Core Plus Bond Fund

Fund Facts

OBJECTIVE

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

Share Class	Y
Inception	12/30/1994
Ticker	NERYX
CUSIP	63872R764
Benchmark	Bloomberg US Aggregate Bond Index

Bloomberg US Aggregate Bond Index *represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. Indices are unmanaged. It is not possible to invest directly in an index.*

Market Conditions

- The global fixed-income markets performed well in the third quarter. Investors reacted favorably to the backdrop of slow but steady economic growth and moderate inflation, together with the US Federal Reserve's decision to reduce interest rates by a quarter point at its September meeting. The cut, which marked the first easing since December 2024, brought the fed funds rate to a range of 4.0% to 4.25%. Investors also displayed confidence that the Fed was likely to continue easing policy over the course of the coming year. Bonds responded favorably to these developments, with longer-term debt and more credit-sensitive categories leading the way.
- US Treasury yields declined modestly across the curve (as prices rose), augmenting the contribution from income. The move represented the continuation of an uneven downtrend in yields that began in late May. Investors reacted favorably to the US Federal Reserve's first interest rate cut of 2025, as well as expectations for a shift toward more dovish policy. The yield on the two-year note declined from 3.72% to 3.60%, while the 10-year fell from 4.24% to 4.16%. Treasurys, while positive in absolute terms, didn't keep pace with the stronger returns for more credit-sensitive areas of the market.

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

	CUMULATIVE TOTAL RETURN		AVERAGE ANNUALIZED RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	2.25	7.06	3.29	5.43	0.07	2.84
BENCHMARK	2.03	6.13	2.88	4.93	-0.45	1.84

Performance data shown represents past performance and is no guarantee of future results. Investment return and value will vary and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For most recent month-end performance, visit www.loomissayles.com.

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

Gross expense ratio 0.50% (Class Y). Net expense ratio 0.48%. As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense limitation of the fund has been exceeded. This arrangement is set to expire on 1/31/2027. When an expense limitation has not been exceeded, the fund may have similar expense ratios and/or yields.

The Class Y inception date is 12/30/1994. Class Y shares are sold to eligible investors without a sales charge; other Classes are available for purchase.

- Corporate bonds produced a gain and outperformed Treasurys in the quarter. The positive total return reflected the combination of income, a modest decline in Treasury yields, and a continued compression in yield spreads driven by positive investor sentiment and healthy corporate earnings. According to the Federal Reserve Bank of St. Louis, the yield advantage for corporates relative to government bonds declined from 86 basis points (0.86 percentage points) at the start of the quarter to 76 basis points at the end of September, marking the narrowest level since the late 1990s.
- High-yield bonds delivered a healthy total return and outpaced the investment-grade market. The gain reflected the combination of income, a modest decline in Treasury yields, and a continued compression in yield spreads driven by hearty investor risk appetites and robust corporate profits. According to the Federal Reserve Bank of St. Louis, the yield advantage for high yield bonds over government debt moved from 296 basis points (2.96 percentage points) at the beginning of the quarter to 280 basis points on September 30. This put spreads at the low end of the range that has been in place since the late 1990s.
- Agency mortgage-backed securities (AMBS) gained ground in the third quarter. Lower-coupon issues, which benefited from falling interest rates and lower sensitivity to prepayment risks, led outperformance relative to Treasurys. Returns for asset-backed securities (ABS), non-agency residential mortgage-backed securities (NARMBS), commercial mortgage-backed securities (CMBS), and collateralized loan obligations (CLOs) were also broadly positive thanks to tightening yield spreads.
- Developed-market government bonds lagged the United States. The European fixed-income markets were pressured by fiscal worries, and Japan faced a headwind from rising inflation and reduced bond purchases by its central bank. Emerging-market bonds registered robust total returns and outpaced the US credit sectors on the strength of improving economic conditions and investors' elevated appetite for risk.

Portfolio Review

- The fund outperformed its benchmark, the Bloomberg U.S. Aggregate, primarily due to security selection. Sector allocation and duration/yield curve positioning also added value.

Contributors

- The 3% out-of-benchmark non-US dollar position had a positive impact on performance, benefitting from robust sentiment for LatAM currencies.
- Positive security selection in food and beverage, metals and mining and wireless industries contributed to excess returns from corporate credit.
- The Fund's decision to take more interest rate risk (duration) than the benchmark, focused on the belly of the yield curve, added value as rates declined and curves steepened.
- Positions in deeply discounted re-performing loans and an underweight to Ginnie Maes in favor of Fannie Maes supported security selection within agency MBS pass-throughs.

Detractors

- The 5% out-of-benchmark allocation to high yield corporates underperformed the broader benchmark, largely due to selections within the chemicals industry.
- The 5% underweight to agency MBS pass-throughs detracted as the sector outperformed Treasurys and experienced 0.10% of spread tightening.
- Similarly, the 6% market value underweight to investment grade credit also detracted as the sector outperformed Treasurys and delivered 0.08% of spread tightening.

