Small Cap Growth Fund

Fund Facts

OBJECTIVE

Seeks long-term capital growth from investments in common stocks or other equity securities

Share class	I
Inception	12/31/1996
Ticker	LSSIX
CUSIP	543487854
Benchmark	Russell 2000® Growth Index

Russell 2000® Growth Index *measures the performance of the small cap growth segment of the US equity universe. It includes those Russell 2000® companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small cap growth segment. Indexes are unmanaged and do not incur fees. It is not possible to invest directly in an index. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.*

Market Conditions

- When we wrote to you a year ago, we discussed the prospect of small cap earnings reaccelerating throughout 2025. Our forecast was correct in that we did start to see small cap earnings reaccelerate, particularly since the second quarter. What we did not anticipate was the powerful low quality, high beta rally that occurred following the market bottom on 4/8 (post Liberation Day) through October of this year, leading to the most challenging environment on record for active managers.
- Despite the short reversal that we started to see in November, low quality meaningfully outperformed for the quarter and particularly for the calendar year within the small cap space.
- 2025 has been a historically challenging period for quality where the S&P Small Cap 600® Quality Index had its worst year ever relative to the Russell 2000 index, underperforming by over 11% in 2025.
- This backdrop also translated into a very difficult period for active management with the trailing 9-month period being by far the worst stretch on record (average small cap manager trailing by over 8%). In fact, less than 20% of all active small cap growth managers were able to outperform during 2025. This data is derived from Jefferies Investment Bank and utilizes Lipper data for peer group rankings.

Portfolio Review

- The Small Cap Growth Fund underperformed its benchmark, the Russell 2000 Growth index, primarily due to security selection within the healthcare and consumer discretionary sectors.

Class I Performance as of December 31, 2025 (%)

	CUMULATIVE TOTAL RETURN		ANNUALIZED TOTAL RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	0.51	3.65	3.65	10.08	2.50	9.97
BENCHMARK	1.22	13.01	3.38	9.79	3.18	9.57

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 0.94% (Class I). Net expense ratio 0.94%. As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses once the expense cap of the fund has been exceeded. This arrangement is set to expire on 1/31/2026. When an expense cap has not been exceeded, the fund may have similar expense ratios.

The Class I inception date is 12/31/1996. Class I shares are only available to certain institutional investors only; minimum initial investment of $100,000.

TOP TEN EQUITY HOLDINGS (%)

MACOM Technology Solutions Holdings, Inc.	2.2
ATI, Inc.	1.9
Ligand Pharmaceuticals Incorporated	1.9
Establishment Labs Holdings Inc.	1.9
Advanced Energy Industries, Inc.	1.9
RBC Bearings Incorporated	1.8
Construction Partners, Inc.	1.7
ESCO Technologies Inc.	1.7
Vita Coco Company, Inc.	1.6
Axsome Therapeutics, Inc.	1.6
Total	18.1

Contributors

- Establishment Labs Holdings, Wave Life Sciences and MACOM Technology Solutions Holdings were the top individual contributors overall.
- Establishment Labs is a medical device company focused on plastic surgery. The stock outperformed during the quarter as the company's sales in the US continued to grow with a projected 20% market share within breast aesthetics.
- Wave Life Sciences is a biotech company focused on utilizing RNA technologies to treat various conditions. During the quarter, the company published its first data for a novel obesity target showing a reduction in fat mass while preserving muscle mass and the stock reacted positively as a result.
- MACOM Technology Solutions Holdings is a high growth analog semiconductor company and a long time holding that has exposure to the data center and defense end markets, both of which are showing significant growth. Share gains from new products have helped to supercharge growth, along with self-help initiatives that are driving margins higher. The company's unique positioning, along with higher revenue and earnings revisions, have driven the stock to the upper bands of its peer group valuation.

Detractors

- Varonis Systems, Stride and Commvault Systems were the bottom individual detractors overall.
- Varonis designs and develops file analysis and data management software solutions. The company missed its quarterly projections by surprising investors and customers with an announcement to end its on-premises solution. This solution represented approximately 15% of revenue and after seeing low renewals, the company decided to pull the plug and instead focus on its successful SaaS platform. This surprise led to extreme volatility, which triggered our stop loss and we exited the name.
- Stride provides virtual learning for K-12 students in roughly half of the states in the country. While this academic year was set up to be strong, challenging integration of meaningful software systems caused students and their families to have poor experience and disenroll. As a result, the company was forced to meaningfully lower guidance for the year when they announced earnings in October.
- Commvault Systems helps customers protect their data and be cyber resilient in a multi-cloud environment. The stock triggered our stop loss following its Q2 earning release as its term license revenue fell short with customers anticipating to migrate to the cloud.

Outlook

- There are a host of reasons to be optimistic about the economy, earnings growth, and the stock market in 2026. These include a variety of tax cuts, tax incentives for capital investments, lapping the negative impact of the tariffs, easing inflationary pressures, interest rate cuts, continued investment in artificial intelligence and potentially productivity gains from these investments.
- All of these items should drive economic growth and corporate earnings higher, which stock prices usually follow. If this does happen, the broadening out of the economy and the stock market will most likely continue, which should enable small cap stocks to outperform.

- One concern we have is that the bullish view above seems to be widely held, which is reflected in valuations and raises potential for downside volatility if this path becomes less certain.
- As always, there are risks to the outlook. Most prominent are geopolitical events and the employment environment could continue to worsen. If that happens and there's a hint that inflation could come back, stagflation concerns could arise.
- Consequently, while we have a positive outlook and are finding compelling companies to invest in from the bottom up, we will continue to manage risk carefully.

About Risk

Equity securities are volatile and can decline significantly in response to broad market and economic conditions. **Smaller company** investments can be more volatile than those of larger companies. **Growth stocks** may be more sensitive to market conditions than other equities, as their prices strongly reflect future expectations. **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.

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.

*The **S&P SmallCap 600® Quality Index** is designed to measure the 120 highest-quality stocks in the S&P SmallCap 600 on the basis of their quality score, which is calculated using three fundamental measures: return on equity, accruals ratio, and financial leverage ratio.*

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.

Holdings data is based on total gross assets before any fees are paid; any cash held is included. The portfolio is actively managed and holdings are subject to change. References to specific securities or industries should not be considered a recommendation. Holdings may combine more than one security from the same issuer and related depositary receipts. Portfolio weight calculations include accrued interest. For current holdings, please visit www.loomissayles.com.

Market conditions are extremely fluid and change frequently.

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

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

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

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

Past performance is no guarantee of future results.

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

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

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