

Limited Term Government & Agency Fund

Fund Facts

OBJECTIVE

Seeks high current return consistent with preservation of capital

Share class	Y
Inception	3/31/1994
Ticker	NELYX
CUSIP	543487326
Benchmark	Bloomberg US 1-5 Year Government Bond Index

Bloomberg US 1-5 Year Government Bond Index is an unmanaged, market-weighted index of bonds issued by the US government and its agencies, with maturities between one and five years. Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

The Bloomberg US Aggregate 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. Indexes are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Market Conditions

- Bonds performed poorly in the third quarter, with nearly every major segment of the market posting a negative return. The ongoing conflict in the Middle East led to persistently high oil prices, fueling worries about rising inflation. At the same time, economic growth remained robust. The US Federal Reserve responded with a quarter-point interest rate increase at its September meeting, and the markets began to price in expectations for further hikes in the year ahead. A number of other major central banks—including the European Central Bank and the Bank of Japan—made similar moves. Investors also grew concerned about expanding government debt and unsustainable budget deficits, as well as the impact of massive new-issue supply related to the funding of the AI infrastructure buildout. In combination, these factors fueled a broad-based sell-off that affected both the rate- and credit-oriented segments of the market.
- US Treasuries lost ground in the quarter, with the effect of falling prices outweighing the contribution from income. Yields rose across the curve, and the 10- and 30-year issues hit their highest levels in approximately 20 years. Notably, yields on both the 5- and 10-year notes climbed above the psychologically important 5% threshold in September. All maturities suffered losses except very short-term debt, and longer-dated issues finished with the weakest returns.
- Asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) posted negative total returns but outperformed the Bloomberg US Aggregate Index due to their lower interest rate sensitivity. Agency mortgage-backed securities (MBS) underperformed the index as elevated interest rate volatility weighed on valuations. Collateralized loan obligations (CLOs), which benefited from increased investor demand for their floating-rate

Class Y Performance as of September 30, 2026 (%)

	CUMULATIVE TOTAL RETURN		ANNUALIZED TOTAL RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	-0.77	-0.03	0.99	4.16	1.90	1.74
BENCHMARK	-0.87	-0.50	0.65	3.93	1.28	1.55

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 0.53% (Class Y). Net expense ratio 0.45%. 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 3/31/1994. Class Y shares are sold to eligible investors without a sales charge; other Classes are available for purchase.



coupons as short-term interest rates rose, generated positive total returns.

Portfolio Review

- The Fund outperformed its benchmark, the Bloomberg US Government 1-5 Year Index, due to positive security selection.

Contributors

- Duration continues to be managed near our target of 2 years, and the Fund's shorter duration relative to the benchmark contributed positively to results as yields rose during the quarter.
- Exposure to securitized agency was beneficial to performance over the period by way of positive security selection, particularly in agency CMBS.
- Overall, security selection within the Fund was positive.

Detractors

- US Treasury positions were a detractor from performance over the period.
- The Fund's cash position was a modest detractor to relative performance during the quarter.

Outlook

- Fixed income markets declined during the third quarter, as yields re-priced sharply, moving higher while credit spreads trended slightly wider. The Federal Reserve (Fed) delivered a hawkish tone at its annual conference in Jackson Hole in August, committing firmly to a 2% inflation target. This was followed by a 25bp hike at the September meeting, the first hike since 2023. Markets are currently pricing as many as three additional 25bp rate hikes over the next year. Rates rose and the yield curve flattened, with the 10-year US Treasury ending the quarter at 5.3%. Meanwhile, tensions in the Middle East rose in September, and oil prices surpassed \$100/barrel, contributing to a decline in risk appetites. Spreads remained near historic tights, but widened, particularly in lower quality high yield.
- Corporate health remains at a healthy levels, with profits and margins lifted by the AI investment boom. Credit health metrics are improving despite a more significant increase in corporate debt levels, as much of the increased borrowing is occurring amongst the most profitable and highly rated firms. On the consumer front, real disposable income and personal savings rates remain low, but a firm job market and stabilizing delinquencies suggest less strain on lower income cohorts. The wealth effect remains an important positive factor, but also represents a key risk should equity markets experience a correction.
- We believe we are in the expansion phase of the credit cycle, with strong growth momentum and diminished downside risks. We expect growth and inflation to moderate, as the impulse



from the AI investment boom peaks and tariff impacts move further into the rear view. Key risks include an equity market sell-off, a sharp increase in inflation fears, and a labor market that proves to be weaker than it currently appears, with falling participation masking lower demand. Market volatility may remain elevated due to the lack of transparency from the Fed and ongoing geopolitical tensions.

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. **US government agency securities** are not insured and may not be guaranteed by the US government. **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. **Securities purchased on a forward commitment, when-issued or delayed delivery basis** are subject to many of the same risks (such as market risk and interest rate risk) as other securities. In addition, when-issued and delayed delivery securities are subject to other risks including loss of value prior to delivery; the security may not be issued; or a counterparty to the transaction may not meet its obligations.

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.



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