Outlook

- Fixed income markets delivered strong returns during the third quarter, as both spreads and yields declined. Spread sectors continued to be well supported, while yields re-priced and the curve continued to steepen in anticipation of a 25 basis point cut at the Federal Reserve's September meeting. Alongside the widely anticipated September cut, Chairman Powell indicated that the Fed would look through tariff related inflation impacts. Additional comments on labor force conditions pulled forward market expectations of a third cut to the Federal Funds rate this year. Despite pressure from the White House, the Fed continues to be data driven. Current market expectations are for two 25 basis point cuts at the November and December meetings.
- We are generally constructive on corporate fundamentals, which remain at a healthy level by historical standards. However, as the impact of tariffs begins to work through the economy, weak pricing power and rising debt service costs suggest margin compression going forward. On the consumer front, we believe moderating demand for labor, the continued decline in excess savings, and tight credit conditions are potential catalysts for weaker spending, which may be further exacerbated by higher prices for goods.
- We continue to believe that we are in the late expansion phase of the credit cycle, with growth slowing to below trend, and a short-term increase in inflation. While we do not anticipate the US will enter a recession, we continue to see elevated risk of a downturn scenario. We are concerned that slowing rates of hiring may weigh more heavily on incomes and consumption, the potential for tariffs, the growing fiscal burden and the risk of an extended government shutdown in the US. Lastly, we are monitoring the vulnerability surrounding the US dollar as demand seemingly moves towards economies with perceived higher growth rates and more attractive risk market valuations.
- We continue to maintain an "up in quality and price transparency" bias in the portfolio, given our base case view that the economy is more likely to slow than to re-accelerate from current elevated levels. We currently hold roughly 1/3 of the portfolio in US Treasurys. Looking ahead, we expect Treasurys to be supported by slowing economic activity and continued disinflation. Importantly, we have significant liquidity for re-entering spread markets should valuations cheapen meaningfully from current levels.
- We continue to believe that the balance of risks seems to favor lower rates — modestly lower in a soft landing, or markedly lower in the event of a more meaningful slowdown. During the quarter we reduced overall duration while maintaining a long bias, currently roughly 1/4th of

a year long on a nominal basis, and 1/10th of a year long on an empirical basis. We continue to favor the belly (5-10 year) of the yield curve, which we believe currently offers the best relative risk/reward in alternative scenarios: a sharp economic slowdown or significant re-acceleration.

- We increased our underweight to agency mortgage-backed securities during the quarter, moving from a 3% underweight position versus the benchmark to an approximately 5% underweight. We continue to emphasize favorable convexity and structure through coupon and specified pool selection.
- Within investment grade corporate credit, we remain underweight on both market value and contribution-to-duration measures. We have a modest bias towards BBB-rated securities as we believe they offer attractive valuations within a sector where spreads are close to historical tights. We tend to favor industries who have benefitted from higher rates, such as banks and business development companies, and those with favorable supply demand dynamics such as aircraft leasing companies.
- We have a large overweight to high quality investment grade securitized credit, primarily in the front end of the yield curve, for more defensive, non-corporate carry. We continue to favor higher-rated asset-backed securities (ABS) related to consumer receivables, as well as aircraft-related, automotive rental fleet, infrastructure, and whole loan ABS. We have minimal exposure to commercial real estate.
- Within the Plus sectors, our allocation to high yield continues to be managed with a bias towards higher quality and more defensive industries and remains around 6% in total, including 4% in developed fixed rate high yield corporates and an additional 2% in emerging market high yield credits, which continue to perform well also. We remain at the low end of our historical allocation range in high yield given stretched valuations, and continue to favor front-end, lower spread duration yield. We continue to favor high-quality, investment grade collateralized loan obligations (CLOs) where permitted, currently at 5.2% (In guidelines which do not allow CLOs, we have maintained an approximately 4.6% exposure to bank loans).
- We are maintaining the same level of overall portfolio credit risk, but have been trading out of issuers which we believe have more limited upside potential in favor of new issues with attractive concessions.
- Currently, non-US dollar exposure is approximately 2.9% of total market value, with 1.0% in Uruguay, where we have been trimming at the margin, 1.2% in Brazil, and 0.6% in Mexico. We continue to favor the significant carry and diversification potential versus US dollar from these positions.

About Risk

Fixed income securities may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity. **Mortgage-related and asset-backed securities** are subject to the risks of the mortgages and assets underlying the securities. Other related risks include prepayment risk, which is the risk that the securities may be prepaid, potentially resulting in the reinvestment of the prepaid amounts into securities with lower yields. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Foreign and emerging market securities** may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than US securities due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. **Currency** exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline. **Inflation protected securitie**s move with the rate of inflation and carry the risk that in deflationary conditions (when inflation is negative) the value of the bond may decrease.

Important Disclosure

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

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

Market conditions are extremely fluid and change frequently.

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

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

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

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

Past performance is no guarantee of future results.

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

Natixis Distribution, LLC (fund distributor, member FINRA|SIPC) and Loomis, Sayles & Company L.P. are affiliated.

NIM-10142025-pcwpt7kt
LSCPB03-0925