT USED?

To inform and communicate both bottom-up and top-down macro views.

WHAT DOES IT ADD IN OUR INVESTMENT PROCESS?

Provides a framework for assessing global sovereign fundamentals and a simple way of conveying analyst/ team views to product teams

Market-wide and systemic risks during the reporting period

PRINCIPLE FOUR | PRESERVING WELL-FUNCTIONING MARKETS

Geopolitical Update

We believe that the geopolitical situation in the Middle East and North Africa (MENA) is currently the most uncertain it's been in the last 80 years. Saudi Arabia and the rest of the Gulf Cooperation Council (GCC) had welcomed the return of a Trump administration they shared close ties within his first term, but were shellshocked by President Trump's demand to OPEC+ to increase oil production and his insistence that Gaza be emptied which causes domestic pressure in Gulf capital and Saudi in particular, on both accounts. The U.S. continues to desire a normalization of ties between Saudi and Israel, though this remains complicated in Saudi Arabia after October 7th, as they do not want to be seen domestically (and within the Arab world) as "selling out" the Palestinians without securing a "pathway" to a Palestinian state. While the Saudi's seriousness on the "pathway" condition is debated, the demand would be complicated by Israel's aversion to the creation of Palestinian state and the entire agreement is complicated by an assumed unwillingness of U.S. Congress to provide Saudi Arabia with a security pact.

Israel has seen stunning successes and is euphoric about the weakening of Hezbollah and the fall of Assad in Syria. Prime Minister Netanyahu has declared "total victory" and says Israel has "changed the face of the Middle East." Indeed Israel has successfully degraded Iran's "axis of resistance". Hezbollah has been weakened and it appears that Iran cannot easily resupply it given the collapse of Assad. Losing the axis takes away Iran's deterrence for attacks on itself by reducing its ability to attack Israel. Iran itself may be feeling weak and may feel they are in a desperate situation. They may believe they must prioritize attaining a nuclear weapon for regime survival, though doing so carries significant risk that the U.S. and Israel will act against it militarily if it does so.

Iran's greatest military deterrence from Israel and the U.S. attacking it at this point is the transactional rapprochement they have with the GCC. Iran has promised the Emrati's and the Saudi's that they could easily strike their oil fields, as they have done in the past, if they themselves are attacked by the West. This is primary reason that the Saudi's and Emirati's have been vocal about de-escalation and rapprochement.

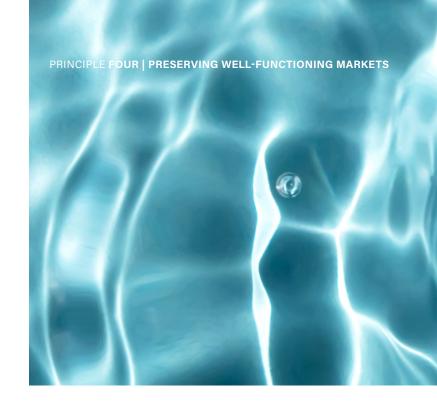
President Trump's plan to resettle Gazans in Egypt and Jordan has also caused alarm in Cairo and Amman, as both see the plan as posing an existential threat to their regimes. Despite rumors that the two countries would be encouraged to comply with the dual approach of being threatened with the withholding of US aid in addition to potential compensation from the GCC, the plan is considered a non-starter domestically. Both the Egyptians and Jordanians see the plan as potentially destabilizing as it would import a population that they see as more aligned with the government's enemy, the Muslim Brotherhood and would risk backlash from their populations for what will be seen locally as complicity in the displacement of Palestinians.

The three phase ceasefire in Gaza negotiated in January, while a positive development for stability and an early win for the Trump administration, appears brittle and may collapse, bringing about the re-start of war. The issue remains the gap between Israel and the U.S.' demand for the dismantling of Hamas and Hamas's current popularity in the enclave and the choreographed ceremonies during hostage releases which show Hamas as still in charge of Gaza.

Market-wide and systemic risks during the reporting period (contd.)

Global Supply Chain Disruptions

Supply chain disruptions created a unique inflationary impact that we have not seen in recent history. For our investment teams who employ top-down macroeconomic forecasting, we found that these effects were not being picked up in more traditional fixed income forecasting techniques, such as our US economic forecasting process or our Inflation Impulse model, given novel and specific causes of supply chain issues in the aftermath of the COVID-19 pandemic.



BOTTLENECK BAROMETER - A NEW INPUT TO DURATION AND YIELD CURVE POSITIONING

Since these effects and the ensuing inflation could have a significant impact on companies, industries and ultimately on our clients' investments, it was imperative to build a better way of analysing and monitoring global supply chains for these teams.

The Bottleneck Barometer collects data on 56 variables, organised into five independent categories listed in the boxes below. We standardise the variables and create

indices for each of the five categories. From there, each category's index is given a one-fifth weight in our "headline" Bottleneck Barometer. Collectively they measure the current and expected level of disruption in the supply chain. This is critical for understanding inflation, as standard inflation models generally do not account for supply chain stress.

BOTTLENECK FRAMEWORK

SEMICONDUCTOR MARKET

TRANSPORTATION

ENERGY/ COMMODITIES

INVENTORIES

LABOUR MARKET

The Bottleneck Barometer has proved to be useful as an input to understanding the macro environment in the 2020s. The index peaked in October 2021, when dozens of container ships waiting outside the port at Long Beach, CA was front page news. Just as the index was suggesting the COVID-induced supply chain crisis was resolving itself, the index experienced additional stress at the start of the Russia-Ukraine war in February 2022. By July 2023, the index fully returned to normal levels where it has remained since. While the index suggests the supply chain has fully healed, we continue to use it to monitor for future disruptions

Growth Equity Strategies

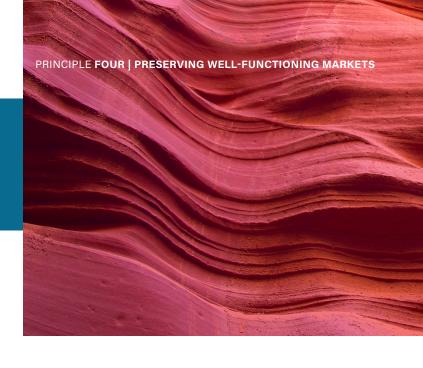
Climate Risk: A Fundamental and Long-Term Approach to ESG

Because we approach investing as if we are buying into a private business, a long investment horizon is central to our philosophy.

We believe the opportunities and risks associated with ESG matters, including climate risk, are integral to management's long-term strategic focus and are thereby structural to our analysis of a company's business models, competitive advantages, operating efficiency, management strategy and integrity, profitable growth, and our estimate of intrinsic value. What's more, we believe company management must necessarily weigh and manage the interests of various stakeholders including employees, customers, supply chain partners and local communities, as well as steward resources. Therefore, ESG considerations can be structural to each step of the Growth Equity Strategies (GES) Team bottom-up, fundamental research framework.



We look for company management teams who view ESG integration as a launch pad for innovation, competitive differentiation and continuous improvement, not merely a check-the-box exercise."



In addition to our deep fundamental research, our long-term constructive relationships with management teams are important to our assessment of long-term opportunities and risks — including climate risk.

We typically develop these relationships through years of regular and recurring dialogue regarding key decision-making criteria. We believe a long-term orientation is fundamental to a strategic decision-making framework. Conversely, we believe that management teams focused on short-term objectives cannot realize long-term results. Therefore, we seek to invest with management teams who share our long-term perspective. This is no less important when considering climate risks because a company's strategy for climate change mitigation can take years if not decades to shape and implement.

To this end, we look for management teams who view ESG integration as a launch pad for innovation, competitive differentiation and continuous improvement, not merely a check-the-box exercise. For example, we want to see management investing in R&D to innovate products and solutions that drive better environmental or social outcomes. It is also important that management advance sustainable supply chains by stewarding local resources, production and communities. A company's brand can be a key competitive advantage. Building and sustaining brand strength is tied not only to effective marketing and responsiveness to changing consumer product preferences. It is also tied to a company's overall reputation—the sum total of all customer perceptions and the public's opinion of all corporate actions. We believe consumers increasingly want to understand the environmental impact of the companies and brands they support. Assessing and understanding climate change opportunities and risks are important and relevant to us as long-term asset owners. Ultimately, we are evaluating management's ability to allocate capital to investments creating long-term shareholder value.

Growth Equity Strategies (contd.)

We also engage with companies about managing the risks — and opportunities — of climate change to their operations over time. We independently track and measure carbon intensity, carbon emissions in scope 1, 2 and 3 as well as climate transition pathways with third-party tools such as MSCI Carbon Footprint and ISS Climate Scenario Analysis. We note, however, that measurement of risks is not the same as management of risks.

CAN A COMMITMENT TO REDUCING GREENHOUSE GAS (GHG) EMISSIONS ALIGN WITH SECULAR GROWTH AND CREATING LONG-TERM SHAREHOLDER VALUE?

Each company must address these questions within the context of its business model and industry. Successful outcomes, we believe, require visionary leaders who act with integrity and who think in terms of decades. We believe a company's ability to generate shareholder value over our long investment time horizon is linked to the durability of its quality characteristics and growth opportunities. Not only can integral ESG considerations strengthen the virtuous cycle of quality characteristics that help sustain and extend competitive advantages and secular growth opportunities, it can also help manage downside risks.

GES PORTFOLIOS: CARBON INTENSITY AND CLIMATE TRANSITION METRICS AS OF 31 DECEMBER 2024

Portfolio climate characteristics are an outcome of our alpha thesis and investment process.

Table reflects the consistency of our process outcomes

GROWTH EQUITY STRATEGIES TEAM PORTFOLIOS	PORTFOLIO TURNOVER	PORTFOLIO TEMPERATURE	% HOLDINGS ALIGNED TO PARIS AGREEMENT	PORTFOLIO CARBON INTENSITY	PORTFOLIO CARBON INTENSITY AS A % OF BENCHMARK CARBON INTENSITY	INCEPTION DATE
Large Cap	12.2%	1.5°C	93.2%	16.8	31.7% of Russell 1000 Growth Index	1 July 2006
All Cap Growth	14.3%	1.5°C	88.7%	21.0	37.1% of Russell 3000 Growth Index	1 July 2006
Global Growth	10.0%	1.5°C	80.5%	25.1	16.7% of MSCI All Country World Index	1 July 2016
International Growth	6.2%	1.5°C	68.4%	29.5	16.1% of MSCI All Country World Index ex US	1 January 2020
Long/Short Growth Equity	11.5% Long/20.2% Short	1.5°C	88.7%*	19.0*	16.5% of S&P 500 Index	1 February 2016

^{*} refers only to long holdings

Case Study Growth Equity Strategies

Delivering economic value through sustainable technology and solutions

GLOBAL CONSTRUCTION, FARM MACHINERY & HEAVY TRUCKS COMPANY

For over 188 years, the company has dedicated itself to empowering customers to achieve more with fewer resources through innovative technology and insights. Its solutions not only drive economic success but also promote sustainability. Operating in diverse sectors including agriculture and construction equipment, the company also manufactures value-added components like engines and precision agriculture tools. Its durable competitive advantages—its brand, distribution network, and scale—are particularly pronounced in North America, which accounts for over 60% of its total equipment sales. Generations of North American farmers have remained loyal, associating the brand with high quality and reliability.

With the global population projected to grow by one-third to 9.7 billion people by 2050, food demand is expected to at least double. Rising global affluence is increasing demand for protein, which amplifies the need for grain production. Since arable land is scarce and unlikely to expand meaningfully, improving farm productivity will be critical to meeting future food demands.

We believe management teams focused on shortterm objectives cannot realize long-term results. This company's management recognizes that to capture the secular growth opportunity described above, the attendant structural environmental and social challenges must be integral to its long-term strategic decisionmaking. In fact, the company's business model is deeply tied to sustainability, focusing on improving crop yields through precision agriculture tools. Over the past two decades, this company has significantly invested in developing its industry-leading technology and successfully vertically integrated into the highest-value segments of the value chain. As a result, we believe the company is able to generate durable cash flow growth and long-term margin expansion. Consequently, it has established itself as a leader in precision agricultural





We seek to invest with management teams who share our long-term perspective and who view ESG integration as a launch pad for innovation, competitive differentiation, and continuous improvement."

technology, offering differentiated tools and solutions and thereby creating high barriers to entry for competitors.

These tools help farmers optimize their use of seed, fertilizer, pesticides, and machinery to increase crop yields. The company's integrated suite of solutions supports farmers throughout the production process, from preparation to planting, harvesting, and post-season planning. These solutions not only improve efficiency but also enable farmers to achieve their desired outcomes in profitability and sustainability. For example, the company's precision starter fertilizer solution applies fertilizer directly to seeds in the furrow, reducing fertilizer use by over 60% and improving productivity by streamlining the refilling process.

Similarly, its intelligent spraying system employs plantlevel precision to target weeds specifically, reducing herbicide use by up to 90%.

Growth Equity Strategies Case Study (contd.)

Utilizing the company's integrated solutions on a single large farm can result in significant savings, generating \$48 of incremental value per acre and reducing emissions equivalent to nearly one million passenger car miles. The company's digital tools and data center provide farmers with real-time insights to monitor operations, make tactical decisions, and develop strategic plans. These tools maximize land utilization, optimize field passes, analyze data for future use, and even provide carbon emission insights. Additionally, the company offers upgrade kits, making precision technology more accessible and adaptable for farmers of all operational sizes.

The company is also advancing technologies like low-carbon transportation fuels, fuel-efficient engines, and precision tools that protect watersheds, preserve soil health, and steward environmental resources. These innovations not only reduce overall farm operating costs but also help farmers meet growing food demands while minimizing environmental impacts.

We believe strong governance includes the vision and integrity of management to align the business to enable it to meet the commitments of the 2050 Paris Agreement. During engagement, we discuss progress toward this climate objective. We assess improvement in carbon emissions, reduction in scope 1, 2 and 3 measurements, and the company's transparency of reporting on and auditing of greenhouse gas ("GHG") reduction targets. Beyond improving its customers' environmental impact, this company is dedicated to enhancing the sustainability of its own operations. Through its climate strategy, it has adopted a multipronged approach to identify and prioritize key climate topics. The company has committed to reducing its operational CO2e emissions (Scope 1 and 2) by 50% and specific upstream and downstream CO2e emissions (Scope 3 Categories 1 and 11) by 30%, using 2021 as the baseline and targeting 2030 for achievement.

