Small Cap Value Fund

Fund Facts

OBJECTIVE

Seeks to produce long-term capital growth

Share class	I
Inception	5/13/1991
Ticker	LSSCX
CUSIP	543495816
Benchmark	Russell 2000® Value Index

Russell 2000® Value Index *measures the performance of the small cap value segment of the US equity universe. It includes those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small cap value segment.*

Market Conditions

- During the second quarter of 2026, the US stock market posted its strongest return in six years, with gains across all market capitalizations and investment styles. Performance was supported by robust corporate earnings, solid economic data, and expectations for an artificial intelligence (AI)-related capital spending boom. The quarter also marked a strong rebound from the modest first-quarter overall market decline, when geopolitical concerns weighed on investor sentiment.
- Although returns were broadly positive, small cap stocks continued to outperform large caps, with the Russell 2000® Index returning 21.5% versus 15.2% for the large cap S&P 500® Index. After outperforming growth for three consecutive quarters, small-cap value lagged in the second quarter, as the Russell 2000® Value Index returned 17.2% compared with 25.7% for the Russell 2000® Growth Index. Market leadership was unusually narrow and heavily driven by AI-related themes, favoring traditional growth sectors such as information technology. That sector gained 56.2% within the Russell 2000 Index and an impressive 78.8% within the Russell 2000 Value Index. Nine of the eleven small cap sectors within the index delivered positive returns for the quarter, while more value-oriented areas such as utilities were essentially flat and energy stocks declined by low double digits as commodity prices fell amid easing geopolitical tensions.
- The narrowness of the market was evident in the Russell 2000 Value Index, where only 37% of stocks outperformed the benchmark, below the 45% median over the past decade and the second-lowest quarterly outcome during that period.

Portfolio Review

- The fund outperformed its benchmark, the Russell 2000 Value Index, due to positive sector allocation while the security selection effect had a neutral impact on relative performance.

Contributors

- Relative performance was aided by strong returns from several holdings in the information technology sector, an underweight allocation and strong stock selection in energy,

Class I Performance as of June 30, 2026 (%)

	CUMULATIVE TOTAL RETURN		ANNUALIZED TOTAL RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	18.16	22.22	30.45	15.81	9.73	10.62
BENCHMARK	17.19	22.99	43.01	18.73	8.23	10.89

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 0.96% (Class I). Net expense ratio 0.90%. 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 1/31/2027. When an expense cap has not been exceeded, the fund may have similar expense ratios.

The Class I inception date is 5/13/1991. Class I shares are only available to certain institutional investors only; minimum initial investment of $100,000.

Top Ten Equity Holdings (%)

MOOG Inc.	2.6
Garrett Motion Inc.	2.6
Bel Fuse Inc.	2.0
Kodiak Gas Services, Inc.	1.9
Popular, Inc.	1.8
TD SYNNEX Corporation	1.8
Ultra Clean Holdings, Inc.	1.7
Ameris Bancorp	1.6
Griffon Corporation	1.5
Concentra Group Holdings Parent, Inc.	1.4
Total	18.8

an overweight allocation to industrials, and very positive stock selection in consumer discretionary. Among individual stocks Garrett Motion Inc., TTM Technologies, Inc. and Bel Fuse Inc. provided the most significant positive contributions to relative performance during the quarter.

- Garrett Motion is a leading global supplier of turbochargers, mechanical devices that improve engine power and efficiency in light vehicles, trucks, and commercial vehicles. During the quarter, Garrett reported strong earnings, exceeding investor expectations for revenue, earnings, and cash flow. The company also increased share repurchase activity, buying back shares during the quarter bringing total repurchases to 44% of outstanding common shares since the first quarter of 2023. In addition to strong earnings and share buybacks, Garrett held an Investor Day during the quarter, providing further details on its progress in industrial turbochargers designed for stationary power generation in data centers and backup power applications. Garrett Motion remained a top ten fund holding throughout the period.
- TTM Technologies is the largest US-based supplier of printed circuit boards, a key component in most electronic devices, including computer servers, communications infrastructure and defense applications. The company has been on a multi-year effort to improve revenue quality and expand margins through factory consolidation. These initiatives began gaining traction in 2025 and accelerated in the first half of 2026, supported by strong growth in AI servers and the aerospace end market. The stock was one of the top performers during 2025 and year to date in 2026 and has been held in the fund since March 2019.
- Bel Fuse provides electronic components that power, protect and connect industrial and technology products worldwide (power converters, magnets and connectors) with the largest exposure to the Aerospace and Defense end market followed by networking equipment. The company has been on a multi-year journey to simplify operations, increase product pricing and improve capital allocation. The stock has outperformed driven by a savvy acquisition in the Aerospace end market and a rebound in the networking vertical. The fund reduced its investment during the quarter based on valuation and to manage the position weight.