In fiscal year 2024, the company successfully reduced its GHG emissions per ton of production by 29% and achieved a 19% reduction in Scope 3 emissions. It also conducted a comprehensive inventory of its Scope 3 emissions, identifying Category 1 (Purchased Goods & Services) and Category 11 (Use of Sold Products) as the most significant contributors.

The company's climate goals are validated by the Science Based Targets Initiative (SBTi), aligning with the Paris Agreement. Its Scope 1 and 2 targets support limiting global warming to 1.5°C, while its Scope 3 targets align with limiting warming to well below 2°C.

Additionally, the company is committed to responsible water use and has implemented best management practices to preserve this vital resource. Through its innovative approach, the company continues to lead the way in delivering solutions that support sustainable agriculture, environmental stewardship, and a more resilient future.

We believe the current market price embeds expectations for only limited recovery in all of the company's end markets, discounts the durability of recent margin expansion, and therefore embeds expectations for key revenue and cash flow growth drivers that are below our long-term assumptions. As a result, we believe the company is selling at a discount to our estimate of intrinsic value.

In our view, investors and other stakeholders can benefit when long-term structural, strategic and financially material ESG considerations are an integral part of an active, long-term, research-driven investment process.

Data, Tools, Proprietary Systems and Integration

We work collaboratively to identify datasets that can support our proprietary research and systems.

We leverage climate data from multiple vendors to help our investment teams conduct in-depth analyses of the potential impacts and financial implications of physical and transition risks to our client portfolios.

Metrics

Some of the metrics available to our investment professionals include the below:

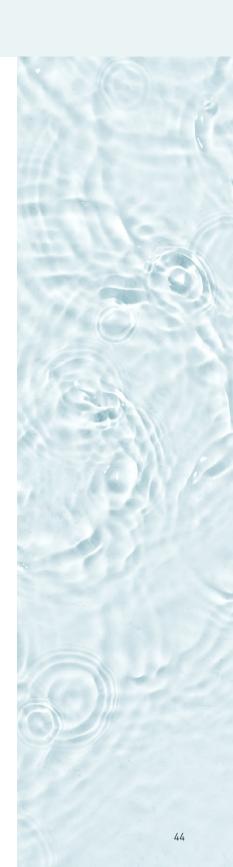
METRIC CATEGORY	DETAILS		
GHG emission metrics	 Absolute and benchmark-relative measurement (total carbon emissions, carbon emissions to value invested, carbon intensity, weighted average carbon intensity) Companies reporting emissions and the quality of reported emissions Comparison of company-level emissions intensity to industry peers and historical performance 		
Transition risk metrics	 Portfolio exposure to coal, oil, gas-reserve-owning assets and controversial practices Portfolio exposure to current and future power generation ratios to meet the IEA's Paris-aligned scenario Carbon risk rating for issuers and portfolio; percentage of top/bottom climate performers Percentage of portfolio value with Paris-aligned climate targets or no target Paris-aligned overshoot/undershoot by sector Portfolio level scenario alignment trajectory 		
Physical risk metrics	"Hot Spots" and "Cooling Off" areas Aggregate and specific physical risk scores Physical risk response of holdings.		
Climate solutions and opportunities	 Physical risk management scores of holdings Green bond datasets Climate change mitigation score Exposure to green revenues (alternative energy, efficiency, green buildings, pollution prevention) Green patents 		

Management Committee Oversight of Climate Risks

Since 2020, ESG has been an agenda item for the Risk Management Committee. See further details about this subcommittee of the Loomis Sayles Management Committee in Principle 2.

The Risk Management Committee identifies and monitors potential risks from climate change, including carbon footprint and carbon intensity of all strategies (versus the benchmark), UN Global Compact alignment, exposure to companies with revenue from thermal coal and portfolio Paris-alignment and temperature scores. These reporting metrics are reviewed at quarterly Risk Management Committee meetings.

Further detail on the management of climate risk and other ESG factors in our investment approach is provided in Principle 7.



Promoting a Well-Functioning Financial System

In addition to individual investment team processes and tools which help promote a well-functioning financial market, our senior leadership team plays an active role in industry-wide initiatives to respond to market-wide issues and systemic risks.

For example, our Co-Director of Credit Research is currently a member of the Board and served for many years as Chair of the Credit Roundtable, which attempts to address market wide and systemic risks of particular relevance to bondholders. More details on this can be found below. Similarly, our COO is president of the Association of Institutional Investors, which represents the interests of investors and aims to promote fair and

efficient financial markets through open engagement with policymakers and others. We describe our work with other market participants to engage with investee companies and issuers under Principle 10.

We are continually assessing the functioning of the markets in which we invest, the relationships we have with investee companies and other counter-parties, our clients and their stakeholders and other related parties. We will seek and engage in collective endeavours that we believe can improve the functioning of capital markets and the management of client assets without undue cost or unintended impact.

Credit Roundtable

The Credit Roundtable believes that enhancing and enforcing bondholder protections benefits issuers, underwriters and investors alike by laying the foundation for a fair and efficient corporate bond market.

Through education, outreach and advocacy and with the oversight of anti-trust counsel, the group maintains constant vigilance against slippage in covenant language and terms of corporate actions, such as coercive or "abusive" behaviour that unfairly transfers value from creditors to equity owner.

The Credit Roundtable was formed in 2007 in association with the Fixed Income Forum to respond to a number of corporate actions that were adverse to bondholders. The result of those initial efforts is a document that is now widely known as the Covenant Whitepaper. This is a living document that sets forth model covenant provisions that may be tailored to the circumstances of particular issuers and particular market conditions. In the past decade, the Credit Roundtable has grown to 40 members who have more than \$4 trillion of fixed income assets under management.

The Credit Roundtable regularly organises bondholder groups and special task forces to support its major initiatives around:

- Bondholder covenant protections
- New issue underwriting and distribution
- Tender/exchange and consent
- Transparency and market liquidity

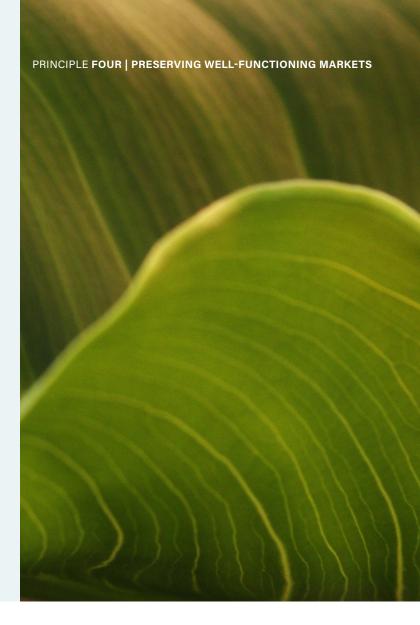


Although we are not market makers we feel our input provides guidance on the market, which in turn helps to promote efficient, well-functioning markets."

Credit Roundtable Focus & Activities in 2024

At Loomis Sayles, we continue to engage in dialogue with other participants in the sustainable finance market, such as bankers, rating agencies and other industry groups.

- In conjunction with several other organizations, we wrote a letter to the New York State legislature opposing a bill that would weaken bondholder protections and likely increase losses in the event of restructuring of sovereign debt
- Build America Bond extraordinary redemption provisions
- DISH/Echostar Asset Transfers and Liability
 Management Transactions



Additional Initiatives

Other industry initiatives and associations in which we participate that promote a well-functioning financial system include:

- 1 Structured Finance Association
- Association of Institutional Investors
- International Securities Association for Institutional Trade Communication (ISITC)



Review & Assurance

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

PRINCIPLE FIVE | REVIEW & ASSURANCE

Loomis Sayles believes that a multi-layered approach to the review and assurance of its policies and procedures is necessary to ensure that our activities are effective.

At 'ground level,' our CCO designates a 'policy owner' in the Legal and Compliance Department to oversee and ensure the accuracy and relevance of each policy. The CCO or his designee reviews each policy on a regular basis, generally annually unless prompted by a change in circumstances such as a regulatory update, to ensure it is current, accurate and effective. As additional layers of review and assurance, we rely on internal audits and several internal oversight bodies and processes to ensure that our policies and procedures are effective. This multi-layered approach provides a framework for ensuring clear ownership of policies alongside independent oversight and assurance. Our key oversight activities are set out below.

Review of Policies and Practices

The CCO requires that all policies be reviewed internally by the policy owner. The policy owner, in turn, is required to verify annually that these policies remain accurate, reflect regulatory requirements and that the associated procedures are consistent with the policy. In 2024, of the policies reviewed those we believe to be most pertinent to stewardship are the: Conflicts of Interest Policy, the Sustainability Policy and the Proxy Voting Policies and Procedures.

The Sustainability Policy was updated during the reporting period to provide greater transparency and detail around the firm's sustainability practices. No changes to the Conflicts of Interest Policy were deemed necessary at that time. Similarly, the Proxy Voting Policies and Procedures did not require any updates during the reporting period.

Investment Risk Review Process

Loomis Sayles' investment teams regularly participate in an investment risk review process conducted by its CIO and the CIRO. The investment risk review process is intended to examine the investment philosophies and activities of each investment team, including those related to environmental, social and governance decisions, to determine if those activities are consistent with the investment styles of the products and firm policies established regarding risk or other parameters placed on the teams' investment activities.

The effectiveness of stewardship activities forms an important part of this investment risk review process. For example, it highlights whether investments pose sustainability risks, whether engagement with companies and issuers is being effectively fed back into portfolio management decisions and whether material risks identified

as part of engagement activities have been adequately accounted for by portfolio managers.

The CIO and CIRO are members of the Loomis Sayles Risk Management Committee (RMC) and our Sustainability Leadership Team, both of which report to our Board of Directors. Information on the findings of the CIO Investment Risk Review Committee and the CIRO Investment Risk Review Committee, including meeting minutes and summary pages of key data are included in each quarterly RMC Investment Report. Areas of concern, including those specific to stewardship, are highlighted to the RMC Committee. The RMC is comprised of Board members and senior representatives across all departments. The CEO conveys matters of importance regarding the Investment Report at the Loomis Sayles Board of Directors meetings.

Sustainability Leadership Team

The Sustainability Leadership Team, which is described in detail in Principle 2, provides oversight and co-ordination across sustainability activities and monitors the progress of the firm's sustainability initiatives. This group has a scheduled weekly meeting to discuss firmwide efforts and is responsible for making decisions regarding the allocation of resources, implementation of initiatives and the selection of tools to support the sustainability initiatives at the firm.

Proxy Voting

Loomis Sayles' Proxy Voting Committee is responsible for, among other things:

- Annually reviewing the Proxy Voting Policies and Procedures to ensure consistency with regulatory and internal policies, including confirming that they are reasonable and effective, and designed to ensure that votes are cast in clients' best interests
- Annually reviewing existing voting guidelines and developing additional guidelines to assist in the review of proxy proposals
- Annually reviewing the proxy voting process and addressing any general issues that relate to it



We also regularly review our votes to verify that they have been cast in accordance with our policies and procedures. To that end, Loomis Sayles has engaged Ernst & Young to perform an annual Type II SOC 1 audit (formerly SSAE 16 and SAS 70), which includes a review of our votes cast against our policies and procedures.

We also discuss our Proxy Voting Policies and Procedures further under Principles 3 and 12.

Stewardship Reporting & Benchmarking

The Risk Management Committee (described in Principle 2), meets quarterly and includes sustainability as an agenda item.

Externally, Loomis Sayles seeks to be transparent in our reporting on stewardship activities. In the development of our reporting, we have engaged independent, external advisors to ensure we are following best practice in the industry.

We also include stewardship information in client reporting. As described in Principle 6, the contents of this reporting are based on individual client requirements or regulations and specific to the mandate. Our client reporting has been well received and our ongoing dialogue with clients as described in Principle 6, helps us to ensure it is fair, balanced and understandable.

Other Means Of Assessment

As a signatory to the PRI we are required to report on responsible investment integration activities aligned with the six principles of the initiative. In the fourth quarter of 2024, we received our latest assessment from the PRI. We were pleased to receive four- or five-star scores for all of the 2023 period reporting provided.

We engage with clients concerning their stewardship objectives and expectations and we use their feedback as a gauge of how fair and balanced our communications are, as well as the clarity of the information we provide. This information is provided in a variety of ways, including responses to due diligence questionnaires, reports created pursuant to client requests, client meetings and individual inquiries addressed to clients' specific interests and concerns.

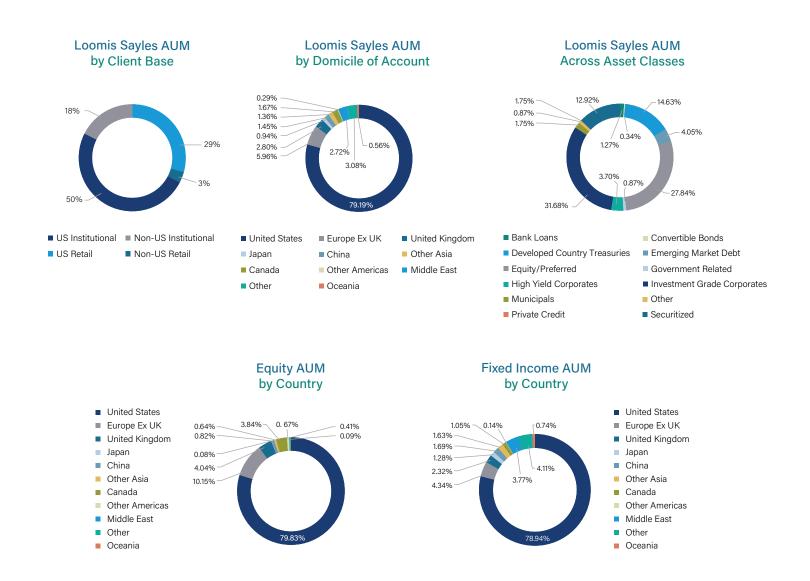
Marketing communications are reviewed by the Associate Director of Sustainability and the Sustainability Marketing Manager as well as other subject matter experts depending on the materials. The review is required in order to ensure that stewardship and sustainability dialogue is presented in a fair and balanced manner, is easy to understand and is accurate.



Client & Beneficiary Needs

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them. PRINCIPLE SIX | CLIENT & BENEFICIARY NEEDS

Loomis Sayles provides investment management services to a wide variety of institutional clients, including public funds, endowments, pension plans, corporations, foundations and insurance companies. As of 31 December 2024, our firm had assets under management totalling £311 billion:



As of 31 December 2024. Due to rounding, pie chart total may not equal 100%. Other includes cash & equivalents and derivatives. Total AUM includes the assets of both Loomis, Sayles & Co., LP, and Loomis Sayles Trust Company, LLC. (\$40.2 billion for the Loomis Sayles Trust Company). Loomis Sayles Trust Company is wholly owned subsidiary of Loomis, Sayles & Company, L.P.

Our goal is to deliver superior long-term risk-adjusted returns and effective investment solutions to meet our fiduciary duty to our clients.

We offer a wide array of traditional and alternative investments to meet the needs of institutional and retail investors. Although we do not subscribe to a single investment process, a shared set of investment pillars and values, including ESG considerations, underpins each investment team's philosophy and process. We build our client-focused investment capabilities on a foundation of diverse, proprietary expertise in global credit, equity, macroeconomic and quantitative research.

Generally, our clients have long-term investment horizons. However, time horizon can vary greatly from clients with near-term liquidity objectives to foundations and endowments with perpetual investment horizons. Though our strategies have different return patterns and time horizons, they all seek strong risk-adjusted returns.

The majority of our business involves managing segregated portfolios on behalf of institutional investors. Business development activities typically require several years of engagement with prospective clients before being hired and then investing on their behalf. During this time, we seek to understand their investment objectives as well as provide analysis, information and education directly to the prospective client or via third-party consultants and databases. This process helps identify appropriate investment solutions — and investment time horizons — for each potential investor. We have found that direct engagement with our clients allows us to effectively educate them on our investment capabilities and understand how we can best address their varied needs.



Every Loomis Sayles strategy starts with a solid foundation or "alpha thesis," which seeks to identify market inefficiencies and the investment process necessary to capitalise on them. An investment time horizon can be core to an alpha thesis.

The appropriate investment solution may be an existing proprietary Loomis Sayles strategy or it may be customised to meet bespoke client objectives. For portfolios with client-defined investment objectives, the approach taken by each investment team reflects the appropriate client-specific investment time horizon. Often, these clients require particular portfolio restrictions and reporting in connection with stewardship matters. As a result, in support of our fiduciary duty, we must comply with client directives and/or requests in our stewardship activities and reporting in those instances. Please see Principle 7 for more detail.

At Loomis Sayles, we also offer a wide array of commingled investment vehicles, such as mutual funds in the US as well as Luxembourg- or Dublin-registered UCITS funds for investors outside the US. This includes a number of Sustainable Finance Disclosure Regulation (SFDR) Article 8 designated funds, as well as sustainable funds. We have dedicated offices in London and Utrecht with teams who help support our clients across the region. Distribution of these vehicles is primarily through large retail institutions where the decision to make our strategies available to end investors resides primarily with gatekeeper analysts for institutions. The needs-based selling process here is similar to the institutional process described above. Given the investment time horizon is pre-established for these commingled investment vehicles, the focus is on matching investor objectives to an appropriate fund. If one of our strategies is selected, ongoing support, analysis, information and education is provided for the gatekeeper analyst as well as clientfacing teams.

Tailoring ESG strategies and reporting to meet evolving client needs

In addition to robust ESG integration across asset classes, as described in Principle 7, each of our investment strategies can be tailored to a degree according to the needs of the client. This may involve overlaying one of our strategies with a bespoke ESG-based exclusion list in accordance with client requests, such as excluding companies with revenue derived from munitions, alcohol, gambling and tobacco. Moreover, Loomis Sayles will accept screens as requested by our clients in order to meet their evolving ESG goals throughout the life of the client relationship.

In recent years, the number of client mandates with unique ESG guidelines has increased. Concurrently, the requirements of our parent company, Natixis, as well as industry associations and consultants to report on our assets under management with such guidelines have grown.

We generally provide written reports to separately managed account clients on either a monthly or a quarterly basis. Standard reports include a complete list of account holdings and performance information. These reports and related account information are also available on the Loomis Sayles website through our e-service platform. Certain clients may receive additional information if specifically requested and required by their advisory agreement. We work closely with our clients to meet their investment needs, including the unique ESG guidelines or values they may have. From the outset, each of our clients is provided with a relationship management contact, whose role is to facilitate engagement with the client to determine their needs and expectations, including those related to stewardship. The relationship manager, alongside a specialised group of individuals focused on client intake, works with these clients during the on-boarding process to outline these requirements in the written agreements governing our relationship. This relationship manager remains the client's ongoing contact at Loomis Sayles and they ensure that portfolio managers and other parties are apprised of any evolving client needs.



We work closely with our clients to meet their investment needs, including any unique ESG guidelines or values they may have.

The discussions we have with clients on sustainability issues vary across clients, investment strategies and geographies. Our clients' needs and preferences on ESG issues span a broad spectrum and we often accommodate client specifications.

For clients who are focused on sustainability issues, each investment team develops customised data and reporting schedules catered to the client's individual requirements. Our client-focused approach is also reflected in our Proxy Voting Policies and Procedures, and reporting. The level of client engagement on the matter of exercising proxy votes varies and we cater to individual needs as required. For example, clients may provide Loomis Sayles with their own proxy voting guidelines to follow, and we can also provide a tailored analysis of the proxy votes and the rationale at the client's request.



Meeting expanding client reporting requirements

We continue to see client demand for bespoke sustainability and stewardship reporting.

We have clients who request detailed reporting on ESG characteristics of portfolios or engagement activities and others for whom receiving this information is not a priority. We continue to address these client-specific needs individually, rather than providing such reporting as a matter of course to all clients.

Our bespoke approach enables us to address a myriad of metrics and requirements that vary by client domicile, type and market specific regulations. For example, certain clients are now required to have TCFD-aligned portfolio reporting. We have reporting capabilities for those mandates and utilise metrics that align with the TCFD requirements to effectively address the needs of our clients.

In the everyday course of our client interactions we are continually evaluating how we effectively meet our clients' distinct ESG and stewardship reporting needs. For example, quarterly portfolio updates provide investment teams with a natural opportunity to discuss whether the reporting meets an appropriate need or requirement for that particular client. These ongoing connections and conversations offer continuous opportunities to help ensure our approach meets each client's evolving needs, including sustainability requirements.



We are continually evaluating the effectiveness of our clientfocused method to meeting clients' distinct ESG and Stewardship reporting, in the everyday course of our client interactions.



Stewardship, Investment & ESG Integration

Signatories systematically integrate stewardship and investment, including material, environmental, social and governance issues and climate change, to fulfil their responsibilities.

PRINCIPLE SEVEN | STEWARDSHIP, INVESTMENT & ESG INTEGRATION

Everything we do at Loomis Sayles is borne out of our commitment to achieving our clients' specific and distinct goals through active management.

Delivering superior, long-term performance and exceptional solutions relies on proprietary, leading research that identifies the current and future risks and opportunities of every investment. This includes assessing financially material environmental, social and governance risks as an integral component of the investment process, not an overlay.

Our Sustainable Investing Philosophy

We believe risks and opportunities associated with material ESG factors are inherent to investment decision-making and our clients' long-term financial success. In service of our **fiduciary duty**, we believe the best way to consider sustainability is through **integration** that aims to identify the **financial materiality** of ESG factors. Integration contributes to our ability to seek value and deliver superior, long-term results.

Our integration model focuses on four key facets:

- RESEARCH: We believe a proprietary research framework is the best mechanism for identifying and
 understanding material ESG considerations. Forward-looking ESG analysis, customised data capabilities,
 curated ESG information and proprietary technology platforms are all critical tools that aid this understanding.
- VALUATION: As active managers responsible for enhancing returns and mitigating risks, we believe that
 integrating financially material ESG factors is necessary to fully value securities and understand opportunities
 and risks. Disciplined portfolio construction requires constant assessment of these considerations at the
 security and portfolio levels.
- ENGAGEMENT: Engagement is an essential component of our proprietary analysis across all asset classes. Financially material ESG factors are an inextricable part of our engagement. We believe direct engagement promotes transparency, raises awareness of risks and opportunities and can unlock investment value. Active engagement enhances our ability to analyse risk and reward potential and informs our forward-looking views. Exercising our proxy voting responsibility is an important component of engagement for our equity strategies.
- CLIENT FOCUS: We believe it is important to meet clients where they are and to offer ideas and tools to help them realise their unique sustainability objectives. As client sustainability preferences evolve, we will continue to be nimble and flexible in providing customised solutions that reflect client-specified goals and values. Our goal is to be a trusted, rational advisor to our clients.

Each of the investment teams at Loomis Sayles, with guidance and support available from the Sustainability Team, implements its sustainability practices in a manner consistent with its specific investment thesis, client mandates and regulatory requirements.

Our investment teams utilise a common framework to articulate how they integrate ESG throughout their investment process. This framework is structured around a series of uniform questions which allows us to capture each investment team's approach to ESG integration in

a format aligned with the firm-wide philosophy and areas of practice. The framework focuses on the facets of ESG related to all aspects of the investment process, such as impact on: investment decisions and targeted factors (if any), research and valuation, portfolio construction, client requirements, roles and responsibilities and all aspects of data and technology.

The excerpts below provide insights into how several different investment teams implement ESG integration within their investment process.



— 6 EXTRACTS FROM INVESTMENT TEAM ESG STATEMENTS

"We often look at our internal ESG scores when buying new issues, entering into swaps and buying issuers for long-term spread compression. We look for ESG opportunities where there are strong or improving ESG credits as potential buys or overweights; alternatively, we look for ESG risks where there are weak or deteriorating ESG credits as potential sales or underweights."

"We review holdings based on their ESG ratings/scores on a regular basis; in our weekly investment team meetings, we monitor third party ESG ratings, proprietary ESG scores for fixed income issuers and carbon intensity."

"Material ESG factors can influence our decisions to buy or sell securities. We may exploit a value opportunity driven by a poor ESG factor if we believe it will be improved by the issuer."

"The structural opportunities and risks associated with ESG matters are linked to business activities, which include management's long-term strategic focus. They are integral to our analysis of business models, competitive advantages, operating efficiency, corporate management strategy and integrity, profitable growth and our intrinsic valuation."

Each investment team prioritises different ESG issues in portfolio management decisions depending on its alpha thesis in relation to the specific company, sector, geography and asset class in question.

Analysts develop independent views of material factors impacting fundamentals in their valuation assessments of equity, credit, sovereign, municipal and securitised assets. Consideration of these factors is integral to our engagement with companies and issuers, our proprietary fixed income ESG scores and, ultimately, portfolio management decisions. In addition, as indicated under Principle 6, where our clients have specific ESG requirements in connection with their portfolio, we are happy to incorporate these into their mandate. Common requirements include overlaying our template guidelines with negative ESG screens to exclude particular sectors or 'worst-in-class' issuers and companies that are not aligned with the client's values. Recognising our deep fundamental research skills, some clients who prefer engagement to divestment allow for an 'exclude or explain' process for companies that are screened out by client guidelines.

Each equity investment team integrates ESG research according to its investment philosophy and process. Through proprietary fundamental analysis, equity analysts assess material ESG and sustainability issues, as well as valuation perspectives over various time horizons and opportunity sets. Equity analysts are charged with identifying the companies within their coverage that they believe fit best with their team's approach.



Materiality Mapping

In fixed income, one of the tools we use is our sectoral materiality maps to identify the sustainability issues most likely to affect the financial performance of an issuer in a given sector.

The diagram below is an illustrative example of how our fixed income analysts use materiality maps to produce an in-house ESG score for a property & casualty insurance issuer. This is done by first identifying relevant sector-specific ESG factors and metrics, then assigning an appropriate weighting to each ESG factor and finally benchmarking the issuer against the industry as a whole.

CREDIT RESEARCH INDUSTRY MATERIALITY MAP AND ISSUER SCORES

ENVIRONMENTAL		
Factors	Weight	Score
Exposure to disrupting weather events/physical risk	2.2	
Business/geographic risk	2.0	
	ENVIRONMENTAL PILLAR SCORE	2.0

SOCIAL S		
Factors	Weight	Score
Product Safety, Quality and Risk	2.0	
Demographic and Consumer Trends	1.9	
	SOCIAL PI	ILLAR SCORE 2.0

₫ GOVERNANCE				
Factors	Weight	Score		
Strategy, implementation/operational execution/financial strategy	2.0	2.0		
Corporate conduct, ethics & litigation	1.9			
Cybersecurity/general data protection	2.0			
	GOVERNANCE PILL	AR SCORE 2.0		

Examples above are provided to illustrate the investment process for the strategy used by Loomis Sayles and should not be considered recommendations for action by investors. They may not be representative of the strategy's current or future investments and they have not been selected based on performance. Loomis Sayles makes no representation that they have had a positive or negative return during the holding period. Commodity, interest and derivative trading involves substantial risk of loss. This is not an offer of, or a solicitation of an offer for, any investment strategy or product. Any investment that has the possibility for profits also has the possibility of losses.

Materiality Mapping (contd.)

Materiality maps provide the foundation for analyst-led engagements, supporting analysts in their efforts to identify issues with the potential to move credit spreads. We continually review our materiality maps and ESG scores to ensure they fully encapsulate forward-looking financial materiality. As part of this ongoing process, our Chief Sustainability Officer and Sustainability Analyst periodically review sectoral material maps to help identify any additional issues related to environmental, social and governance factors that can materially affect each industry covered in our Credit Research Group.

This process is in collaboration with our Credit Research Analysts to incorporate what we find to be financially material as well as remove any factors from the maps that are no longer considered material to their forward-looking ESG analysis.

This exercise improves our ability to determine which companies within sectors and industries are best prepared for the secular trend of climate transition and which are not.



Variation across Asset Classes and Investment Teams

Equity Issuers

ESG materiality is determined by each investment team. The starting point for equity teams is the portfolio manager's alpha thesis, which leads to proprietary research, security selection and portfolio construction process.