Detractors

- The market environment created several headwinds to relative performance during the quarter, as high-beta stocks and non-earning companies made strong contributions to benchmark performance. While the fund's information technology holdings returned nearly 60% for the quarter, stock selection within the sector lagged the index, where the sector returned nearly 79%. Challenging stock selection in the health care and real estate sectors also detracted from relative performance. From an individual stock perspective California Resources Corp., Boyd Group Services Inc. and Option Care Health Inc. detracted the most from performance.
- California Resources (CRC) is an independent energy company focused on oil and natural gas production in California. It also operates Carbon TerraVault, a carbon management business that captures CO2 from industrial sources, transports it, and injects it deep underground into depleted oil and gas reservoirs for permanent sequestration. CRC shares declined during the quarter, effectively reversing its first-quarter gains, mirroring oil prices as the war in Iran began in late February and ended later in the second quarter. Despite commodity-driven volatility, the fundamental thesis remained intact. Recent positive developments include indications that a new data center may consider co-locating near a California Resources-owned power plant, potentially creating a new marquee customer for the company's CO2 capture segment.
- Boyd Group Services is one of the few scaled consolidators in the highly fragmented North American auto collision and glass repair market. As the industry's second-largest operator, Boyd benefits from scale advantages and important relationships with auto insurers, which often influence where collision repairs are performed. Despite these strengths, Boyd has reported slightly disappointing results over the past two quarters, as labor capacity constraints and a shift toward lower-end repairs weighed on company performance. We view these issues as temporary headwinds rather than structural challenges and continue to believe Boyd can gain market share and grow consistently over the long term. With the stock price down during the quarter, the shares now trade at a significant discount

to historical valuation levels and well below our estimate of intrinsic fair value. The fund maintained its position.

- Option Care Health is a healthcare services company that provides infusion-based drug delivery in patients' homes and infusion centers. In recent quarters, one of the company's larger infusion drugs has faced new generic biologic competition, leading to meaningful price reductions and market share losses in that specific product. Management had previously estimated the current year's impact, but in the first quarter earnings call the company significantly increased the expected headwind, citing insurance payer issues and a product mix shift toward lower-cost alternatives. Despite the revenue pressure, the company reaffirmed its 2026 earnings outlook, supported by strength in other product offerings and renewed cost discipline. Investors reacted negatively to the lingering issue and revised guidance lowering the stock price to a multi-year low valuation. We believe the shares offer attractive value at current levels and added to the position during the quarter.

Outlook

- We remain committed to identifying inefficiencies in the small-cap market that result in stock prices and valuations that do not accurately reflect our assessment of the underlying value of corporate enterprises. This approach is applied consistently over time, regardless of the current market environment.
- While many forms of inefficiency may exist, we focus on companies that are misunderstood, underfollowed or in the midst of a "special situation" where we believe we can use our strengths in the form of our time horizon, resource deployment, or a willingness to solve complex situations. We require fundamentally sound business models, capable management teams, and financial stability. Key to our process is identifying distinct, company-specific catalysts on the horizon to sustain, enhance or highlight the fundamental outlook.
- Our goal is to achieve an attractive total return for our investors, while managing to an appropriate level of risk over a market cycle.

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. **Value investing** carries the risk that a security can continue to be undervalued by the market for long periods of time. **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.

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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.

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