Growth Equity Strategies team

A Fundamental and Long-Term Approach to ESG

Our alpha thesis encapsulates a deeply held system of persistent beliefs, a rigorous, repeatable investment process, and substantive proof points. In our view, investors and other stakeholders can benefit when long-term, structural, strategic and financially material ESG considerations are an integral part of an active, long-term, research-driven investment process. We believe the short-termism, so prevalent in today's market, is detrimental to sustainability and value creation. An active manager, with a long-term private equity approach to

- investing, the GES Team has consistently executed the same investment philosophy, research framework, and investment process since 1 July 2006. With an owner's mindset, we seek a deep understanding of the drivers, opportunities and limits, including ESG criteria, for each company over our long investment horizon. We assess long-term structural, strategic, and financially material ESG considerations integral to a company's decision-making, which can include:
- Linking management compensation to long-term drivers of shareholder value creation such as longer-term vesting periods and metrics such as free cash flow growth (Governance);
- Establishing policies for and complying with high business ethics standards (Governance);
- Investing in R&D to innovate products and solutions that drive better environmental or social outcomes (Environmental, Social);
- Aligning its business to enable it to meet the commitments of the 2050 Paris Agreement (Governance, Environmental);

- Developing sustainable manufacturing techniques, inputs, and sourcing (Environmental);
- Advancing sustainable supply chains by stewarding local resources, production, and communities (Environmental, Social);
- Fostering a corporate culture and values, including diversity, to attract and retain talent (Social)

We believe generating alpha requires both active investment management and active risk management. Just as the structural opportunities associated with ESG considerations are linked to a company's business activities and the allocation of capital, so are the risks. We believe that we cannot truly manage risk at the portfolio level if we do not first manage risk at the individual security level. We take a long-term structural and permanent approach to risk management, which is an integral part of our investment process, not a separate overlay, screen, or optimization process.

Fixed Income

The structural differences between the equity and fixed income markets are well known; however, we also recognise that there are vagaries even among the various fixed income asset classes, such as corporates, sovereigns and bank loans.

There are also differences stemming from the geographic location of issuers, especially for emerging versus developed markets. Our central Credit Research and Macro Strategies teams have analysts located on three continents, North America, Europe and Asia, who all adhere to our consistent approach of reviewing each asset class regardless of the issuers' location. This approach allows us to compare each issuer within a particular asset class regardless of its location or analytical assignment.

Our central Credit Research and Macro Strategies teams cover all fixed income asset classes (corporates, sovereigns, bank loans and public finance) with the notable exception of securitised instruments, which are the responsibility of our Mortgage and Structured Finance Team. Our approach to incorporating ESG analysis through these asset classes and geographies is consistent with our longstanding, successful approach to conducting fundamental analysis – meaning our analysts are predominantly assigned by industry/sector or country. All are considered experts in their fields, with our most seasoned analysts having decades of experience.

Our fixed income analysts focus on material ESG factors, which have direct impacts on the scope and depth of their analysis and engagement. As previously noted, we have created our own proprietary materiality maps and an ESG Scoring System that are integrated into our proprietary fixed income portfolio construction tools. These are available to all of our fixed income investment professionals. Each fixed income investment team has ready access to the central research teams' ESG, fundamental and relative value view of the holdings in their respective portfolios. The decision whether to include a particular asset class, geography, or issuer ultimately rests with each team's investment strategy and those of their individual investment mandates/accounts.

Corporate Debt

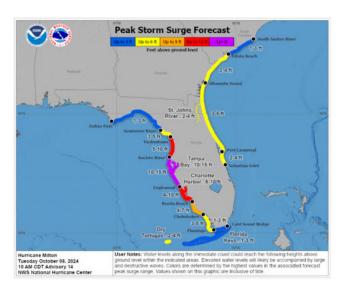
Analysts develop independent views of material ESG factors impacting fundamentals in their valuation assessments of corporate debt issuers within the context of their industry coverage. For example, environmental risks are determined to be critical to the automotive, energy and utility industries. Therefore, our analysts assess a company's strategy and related progress regarding its carbon footprint versus competitors. Social factors may be material for apparel producers and the retail industry, for example, as they relate to the sourcing of products throughout the supply chain. As it relates to governance, our analysts may assess a company's ownership structure and qualifications, or tenure of the board of directors.

Financial Materiality Considerations in Credit Research

Examples of fundamental research in 2024 that incorporated environment, social and governance factors

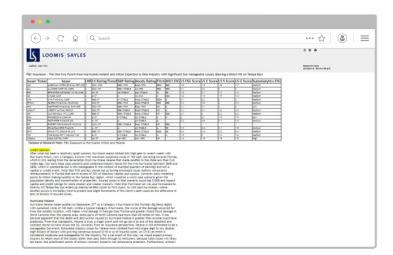
Property & Casualty Industry review focused on physical risks

"Hurricanes Milton and Helene expected to deal significant but manageable losses (barring a direct hit to Tampa Florida)"

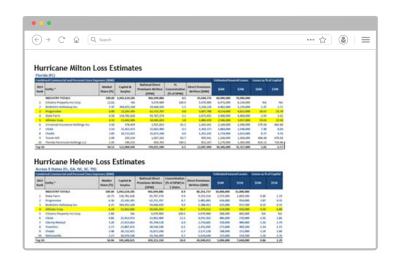


Analyst review of insurance industry conference including physical risks

High rates have been a tailwind for life insurers Elevated catastrophic losses for P&C are a key risk in 2024, higher losses & more volatility in earnings will likely be passed on to the reinsurers

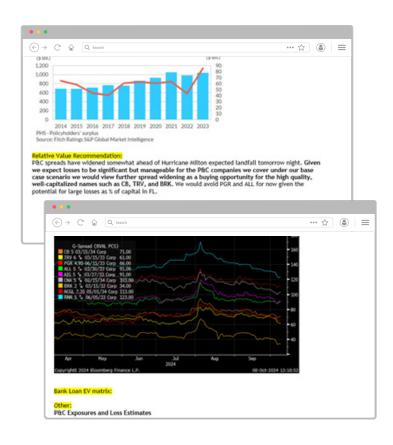






High Yield Industry Review includes assessments of issues from ESG factors

Moderately negative outlook. Key risks include: recession, activist involvement/LBOs, promotional activity, increased unionization, future pandemics, supply chain and EV sales effect on fuel.



Analysis of individual companies related to ESG factors

Autos - Global Manufacturer

Strong performance supports positive rating, but resurfacing ESG concerns reflect poor management oversight – move to downgrade LRR.

Oil & Gas - Brazilian Petroleium Company

We view fundamentals of the credit positively, but corporate governance concerns continue to dominate the headlines with the credit.

Energy - French Utility

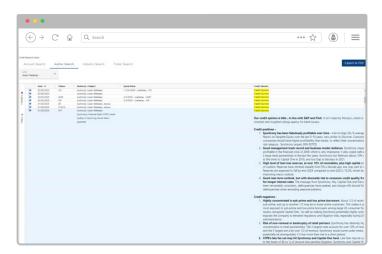
Poor governance leads to spread widening. We view implications as limited caution selling on weakness.

Banking - US Bank

Risk management deficiencies and operational weaknesses.

Banking Industry Review

Governance matters for all companies, but it's especially important for banks.



Sovereign Debt

Our sovereign debt analysts are members of the Macro Strategies team and focus on fundamental factors that drive the credit quality, as well as ESG factors, affecting a sovereign.

The analysts utilise our proprietary ratings models and ESG materiality maps to determine the credit quality and ESG scores which underpin our analysts' investment recommendations. Our analysts have developed a materiality framework based upon their extensive knowledge of both developed and emerging markets. We use data from government websites and independent sources to evaluate environmental, social, and governance factors that the analysts feel are material. Our ESG process is a three-pronged approach; including data, trend analysis and analyst expertise.

All of these factors are inputs into our materiality maps. Our analysts' ESG views and trends are discussed during country reviews with investment teams.

Engagement is an important part of our understanding and analysis of ESG factors. Our Sovereign team engages with government officials whenever possible to assess overall creditworthiness and evaluate material ESG factors informing our ESG scores. Our engagement occurs during roadshows, investor meetings and country visits.



Case Study

Environmental and Governance Issues in Brazil

Deforestation in the Amazon has at times generated intense international criticism of Brazil's environmental policies. During the term of former president Jair Bolsonaro, deforestation rates increased nearly 60% (according to the INPE, a government research body that monitors deforestation). Looser environmental regulations, limited enforcement and increased agricultural commodity production helped to drive deforestation. Approximately 20% of the forest cover in the Amazon has been lost since the 1970s. The consequences are significant, both for Brazil and global efforts to address climate change. The Amazon rainforest's plays a critical role in the global carbon cycle, absorbing large amounts of carbon dioxide and releasing back into the atmosphere an estimated 6% of the world's oxygen. Fires in the Amazon, often set illegally, contribute to air pollution and impact local public health.

The previous administration to Bolsonaro was ineffective in slowing deforestation, creating the perception that Amazon conservation was not a priority. Amazon deforestation is a reputational risk for the sovereign and could materially harm foreign investment and trade flows, while raising financing costs. Under President Luiz Inacio Lula da Silva, who was elected in October 2022, environmental and climate policy has moved in a more positive direction. Deforestation rates slowed for the third consecutive year in 2024 to the lowest level in nine years: estimated deforestation declined 31% versus 2023 (according to the INPE).



Within our ESG framework, Brazil's environmental starting point is relatively strong, driven by the country's high share of renewable electricity generation, relatively low measured pollution and abundant water resources. However, to account for the impact of Amazon deforestation, we make qualitative adjustments to our environment score by penalising Brazil in the areas of water resources and vulnerability to environmental events. That said, we recently reduced the magnitude of this penalty factor to reward Brazil for material progress on addressing deforestation in recent years. At the same time, we have introduced negative adjustments to our ESG rating for Brazil on governance - specifically in the areas of political stability and budget transparency - to incorporate rising political and fiscal risks in 2024, which we expect to persist through the 2026 election.

Structured Finance

Governance is an important factor in the analysis of securitisations. We evaluate governance primarily as it relates to the alignment of interest between the sponsor and the investor.

More specifically, we look at whether the sponsor is using securitisation simply as a method of exit or risk transfer, or as a funding source in which they will continue to participate. We seek structures where there is strong alignment of interests.

With respect to social factors, we identify and avoid structures and programmes that could be viewed as predatory toward consumers. For example, consumer finance companies often access the securitisation market to finance their consumer loans. Our investment process includes a thorough analysis of the loans and the overall business models to gain insight into the loan origination and servicing practices of the finance companies.

In general, we favour businesses that employ fair riskadjusted pricing, aim to provide needed goods and services and/or help rebuild the credit history of the consumer. We shun business models that systematically engage in predatory lending activities or overly aggressive loan collection practices.

In 2024, our Mortgage & Structured Finance (MSF) team expanded to include European Asset-Backed Securities (ABS) investment capabilities. These efforts are led by portfolio managers Sébastien Andre and Alexandre Boulinguez, who joined Loomis Sayles from Ostrum Asset Management (a Natixis Investment Managers affiliate) where they were responsible for European ABS, CLOs and covered bond investments.

The Euro ABS team has a robust ESG framework that adds value and depth to the broader MSF team's existing capabilities and can address the needs of our clients in Europe.

Our process for Euro ABS investments includes the application of a proprietary ESG scoring process which is used to assign an ESG score of 1 (best) to 5 (worst) to each ABS investment. The ESG score is based on the E and/or S score assigned to the asset by the team, depending on the sector, after applying governance screening filters on the sponsor and transaction.

RESIDENTIAL MORTGAGE-BACKED SECURITIES (RMBS)

We consider consider the Energy Performance Certificates (EPC) on the underlying properties and those ABS with a high percentage of EPC A and B in the collateral would generally receive a more favorable E score. We may also look at the profile of borrowers and those RMBS with a high percentage of underlying assets that relate to first-time buyers, or self-employed, low income borrowers, or older borrowers would generally receive a more favorable score.

AUTO ABS:

We consider environmental aspects in addition to engine type and the age of vehicles.

CONSUMER AND CREDIT CARD ABS

We consider social aspects and look at the profile of borrowers.

With these expanded capabilities Loomis Sayles has added two Euro ABS strategies: Loomis Sayles Euro ABS Investment Grade and Loomis Sayles Euro ABS Opportunities, managed by Sébastien and Alex, who are based in Paris. Both strategies were established in 2005 and have associated UCITS vehicles classified as Article 8 under the SFDR.

Bank Loans

The ESG process employed by our Bank Loan team continues to evolve.

Systematic ESG comparisons are generally lacking for loans, given typical borrower size and limited ESG-factor disclosure. Our centralised research analysts have assigned an ESG score to all portfolio issuers and they are tasked with analysing ESG factors with every quarterly bank loan update. The ESG score we have assigned reflects general industry perception regarding environmental factors, adjustments for unusual factors related to social and governance considerations, as well as the analyst scores to the extent they reflect the reality of the loan market versus the public market.

For example, private equity (PE) ownership is common in the loan market but not in the public market, so we do not downgrade loans for that factor as is often the case. In our view, PE ownership often improves governance risk versus the prior private control. As an overarching theme, our scores attempt to distinguish between factors we believe may jeopardise performance over the three-year average life of our loan holdings due to fundamentals and/or technical factors, including evolving market views on ESG factors. While most loans get an average rating at this point, we expect increased dispersion as both data and company efforts improve. Sensitivity to lender liability will further guide our ESG engagement going forward.



EXAMPLE OF SUSTAINABILITY ISSUE AFFECTING MULTIPLE SECTORS

Antimicrobial Resistance (AMR)

As we have discussed, financial materiality considerations vary across asset class, industry, geography and ultimately issuer. The potential impact of any factor is determined by our analysts and is specific to their coverage universe. Sometimes, materiality can present in thematic ways, as is the case with AMR. AMR occurs when bacteria, viruses, fungi and parasites change over time and no longer respond to medications designed to eliminate them, increasing the risk of infectious diseases spreading. The threat of AMR poses significant risks to multiple industries including health care, pharmaceuticals, insurance and agriculture.

As a result of these identified risks we are educating ourselves with the help of industry and academic experts to better understand this complex issue and its potential financial implications.



Service Providers

The integration of our stewardship and ESG practices are directed by each investment team and primarily handled in-house at Loomis Sayles. To the limited extent we use service providers to fulfil any activities on our behalf related to the integration of stewardship and ESG issues, we provide them with clear written instruction. For example, as detailed under Principle 12, Loomis Sayles uses the services of Glass Lewis to provide research and recommendations and Institutional Services Inc. ('ISS') to provide proxy voting agent services for those accounts and funds for which Loomis Sayles has voting authority. We provide both of these vendors with written instructions on our Proxy Voting Policies and Procedures.

We do not rely on ESG scoring, frameworks, methodologies or optimisation processes from external vendors to inform portfolio construction. Each analysts' assessment of an issuer combines many factors, including vendor ratings and other climate related data, which are ingrained in the bottom-up research that teams may use to drive portfolio allocation decisions. Given our focus on forward-looking fundamental analysis, potential risks from climate change are inherently integrated into our proprietary assessments of each issuer we consider, as well as the industry in which they operate.

As the Growth Equity Strategies Team explains it:



We believe the materiality and relevance of ESG considerations cannot be identified and understood by fixed rules and quantitative screens, which in our experience tend to be backward looking. This is also true evaluating any forward-looking aspect of our fundamental analysis. Instead, we believe ESG issues must be viewed in the context of specific companies and industries and in relation to any potential impact on a company's long-term competitive advantages, intrinsic value, and ultimately long-term investment performance. Rather than applying quantitative screens, we narrow the investment universe through our bottom-up, fundamental seven-step research, which includes qualitative, ESG and other forward-looking financial analysis. Ultimately, we rely upon our independent, proprietary analysis to determine the materiality of ESG issues on company-by-company basis. As a result, ours are high-conviction, low turnover portfolios where ESG considerations are integral to our philosophy and process.

Loomis Sayles is committed to continually advancing our approach to sustainability and integrating sustainability considerations into the work we do every day. We collaborate with our clients to meet their investment needs, including the unique sustainability guidelines or values they may have. These discussions provide important perspective and help focus our internal efforts on building expertise in key sustainability areas and developing custom tools and client solutions.



Monitoring Managers & Service Providers

Signatories monitor and hold to account managers and/or service providers.

PRINCIPLE EIGHT | MONITORING MANAGERS & SERVICE PROVIDERS

At Loomis Sayles, we engage with thirdparty vendors ("suppliers") to meet the needs of our operations. We engage a vendor (the 'oversight vendor') to assist in our vendor due diligence and oversight responsibilities.

We have leveraged the oversight vendor's library of due diligence questionnaires through the 'Know Your Third Party' vendor oversight programme ('KY3P questionnaire') to aid our evaluation of a vendor's controls and procedures across all relevant areas of operations. In addition, the Risk Management Committee is charged with identifying, monitoring and managing the primary risks inherent in the firm's business, including risks presented by vendors. If necessary, the Risk Management Committee will

recommend necessary steps to be taken to mitigate any risks presented by a vendor's failure to satisfactorily perform its obligations.

Our Sustainability Team is responsible for sourcing and overseeing external ESG research, tools and training. They undertake a rigorous assessment of vendors and service providers prior to engagement and on an ongoing basis.

They also actively encourage high-quality and transparent third-party ESG services. For example, we attend many ESG conferences held by the sell-side and industry organisations. In addition, we communicate with many vendors to provide feedback, ideas for enhancement and to ask questions about conflicting methodologies. These interactions demonstrate our efforts to encourage quality, standardisation and data transparency.

Data Vendors

We may depend on external data for certain elements of our investment decision-making and client reporting. This data may be used in proprietary models to generate both valuation insight and to produce performance attribution critical to investment decision-making. The proper data to deploy and which models will be incorporated in both investment team and client reporting requires oversight. The firm's Data Oversight Committee is responsible for reviewing how external data and proprietary valuation models are deployed, particularly as they relate to external reporting and creating policies to ensure fair presentation.

Our Sustainability Team is responsible for sourcing appropriate ESG data for our investment teams to utilise as described in Principle 7. The team maintains ongoing dialogue with our vendors to stay abreast of developing methodologies and offerings which may benefit our clients.

Case Study

Vetting Sustainability Data Providers

Part of the remit of our Sustainability Team is to understand the data sustainability needs of our investment teams and to provide solutions that address those needs. To that end, the team spends significant time vetting potential providers and their offerings so that our clients may benefit. We eschew transactional interactions, focusing our efforts on cultivating long-term relationships with vendors that deepen over time and allow us to partner on forward-looking solutions.

In 2024, we met formally with individuals from Bloomberg throughout the year to advance discussions on the financial consideration of risks to biodiversity. These conversations served as a platform to share insights and ideas relevant to our clients' needs and allowed us to collaborate on product development and offerings. In addition, we maintained continuous communication with our counterparts across

Bloomberg via less formal means, weekly and often daily. These less formal touchpoints are helpful for both organizations and offer opportunities to adjust aspects of a given project before the requirements have been completed.

For example, we implemented a biodiversity beta testing program, led by members of our Sustainability Team and a Global Bond Team fixed-income portfolio manager. The beta program focused on a training data set which we assessed based on financial materiality, coverage and credibility. Our analyst and portfolio manager liaised with our credit research analyst to stress test the data and determine if we agreed with Bloomberg's perspective. In return, we provided real time feedback, saving time and resources on future iterations of the tool.

Proxy Advisors

In respect to our proxy voting procedures, the Proxy Committee is tasked with engaging with and overseeing third-party vendors in relation to proxy voting, including, but not limited to:

Determining and periodically reassessing whether the service provider has the capacity and competency to adequately analyse proxy issues. This assessment involves consideration of, amongst other matters, the adequacy and quality of the service provider's staffing, personnel and technology.

Providing ongoing oversight to ensure that proxies continue to be voted in the best interests of clients and in accordance with our policies and procedures. For example, verification that votes have been cast in accordance with our policies is part of our annual SOC 1 audit.

In the event that the Proxy Committee becomes aware that a recommendation of the Proxy Voting Service was based on a material factual error (including materially inaccurate or incomplete information), it will investigate the error, consider the nature of the error and the related recommendation and determine whether the Proxy Voting Service has taken reasonable steps to reduce the likelihood of similar errors in the future.

We have categorised one of our proxy advisors as a key vendor and as such this proxy advisor is subject to the highest level of due diligence and ongoing monitoring that we apply to service providers. Each key vendor is assigned a Loomis Sayles employee as relationship owner, who is responsible for completing appropriate due diligence and ongoing oversight. These relationships are reviewed and the list of key vendors is presented to the Risk Management at least annually. This reflects the importance we place in exercising our proxy voting rights in a way that enhances the long-term value of our investee companies and protects the interests of our clients.

PRINCIPLE **NINE**

Engagement

Signatories engage with issuers to maintain or enhance the value of assets.

PRINCIPLE NINE | ENGAGEMENT

As a fiduciary and a good steward of our clients' capital, we are unequivocally focused on all investment risks and opportunities.

This means that, whether investing in equity or fixed income securities, monitoring and engaging with investee companies is integral to Loomis Sayles' investment processes.

Our stewardship activities include engagement with current and prospective investee companies prior to investment and during the holding period. We consider this to be an essential component both in the research process we use to evaluate companies and in our ongoing efforts to ensure investee companies are creating value for their investors. As described in Principle 7, engagement is a key part of our ESG integration approach.

Why we engage

Engagement is core to our rigorous investment research and to our duty of care in the responsible allocation of client assets. Direct engagement by our fixed income and equity investment professionals allows us, as active managers, to have an ongoing dialogue with management on all areas of strategic or material significance. Strong, long-term relationships and robust discussions with company management give us the opportunity to ensure alignment and influence strategy and behaviour that will benefit our clients' investments (as well as helping educate and inform ourselves).

When we engage

Materiality is the key factor in prioritising our engagement activities. As a long-term investor, we are particularly apt to engage on topics that affect issuers over the long-term. We believe value for our clients can be realised by engaging with companies to align and enhance companies' strategic direction and to drive continuing improvement in performance (focusing on areas we have identified from the vast external and internal data sources Loomis Sayles has at our disposal).

Our focus on materiality is driven by our understanding that engagement on material issues helps us achieve superior long-term investment results. Our engagement activities are generally not driven by client input, but rather by our fundamental research identifying areas of strategic and material significance.

The relevant issues vary from company to company, from one industry to another and from investment team to investment team. For example, when issues such as climate transition plans, incentive structures and factors that could pose a reputational risk to consumer-facing businesses are deemed material, we look to engage.

The main areas of focus in our engagement

In our engagement meetings with companies or issuers, discussions that are determined to be financially material could range from an aspect of a company's strategy (e.g. business strategy, environmental strategy, social strategy etc.), to performance, to the management of the company's risks. Because these meetings occur regularly over time, they form an ongoing conversation and facilitate follow-up on previously discussed items.

During 2024, Loomis Sayles analysts engaged with investee companies on a range of ESG issues, including climate change, board structure, workforce safety and human and labour rights.



How we engage

Primary responsibility for engaging with investee companies and issuers lies with our research analysts, for both fixed income and equity, although they also maintain a close dialogue with portfolio managers. With respect to our fixed income strategies, we have a centralised fixed income research function. For equity-based strategies, analysts are dedicated to each investment team. In calls and meetings with investee companies and issuers, our analysts may discuss business strategy, performance, governance and risk management, among other topics determined by each investment team to be financially material.

Typically, we engage with companies in several ways. The choice of which method to pursue sits with our analysts, based on their judgement of the best path to success, ease of access and the severity of the issue. The process for engagement varies depending on asset class and/

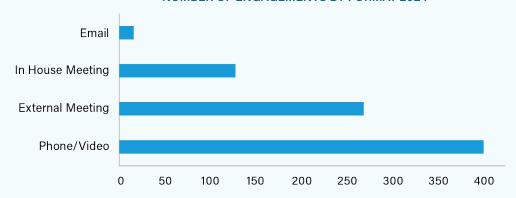
or investment team. For fixed income, our centralised analysts have a common process they use to identify and prioritise opportunities for engagement. For equity strategies, the engagement process is unique to each investment team in accordance with their philosophy, process and investment universe.

The preferred method of engagement will therefore align with the investment process and access for that team. Additionally, all of our equity teams use our proxy voting rights to express our opposition to or support of management or shareholder resolutions.

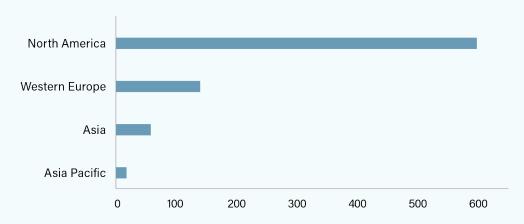
We monitor our engagement activity and outcomes through our proprietary Engagement Database. The majority of our engagement throughout 2024 was conducted via regular one-to-one discussions with company management.

2024 Total Engagements

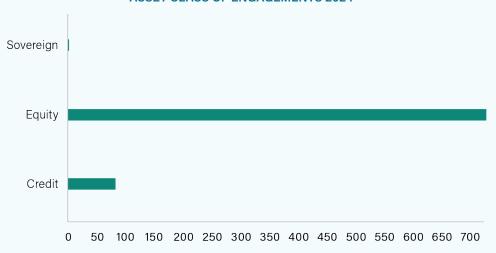
NUMBER OF ENGAGEMENTS BY FORMAT 2024



DOMICILE OF ENGAGEMENTS BY REGION 2024



ASSET CLASS OF ENGAGEMENTS 2024



Regional Variations in Engagement

While we generally do not vary our engagement practices across geographic regions, we do note some variation with respect to equity engagement with companies in emerging markets.

While the environmental, social and governance topics in emerging markets are mostly consistent with developed markets, our Global Emerging Markets Equity team tends to encounter cultural differences that might be unacceptable in western society, especially in the context of certain state and family-run entities.

Examples include:

Family-run businesses in India can function quite well, surviving decades of political cycles with resilience, even though looked down upon from a western point of view.

Saudi Arabian companies typically will not have diversity of gender on their boards.

Engagement With Corporate Bond Issuers

Our centralised credit analysts lead have a three-step process to set the goals and expected timings for our engagement with corporate bond issuers and potential steps for escalation if required.

CORPORATE BOND ENGAGEMENT FRAMEWORK

OBJECTIVE

What is the goal of the engagement? Why are we engaging and, specifically, what do we hope to accomplish? What would it take for the company to achieve a better ESG score?

TIMELINE

Setting realistic timelines that we can monitor to ensure we circle back both internally and externally with management to assess if progress toward the goal has been achieved.

ESCALATION

What is the escalation policy if there is no progress towards the objective within the timeline?

We believe it is important to create objectives that are achievable through time and effort. Essentially, we want realistic objectives that are a step within a longer process of engagement towards a bigger goal. We take the view that we are on a journey with companies and sovereigns — an understanding that allows for much deeper relationships and the possibility of better outcomes.

For fixed income teams, the decision to engage on ESG topics is informed by our credit analysts' fixed income

materiality mapping of issues, described under Principle 7, as well as the broader research our analysts produce.

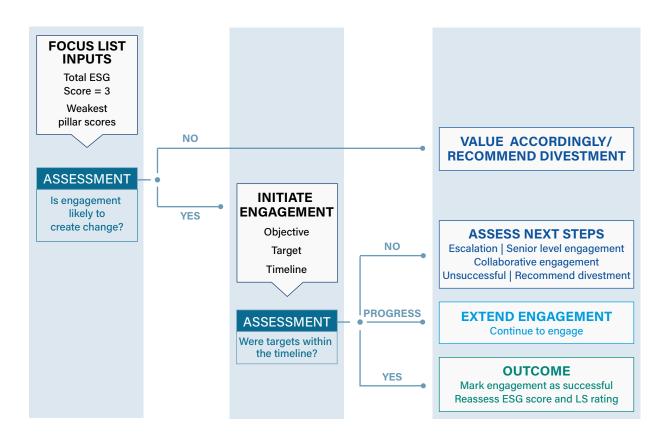
We continue our work with the Credit Roundtable, an industry body formerly chaired by our Co-Director of Credit Research, to enhance the rights available to bondholders and make improvements to the market, particularly in connection with covenants and disclosures for new issues.

ESG engagement with corporate bond issuers

Our engagement approach for corporate bond issuers is centered on ensuring that our efforts are focused on companies and activities where there is the greatest scope, feasibility and requirement for change.

With respect to ESG concerns, our credit analysts undertake the process outlined below, which leverages the proprietary materiality maps and ESG scoring described in Principle 7. Additionally, analysts can seek guidance on assessing next steps from the firm's Escalation Committee. The Escalation Committee is comprised of senior members of the Sustainability and Credit Research teams and is detailed further in Principle 11.

ENGAGEMENT PROCESS FOR CORPORATES



Case Study

Ongoing Engagement

ISSUER: Water treatment company

ASSET CLASS: Corporate Bonds

INDUSTRY: Utilities

THE ISSUE

Recent sewer overflows into rivers have attracted the attention and scrutiny of government agencies and regulators in the UK. The issuer is under investigation by the Water Services Regulation Authority (Ofwat) and the Environmental Agency (EA) for wastewater pollution. Ofwat and the EA are investigating to determine whether the UK water company and its peers have complied with their permits to discharge sewage. Sewer overflows can happen, especially during periods of heavy rainfall. The investigation is focused on whether there were ways to prevent such incidents and if the companies knowingly did not. The issuer struggles with pollution due to the long and narrow ditches in their network area, which allow pollution to travel quickly.

OBJECTIVE

Discuss pollution concerns and the open Ofwat/EA investigation.

HOW WE ENGAGED

In February 2024 our senior credit research analyst met with the company's C-suite to discuss wastewater treatment and the ongoing investigations. Our analyst also discussed the anticipated sector-wide increase in water bills, tentatively beginning April 2025.



OUTCOME

The issuer focused on tackling the problem, including installing smart sensors in the network to detect pollution incidents early. They expect demonstrated improvement in the next year. Additionally, as it relates to the affordability of their services, the issuer believes it can deliver the plan with just a 15% rise in bills, in contrast to 30%-40% increases proposed by some peers.

RESULT

Our engagement with management have provided clarity on the challenges outlined. The issuer expects to hear from Ofwat and the EA sometime in the spring of 2025 regarding the open pollution investigation, however, there is no firm timeline. While the affordability of bills is a sector-wide issue, we believe its proposal stands out relative to its peers and will result in less of an increase in customer bills. Our analyst will monitor the investigation results and continue to engage with the issuer.

CORPORATE BOND CLOSED ENGAGEMENT SUMMARY

CLOSED	INDUSTRY	TOPIC	TARGET
Positive	Autos	Affordability	Close controversial plant in Asia
Positive	Brokers/asset managers/exchanges	Board diversity	Improve board expertise - at least one member with experience at a large financial data firm
Negative	US/Canadian banks/credit cards	Corporate conduct, ethics, litigation	More realistic decarbonization targets
Positive	US/Canadian banks/credit cards	Risk management/hedging	Clarity on compliance investments and improvement in risk controls
Negative	US/Canadian banks/credit cards	Corporate conduct, ethics, litigation	Advocated for splitting CEO and chair roles on a permanent basis
Positive	Metals & mining	Workforce health, safety, wellness	Fatalities improvement
Negative	Metals & mining	Community relations	Absence of further community pushback/ protests against operations
Negative	Metals & mining	Labor management and relations	No labor lockouts/strikes/stoppages
Negative	Metals & mining	Board structure, skills, ownership, diversity	1) Improve corporate governance (board structure) and HR practices, 2) improve cybersecurity safeguards, 3) introduce green/sustainable products and set up environmental due diligence practices in the loan boo
Positive	Metals & mining	Energy management	27% reduction of scope 1 and 2 GHG emissions by 2025
Positive	US/Canadian banks/credit cards	Risk management/hedging	Advocate for faster rationalization of underperforming EM footprint, to improve returns and lower operational risk
Positive	Railroads & transportation services	Environmental targets & initiatives	Gain SBTi approval of environmental targets
Positive	Railroads & transportation services	Financial policy	Better disclosure/understanding of financial policy or a lev target
Positive	Railroads & transportation services	Environmental targets & initiatives	Publish environmental policies and carbon emmissions reduction targets and/or commit to SBTI
Positive	Metals & mining	Energy management	Company released GHG emissions targets in 2023 (the parent already had targets), mark that one as complete
Positive	Beverage	Packaging management	Informative engagement on carbon intensity of packaging mix

If an issuer with a high ESG risk is not recommended for further engagement, the analyst will document why they have made that decision within our Engagement Database. This is important for our fixed income investment teams in their consideration of suitability during the portfolio construction stage. Essentially, if an issuer has a high ESG risk and our analyst believes that engagement will not change that, this must be factored into our decision on whether or how much to invest.

The example below illustrates this process.



Case Study

Closed Engagement

ISSUER: Pet superstore
ASSET CLASS: Corporate Bonds
INDUSTRY: Specialty retailer

THE ISSUE

The issuer lacked any form of environmental policy disclosure. The company had a score of 3.0 for the energy management factor, water management factor and the waste and hazardous material management factor in our ESG analysis, resulting in an overall 3.0 for the environmental pillar (Scores range from 1-3, with 1 being the best).

OBJECTIVE

Publish environmental policies and carbon emission reduction targets.

HOW WE ENGAGED

In 2023 we inquired if the issuer had an environmental disclosure policy and received confirmation they did not have any disclosure to share at the time. We established a 12-month timeframe to follow-up with the issuer and evaluate progress toward our objectives.

We followed up with management in May of 2024 and learned there had not been any progress made towards our stated objective.

OUTCOME

We initiated a discussion with our Escalation Committee to determine appropriate next steps in the absence of progress towards policy disclosure and emission targets.

RESULT

The analyst and escalation committee convened and agreed our objectives were unlikely to be met by the issuer. The engagement was closed, documented and communicated to investment teams as an open risk unlikely to be resolved through engagement.

Sovereign Debt Engagement

At Loomis Sayles, our approach to engagement with sovereign debt issuers is broadly similar to our approach for corporate credit. The major difference is in the level of access our analysts have to engage with country policymakers versus company management teams; in the sovereign arena opportunities are limited. Much like with corporate issuers, sovereigns are scored by our analysts on their ESG profile. This scoring is used to determine the material factors on which analysts will engage, when they have the opportunity to do so.

Case Study

Sovereign Bond

COUNTRY: Senegal

ASSET CLASS: Sovereign Bonds

THE ISSUE

Preliminary audits conducted by the incoming government found significant irregularities in the reported fiscal accounts of the previous government.

HOW WE ENGAGED

At the International Monetary Fund Annual Meeting, we met with the Senegal Ministry of Finance team as a part of a larger investor group. The discussion focused on the results of a preliminary audit which disclosed significant unreported spending by the outgoing government. We tried to get a sense of the size and scope of the off-budget activities and relayed our concerns that such irregularities can erode trust in the governance of public finance.



OUTCOME

Continue to monitor.

NEXT STEPS

We plan to follow the final audit results and continue monitoring the steps the country takes to strengthen its governance of public finances. We will continue to adjust our ESG scores accordingly.

Equity Engagement

Engagement with investee companies by our equity investment teams is a fundamental part of all our equity team's respective investment philosophy and process. In common with all Loomis Sayles investment capabilities across asset classes, our equity teams focus on financial materiality and a forward-looking view of companies' ability to succeed and create value for investors and wider stakeholders

Loomis Sayles Growth Equity Strategies Team

Long-term engagement from an active manager with high-conviction, low turnover portfolios.

The Growth Equity Strategies (GES) Team's approach to engagement is fundamentally shaped by its investment philosophy and is an integral part of its active, long-term, researchdriven process:

The GES Team is an active manager with a longterm, private equity approach to investing. Through its proprietary bottom-up research framework, the Team looks to invest in those few high-quality businesses with sustainable competitive advantages and profitable growth when they trade at a discount to the team's estimate of intrinsic value.

GES Team's long-standing insights about investing and is structured around three key criteria: Quality-Growth-Valuation. Guided by its alpha thesis and with an owner's mindset, the Team seeks a deep understanding of the drivers, opportunities and limits of a company, including ESG criteria, for each company over the Team's long investment horizon.

The GES Team develops long-term constructive relationships with management through regular and recurring dialogue regarding key decision-making criteria, including long-term structural, strategic and financially material ESG matters integral to their long-term investment thesis for each company. The Team believes the structural opportunities and risks associated with ESG matters are linked to business activities, including

the analysis of business models, competitive advantages, operating efficiency, management strategy and integrity, profitable growth, and the Team's estimate of intrinsic value. The Team believes that company management must necessarily weigh and manage the interests of various stakeholders including employees, customers, supply chain partners, and local communities, as well as resource stewardship. Therefore, ESG considerations can be structural to each step of the GES proprietary seven-step research framework.

The GES Team's investment process begins with the art of trying to identify high-quality companies – those with unique, difficult-to-replicate business models and sustainable competitive advantages. Many ESG considerations are embedded in our quality assessment of a company, which are incorporated in the first four steps of our seven-step research process. Meeting the criteria of our quality analysis is binding for us. Not only can ESG considerations strengthen the virtuous cycle of quality characteristics that help sustain and extend competitive advantages, they can also help manage downside risks. Ongoing engagement and robust dialogue are critical elements of our assessment.

Why do we engage with investee companies?

The Team's research and engagement are focused on the future strategic decision-making of companies. High-quality businesses are rare. Less than one percent of companies globally are able to sustain their competitive advantages beyond a decade. Empirical evidence also shows that fewer than one percent of companies can generate sustainable above-average growth beyond a decade. The GES Team evaluates global industry value

Loomis Sayles Growth Equity Strategies Team (contd.)

chains and profit pools to discern the companies they believe will be structural winners and losers over the long term. Engagement is a critical part of the Team's assessment of high-quality growth companies, from idea generation to decision-making on capital allocation and material ESG factors.

Because the Team invests as if buying into a private business, a long investment time horizon is central to its investment philosophy and process. The Team believes that short- termism, so prevalent in today's market, is detrimental to sustainability and value creation and that a long-term orientation is fundamental to a strategic decision-making framework. Therefore, the GES Team seeks to invest with management teams who share its long-term perspective and who view ESG integration as a launch pad for innovation, competitive differentiation and continuous improvement. The GES Team believes

relevant ESG considerations must be integral to a company management's long-term strategic decision-making, not merely a check-the-box exercise.

When do we engage?

Identifying these rare businesses means that for the GES Team, engagement begins with idea generation. It is a key component during its research process, which identifies high-quality growth companies. It is ongoing with portfolio candidates in their investment library. And, it is critical to the Team's continuous assessment of portfolio holdings. As of result of their disciplined and thorough analysis, the GES Team's library of investable ideas consists of only about 250 companies, globally, which the Team would like to own across its five growth equity strategies – at the right price.

The Growth Equity Strategies Team's engagement is not a task with a definite beginning and end, but a continuous process.

ENGAGEMENT IN OUR INVESTMENT PROCESS

IDEA GENERATION

In addition to meeting with the company management of a portfolio candidate, we also analyse and meet with competitors, customers, and suppliers around the world in order to develop an independent assessment of each company's global value chain, competitive positioning and overall profit pool.

RESEARCH PROCESS

The opportunities and risks associated with ESG matters are linked to business activities and strategy, and are therefore integral to the analysis of business models, competitive strategy and advantages, operating efficiency, corporate management strategy and integrity, profitable growth, and our intrinsic valuation.

INVESTMENT LIBRARY

We apply the same approach to engagement whether a company is a portfolio holding or an investable idea in our investment library.

PORTFOLIO HOLDINGS

We develop long-term constructive relationships with management through regular and recurring dialogue regarding key decision-making criteria. We believe a long-term orientation is fundamental to a strategic decision-making framework.

Case Study Growth Equity Strategies Team Engagement

EQUITY ISSUER: Leading Quick-Serve Restaurant Company

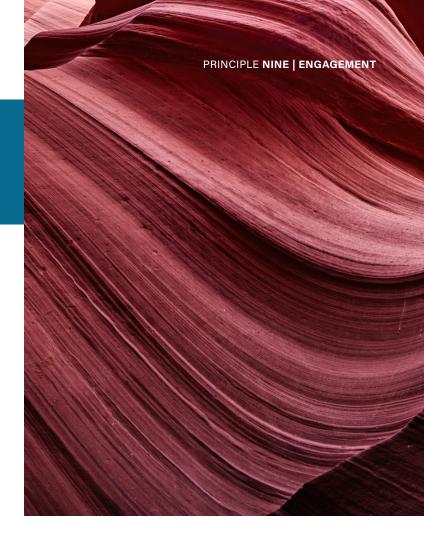
ACTIVITY

A portfolio holding since first quarter of 2014, we have built a dialogue of constructive engagement with the company over the years. In 2024, those conversations continued and included four instances of direct engagement with the company. We engaged on environmental, social and governance topics across all meetings.

TOPIC: PACKAGING & WASTE REDUCTION

For more than a decade, we have been investors in a leading quick-serve (fast food) restaurant operating company. The company's strong and sustainable competitive advantages include a portfolio of iconic global brands, decades of experience in restaurant and franchise operations, and long-term contracts with franchisees. As an asset-light trademark owner, it capitalizes on secular growth in global restaurant spending by leveraging its strengths in marketing and innovation to attract more customers and franchisees to its leading quick-serve brands, which rank among the top ten globally. Throughout the years of our investment, we have actively engaged with the company on environmental and social objectives. This includes its packaging and waste reduction initiatives, which have become critical components of the company's broader sustainability strategy and play a vital role in minimizing its environmental footprint.

We believe a company's ability to sustain and extend its strong brand is a key competitive advantage, and is a strategic and financially material component of high quality businesses. Building and sustaining brand strength is not only tied to effective marketing and responsiveness to changing consumer preferences but also to the company's overall reputation—the sum total of all customer perceptions and public opinion of all corporate actions. We believe consumers increasingly want to understand the environmental impact of the companies and brands they support.



OUTCOME

During our discussions with the CFO and the Chief Sustainability Officer this year, we commended the company for its progress in packaging and waste reduction. This includes eliminating unnecessary packaging across all brands, shifting to more sustainable materials, improving recycling systems, and piloting a reusable packaging program.

We also identified areas for improvement, such as increasing the recycled content in packaging, expanding reusable initiatives to more locations and products, collaborating more closely with suppliers to develop innovative and sustainable packaging solutions, and setting specific, measurable targets for packaging sustainability that align to the 2030 targets set by the company with the Science Based Targets initiative (SBTi). This remains an ongoing area of engagement.

CONCLUSION

The current market price embeds expectations for free cash flow growth that are below our long-term estimates. As a result, the company is selling at a meaningful discount to our estimate of intrinsic value, offering an attractive reward-to-risk opportunity.

How Do We Record And Monitor Our Engagements?

The Loomis Sayles Engagement Database, created in 2016, is an application we developed to systematically collect all our investment teams' discussions with company management (across equity and fixed income).

The Database provides our investment teams with a tool to track their engagement efforts and monitor outcomes. It also provides immediate insights into whether other investment teams within Loomis Sayles are engaging with any similar issuers, thereby providing the possibility to collaborate with other teams within the company. An illustration of the tool is provided in the picture below.

ENGAGEMENT DATABASE



Engagements in the database are categorised by factor (environmental, social or governance) and sub-theme (for example: emissions, climate targets, Sustainable Development Goals criteria). As our engagement activity is driven by analysts' bottom-up focus on specific materiality issues (rather than a thematic approach to engagement), this classification enables a broader view of our efforts across the firm.

We continuously work to enhance the tool to meet the needs of our analyst teams.



Collaboration

Signatories, where necessary, participate in collaborative engagement to influence issuers.

PRINCIPLE TEN | COLLABORATION

At Loomis Sayles we recognise the potential impact of collaborative engagement to influence issuers, and we consider participation in the right circumstances.

We actively engage with other market participants through our participation in a range of industry bodies and working groups, and we participate in initiatives to encourage responsible investment practices across the industry. Senior leaders across our business play an active part in industry groups and bodies that attempt to broadly influence issuers as a group, to provide proper disclosure on financially material topics, and improve the functioning of financial markets.

The decision to engage collectively will be made on a case-by-case basis. Whenever Loomis Sayles engages with an issuer it is to protect and enhance shareholder or bondholder rights.

In order to undertake any collaborative engagement with issuers, we make sure that the circumstances and parties involved meet three important criteria:

COMPLIANCE WITH MARKET ABUSE AND COMPETITION LAW

We are mindful of our obligations under antitrust law and, therefore, will not communicate directly with other investment managers in respect to particular issuers where this may risk competition law infringements.

OUR PROPRIETARY RESEARCH AND INTELLECTUAL CAPITAL ARE PROTECTED

We believe that alpha in investment performance is rare and as a fiduciary of our client's assets it is important that we protect the proprietary research and processes of our investment teams. We are unwilling to share the research of our investment teams with other asset managers. This can include which areas of engagement we believe are financially material or of particular concern for our holdings. If a collaborative engagement opportunity is not able to protect our proprietary research and intellectual capital, we will not participate..

ALIGNMENT ON MATERIALITY AND OBJECTIVES

The other important criteria for collaborative engagement is full alignment with potential parties on the precise focus and materiality of the topic of engagement and the intended outcomes. Our rationale and objectives for engagement and the focus of our ongoing dialogue with issuers (in any asset class) is usually a specific topic as determined by our detailed, proprietary fundamental and ESG analysis. If we can identify collaborative initiatives that are fully aligned with our focus, we are advocates of taking such an approach. However, if we are unable to identify any initiatives precisely aligned with our focus, our analysts will continue to engage with the relevant issuer(s) on a one-to-one basis.

These engagement activities led by analysts are entered into our engagement database, detailed in Principle 9, along with other types of engagement.

While we have no collaborative engagement activity with issuers to report for the 2024 period, we did explore several initiatives to determine whether they could potentially supplement our own direct engagement with issuers. One initiative is focused on Antimicrobial Resistance and the growing threat of financial risks to companies. from this concerning issue. The other initiative is focused on climate related policies and efforts of sovereign issuers. Our exploration of these initiatives and decision around whether to join them was not completed in 2024. We will continue to explore these ideas, as well as look for additional opportunities for productive collaborative engagement that meet all our criteria.



PRINCIPLE **ELEVEN** Escalation Signatories, where necessary, escalate stewardship activities to influence issuers.

PRINCIPLE ELEVEN | ESCALATION

In recognition that engagement is not always successful in securing the desired outcome, we are committed to having a clear rationale and process for escalation on issues our analysts deem financially material to the environment and the wider community.

Reasons For Escalation

All our investment decision-making is founded upon in-depth fundamental research to build a detailed picture of the strength of a company or issuer and its potential for growth.

Occasionally, management's decision-making in one of our portfolio companies may, in our view, be detrimental to its prospects and the creation of value for investors and stakeholders. For example, it may be slow to adopt the latest best practice on environmental issues, we may believe management compensation can be better aligned with long-term shareholder interests, or it may not have sufficient rigour in its governance or its policies on diversity.

In these scenarios, to protect the value of our clients' investments now and into the future, our analysts may choose to escalate their engagement with a company, employing more robust means of engagement to achieve our desired outcome.

As an integral part of our engagement process, decisions on when to escalate and why are led by our analysts across all asset classes.

The most common reason for escalation is when our engagements with an issuer have failed to achieve our desired outcome. Focused on materially significant issues, we believe this failure to achieve our engagement objectives could have a meaningful impact on investment returns.

Examples of specific reasons for escalation include:

- Lack of change on the issue in question
- Impact of issue on long-term decision making and capital allocation
- Lack of credibility in the issuers' response
- Significant controversy or issue
- Questionable or objectionable practices
- Lack of transparency



How We Escalate

As active managers of all our investment strategies, the ultimate escalation is to sell the relevant security. Before reaching that point, our analysts will endeavour to exert the strongest influence on a company or issuer to encourage improvement on the topic in question.

The decision on how to escalate sits with our investment analysts working with our portfolio managers; together they will decide the point at which to escalate and the optimum method of escalation.

Potential forms of escalation include:

- Arranging topic-specific meetings to explain our rationale
- Providing data and research to company management to support our view
- Writing formal letters to senior management or the Board of Directors
- Escalating internally to involve more senior personnel in future engagements (senior leadership per asset class, portfolio managers, Chief Sustainability Officer, CIO or CEO)

- Seeking opportunities for collaborative engagement
- Going directly to the company's Board of Directors
- Voting against company management in proxy votes
- Adjusting our fixed income ESG score, which will materially impact our valuation model (and therefore our willingness to invest)
- Arranging specific meetings with key personnel
- Selling or reducing our holding in a company

At a practical level, any of these forms of engagement may involve adjusting the timeframe for achieving our desired outcome. We may also find that although our suggested actions or policy changes are not enacted, outcomes may demonstrate the company is achieving our ultimate objectives via a different approach. The analyst and the portfolio managers will also monitor progress on an ongoing basis and assess what this means from a valuation perspective and ultimately whether to divest.

As an additional resource for our corporate bond issuer engagement, we have a dedicated Escalation Committee, comprised of our Chief Sustainability Officer, Co-Directors of Credit Research, two Senior Credit Research Analysts and the Sustainability Analyst. Any credit analyst leading an engagement with a specific company can call upon the Committee to determine the best course of action when the engagement isn't progressing as desired by the analyst.

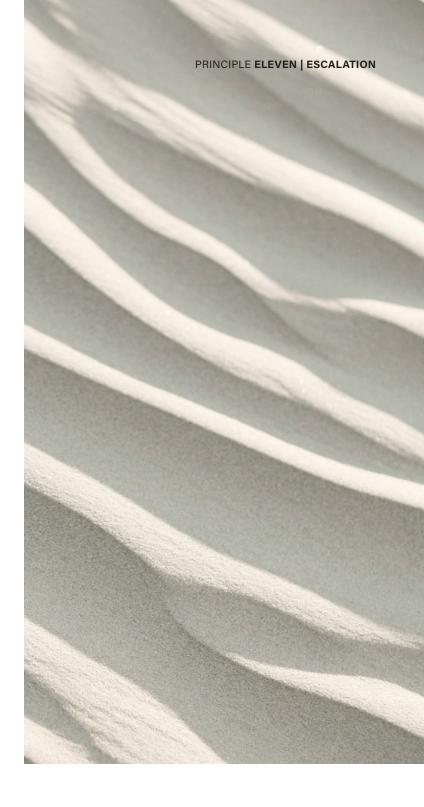


How We Escalate (contd.)

Additionally, our Euro Credit Team employs an exclude or explain function unique to their investment process, whereby the following issuers are assessed on an exclude or explain basis:

- Not rated by MSCI ESG,
- Issuers with an MSCI ESG rating of B or BB,
- Issuers that have been assigned a United Nations Global Compact (UNGC) Watch List status

This means that the relevant portfolio manager will need to present a convincing case as to why, based only on ESG considerations, such an issuer should still be available for investment by the investment team and should therefore not be excluded. Investments in such issuers will only be permitted if agreed by a majority of the Exclude or Explain Committee which comprises the Chief Sustainability Officer, Chief Investment Risk Officer and the two ESG specialists of the Euro Credit Team.



Case Study

Euro Credit Team Escalation

ISSUER: French water and waste management company

ASSET CLASS: Corporate Bonds

INDUSTRY: Utilities

THE ISSUE

The company received an inaugural ESG rating by MSCI ESG of BB in August of 2024. In the absence of any action from the company, the Euro Credit Team would be forced to sell their bonds out of our sustainable portfolios due to their BB ESG rating. This rating was mainly driven by the company's lack of water leakage reduction targets and its weak governance. While the company responded with satisfactory information to address the MSCI rating, further steps are necessary for continuous improvement.

OBJECTIVE

Encourage the issuer to engage with MSCI ESG and increase transparency on the following topics: carbon emission reduction targets, water leakages and its efforts to reduce them. Additionally, we raised concerns about the existing governance structure.

HOW WE ENGAGED

Engagement started in September 2024 via a virtual meeting between Loomis Sayles Euro Credit Utilities PM and the issuer's Vice President of Sustainable Development and Head of Sustainability Finance.

We concentrated on three topics:

- Carbon emission reduction targets
- Water leakage reduction targets
- Governance

We challenged the issuer on its rationale for not submitting its carbon emission targets to SBTi. This was something their largest peers had already done. On the back of this, the issuer agreed to re-consider applying for SBTi validation during 2025.

We highlighted that MSCI ESG was not aware of the issuer's water leakage rate nor any existing water leakage reduction targets. This was a relevant point, given its operations are largely associated with water distribution. The issuer pointed out that their water leakage rate was actually among the lowest in Europe. We encouraged them to consider increasing the transparency of its water leakage rates by disclosing them in a sustainability report, as well as adding targets for water leakage reduction.

Finally, we addressed our concerns with the governance structure, which included the CEO serving in a dual role as Chairman of the Board of Directors and CEO. We shared our view that a split role would strengthen the Board's oversight of management. The issuer indicated they would consider splitting the roles when the Board of Directors seat is up for renewal in FY 2026.



Case Study (contd.)

OUTCOME

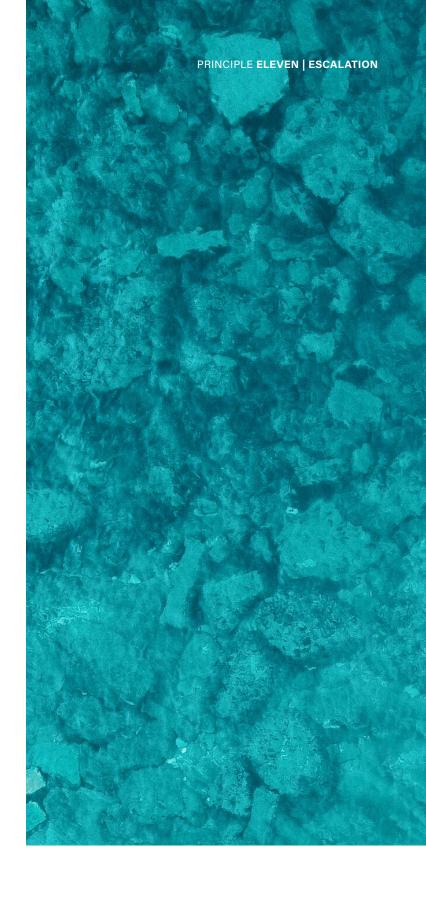
The issuer acknowledged and agreed to consider each of our concerns. We were satisfied with the company's commitments to improve its ESG credentials, to engage with MSCI ESG and to increase the transparency on carbon emission reduction targets and water leakage reduction initiatives. After convening the Exclude or Explain Committee and sharing the issuer's progress it was determined the Euro Credit Team would maintain the investment.

DECISION

Maintain our investment and continue to engage with the issuer to encourage ongoing focus on these issues.

ESCALATION STEPS

The result of the discussion with the Exclude or Explain committee was to reconvene with the issuer in FY 2025, as we would need to consider divestment if we do not see continuous improvement on these issues.



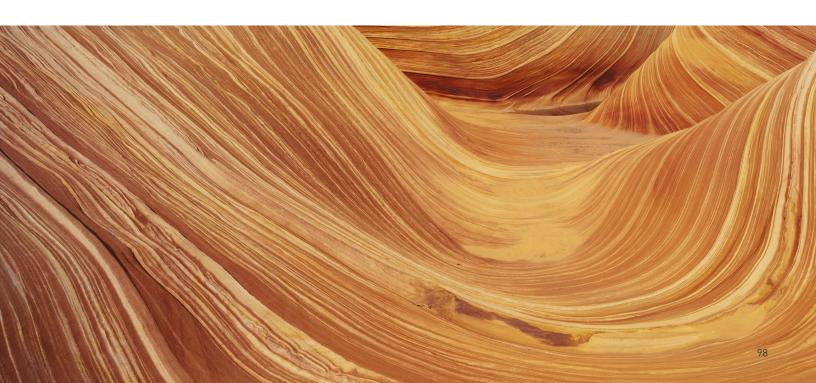
Escalation and Equities

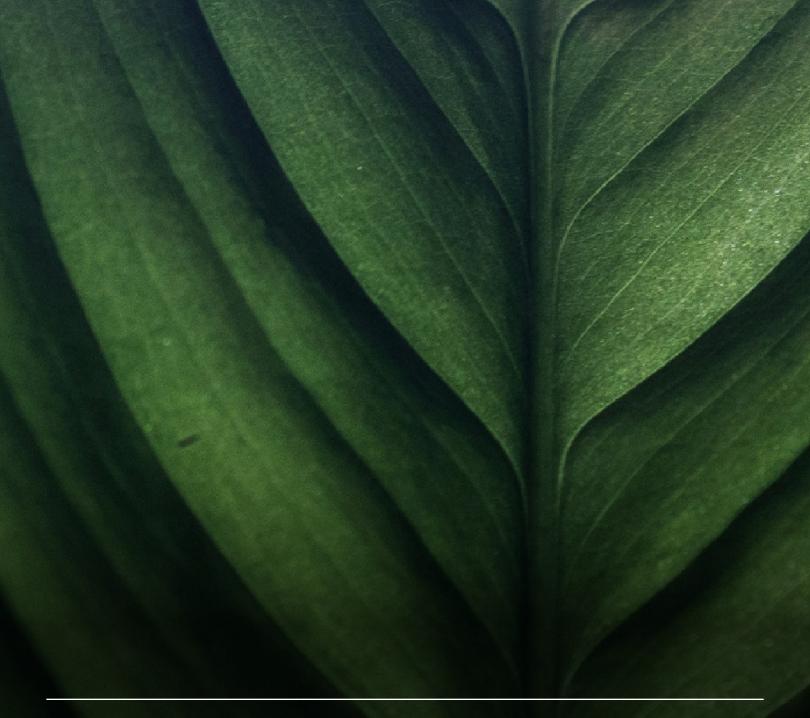
As described in Principle 9, engagement with companies by our equity investment teams is a fundamental part of the investment philosophy and process unique to that team. As a result, the approach to escalation is determined by each equity team in accordance with their investment process.

Equity Team Escalation: Loomis Sayles **Growth Equity Strategies Team**

In line with their approach to engagement, the GES Team's approach to escalation is fundamentally shaped by its investment philosophy and approach, and is an integral part of its active, long-term, research-driven process. As described in Principle 9, the Team's research and engagement is focused on the future decision-making ethos of companies that have already achieved high standards (in order to qualify for its investment library of portfolio candidates). To get to this level of understanding of a company and its management team

takes time — often years, with numerous meetings and extensive exploration of businesses and teams, competitors and supply chain partners. The Team's conversations are forward-looking and long-term in nature, focused on the sustainability of quality and growth-specifically companies' future ability to adapt and evolve their ongoing ability to deliver good outcomes. On this basis, all of the GES Team's engagement is a form of escalated scrutiny on the sustainability of high-quality companies' continued success.





PRINCIPLE TWELVE

Exercising Rights & Responsibilities

Signatories actively exercise their rights and responsibilities.

Proxy Voting

The Loomis Sayles Proxy Voting Policies and Procedures ('PVPPs') help guide the firm on how to vote on the most common proxy proposals. Topics covered include the Board of Directors, Proxy Contests and Defences, Auditors, Tender Offer Defences, Governance Provisions, Capital Structure, Executive and Director Compensation, State of Incorporation, Mergers and Corporate Restructurings, Mutual Fund Proxies and Social and Environmental Issues. We do not vary our approach to proxy voting relative to the geographic location of a company. The PVPPs are published on our website.

However, our default position under the Proxy Voting Policies and Procedures can be overridden if we believe this to serve the best interests of long-term shareholder value creation. Loomis Sayles will not vote in favour of a particular resolution that it believes is not in the best interests of its clients. This is true for resolutions proposed by management of investees, as well as outside parties. During 2024, the firm voted on 469 shareholder proposals, as shown. We have provided some examples below highlighting our approach to shareholder resolutions.

SHAREHOLDER PROPOSAL CATEGORIES	NUMBER OF PROPOSALS IN 2024
Climate	53
Compensation	15
Corporate Governance	57
Director Election	30
Diversity, Equity & Inclusion	59
E&S Proposal	19
Environmental Proposal	19
Health & Safety	5
Human Rights	15
Political Spending	45
Recapitalization Plans	6
Severance Agreement	16
Shareholder Rights	47
Social Proposal	81
Weapons	2

During 2024, over 99% of all shares for accounts that granted Loomis Sayles proxy voting authority were voted.

A small percentage of ballots received were not voted in the following circumstances:

- In our best judgment, the costs or disadvantages resulting from voting outweighed the economic benefits of voting,
- The ballot delivery instructions had not been processed by a client's custodian,
- · A ballot was not received in a timely manner,
- Other circumstances beyond Loomis Sayles' control.

The firm voted with management 84% of the time and 16% of the time we voted contrary to the management recommendation.

Case Studies

PRINCIPLE TWELVE | EXERCISING RIGHTS & RESPONSIBILITIES

CASE STUDY ONE: ENERGY COMPANY
Shareholder Proposal Requiring the
Adoption of a Majority Vote Standard

Management: AGAINST Loomis Sayles: FOR

This multinational semiconductor company, through its subsidiaries, designs, manufactures, tests and markets integrated circuits (ICs), software and subsystems that leverage analog, mixed-signal and digital signal processing technologies. At the company's 2024 Annual Shareholder Meeting, a shareholder proponent put forth a proposal that the company eliminate its supermajority vote provisions. Management recommended a vote against this proposal. We have found that in some instances, super-majority vote requirements can impede the shareholders' ability to approve ballot items that are in their best interests and can have a negative effect on shareholder value. A simple majority vote can be an improvement to a company's corporate governance. As such, we cast the vote on behalf of our clients for this proposal and in opposition to the management recommendation.

The proposal passed with 89.6% of the votes cast in favour of it.

CASE STUDY TWO: CONSUMER STAPLES COMPANY
Shareholder Proposal Regarding Audited
Report on Carbon Emission Relevance

Management: AGAINST Loomis Sayles: AGAINST

This supermarket retailer, together with its subsidiaries, engages in the operation of membership warehouses in the United States and abroad. At the company's 2024 Annual Shareholder Meeting, a shareholder proponent put forth a proposal to be voted on that the company issue an audited report evaluating material factors relevant to a 2050 netzero carbon goal or a similar decarbonization target. Management recommended a vote against this proposal. Upon examination of the issue, we did not find the company to be deficient in its disclosure or that the costs incurred by the adoption of this proposal would lead to an increase in shareholder value. Accordingly, we voted against it, in agreement with management.

This proposal failed to pass with 98.1% voting against it in 2024.

Case Studies (contd.)

CASE STUDY THREE: MEDICAL DEVICE COMPANY

Shareholder Proposal Regarding a Political Contributions and Expenditures Report

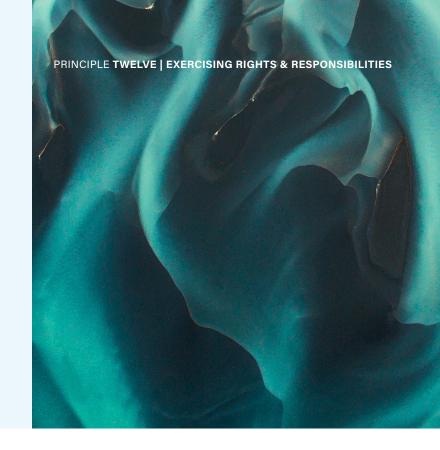
Management: AGAINST Loomis Sayles: FOR

This medical device company, focuses on the design, development and commercialization of continuous glucose monitoring (CGM) systems in the United States and internationally. At the company's 2024 Annual Shareholder Meeting, a shareholder proponent put forth a proposal that the company provide a semiannually updated report regarding its political contributions and expenditures. Management recommended a vote against this proposal. In the course of our research, we noted that the company did not appear to have a boardlevel review process for of its political contributions. Furthermore, we came to believe that the costs incurred by this proposal would materially benefit shareholders by allowing them to assess the risks to which the company was exposed as a result of its political spending, as well as any role of the board in approving such expenditures. Subsequently, we voted for this proposal and in opposition with management's recommendation.

This proposal passed with 51.9% of the votes cast also voting for it in 2024.

At Loomis Sayles we do not outsource decision-making on voting proxies for those accounts and funds for which we have voting authority.

However, Loomis Sayles uses the services of Glass Lewis to provide research and recommendations and Institutional Services Inc. (ISS) to provide proxy voting agent services for those accounts and funds for which Loomis Sayles has voting authority. All issues presented for shareholder vote will be considered under the direction of the Proxy Committee and when necessary, the investment team(s) managing shares of the company.



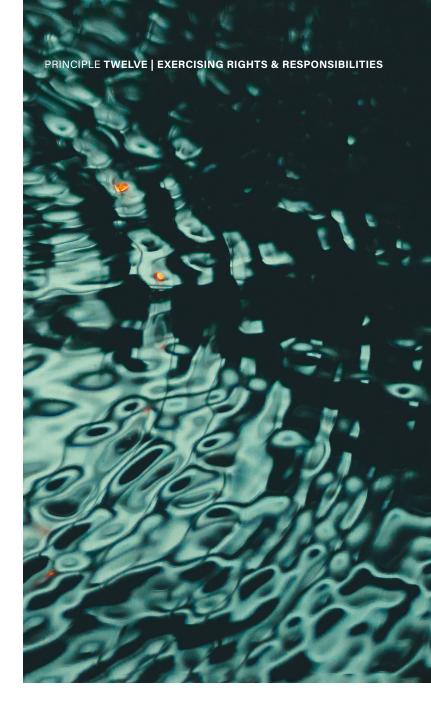
The PVPPs specify matters with respect to which Loomis Sayles will:

- Generally vote against a proposal (e.g., against a proposal to prohibit shareholder ability to call special meetings);
- Generally vote in favour of a proposal (e.g., for a proposal that prohibits one individual from holding the Chairman of the Board and CEO positions at a public company);
- Generally vote as recommended by Glass Lewis (e.g., for a proposal to implement a 401(k) benefit plan); and
- Specifically consider its vote for or against a proposal (e.g., environmental and social issues, asset sales, corporate or debt restructurings).

The Proxy Committee may use its discretion to conduct a review of any material conflict of interest Loomis Sayles may have and, if any material conflict of interest is found to exist, exclude anyone at Loomis Sayles who is subject to that conflict of interest from participating in the voting decision in any way.

In the event a client believes that its interest requires a different vote than that determined by the Proxy Committee to be in the client's best interests, Loomis Sayles shall vote as the client instructs. If the Proxy Committee were to become aware of special circumstances that might justify casting different votes for different clients with respect to the same matter, the Proxy Committee would take such circumstances into account in casting its votes. In addition, clients may direct Loomis Sayles on the voting of their proxies. For further discussion on Loomis Sayles' approach to handling this potential conflict, please see the table of potential conflict in Principle 3.

Loomis Sayles monitors asset holdings for all clients that have granted proxy voting authority to the firm for upcoming shareholder meetings on a global basis. We work in tandem with our proxy voting vendor, on a best efforts basis, to obtain all possible ballots from our clients' custodians in advance of a shareholder meeting. Reports are run by the proxy voting team for all meetings to match shares held on a record date to the ballots received from the custodians. Should a ballot not be received for a meeting, the custodian is contacted and Loomis Sayles will work to resolve the situation going forward. A report of missed ballots and the efforts made to resolve them is made on an annual basis to the Proxy Committee.



Our proxy voting records are available on our website. Clients may also receive a report of their account's proxy voting activities upon request.

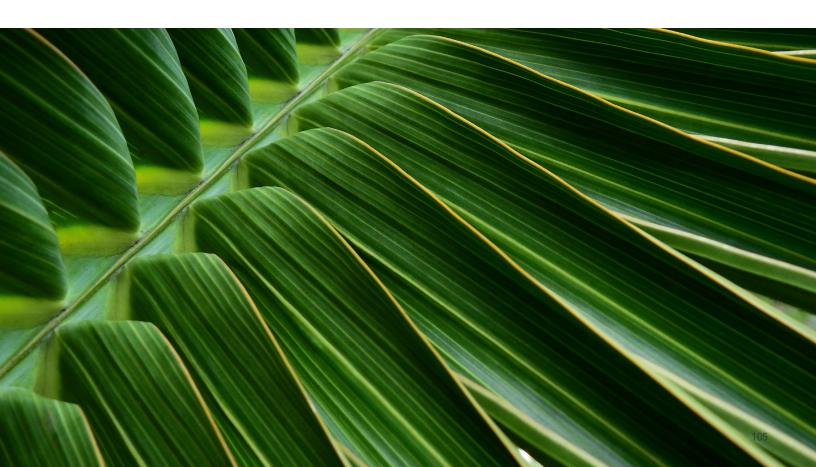
Loomis Sayles does not engage in securities lending on behalf of its client portfolios. However certain subadvised funds for which we provide investment advisory services may engage in securities lending. We have engaged Glass Lewis to monitor the portfolio securities of those funds for material issues that may come to a vote. While we will not recall on routine issues, we will request that the subadvised fund's custodian recall securities in order to vote proxies on material issues.

Additional Rights and Responsibilities

Prior to investing in a fixed income asset we conduct in-depth research and credit quality assessments on the issuer pre-issuance, which includes reviewing prospectuses and transaction documents.

We are working through the Credit Roundtable to encourage issuers to make information and transaction documents available to the market in a timelier and more consistent manner to facilitate due diligence. This is in response to our experience in the primary investment grade bond markets with new issuances becoming priced and fully subscribed within an extremely brief window following their announcement.

We subscribe to a third-party covenant analysis service that helps identify and understand key issues and risks in the terms. We also solicit the opinions of our legal advisers who will give expert opinion on whether terms are in line with the market. Where possible, we attempt to negotiate more favourable terms. However, as indicated in Principle 9, our ability to achieve this depends heavily on market conditions and the availability of credit.



Next Steps

As mentioned in Principle 7, the integration of ESG is an important aspect of stewardship at Loomis Sayles.

Since establishing our Sustainability Leadership Team in 2012, Loomis Sayles has made great strides to formalise our approach to ESG integration. Each year, we identify key priorities to further this integration.

Our key objectives for 2025 and beyond include:

- Consideration of financially material market changes resulting from transition and physical risks
- Research focused on select market events and sustainability themes
- Refinement of proprietary fixed income materiality maps and ESG scores regarding time horizon and sector-specific assessments
- Technology enhancement to portfolio-level tools for evaluation of financially material ESG risks and opportunities
- Improvements to client reporting systems

One of the primary roles of our dedicated Sustainability team is to provide meaningful insight into emerging trends that have the potential to impact future valuations.

We aim to address this in several ways including the development of research, frameworks and tools that examine transition and physical risks. The Sustainability team works with all of the investment teams at Loomis Sayles to continue the integration of ESG, where appropriate, leveraging tools like these as well as collaborating on many other topics. We approach the level and focus areas of collaboration according to the needs of each group, such as client demands and investment team integration practices.

Important Disclosures

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Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Diversification does not ensure a profit or guarantee against 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 strategy will generate positive or excess return.

Actual accounts have the potential for loss as well as profit.

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