LOOMIS, SAYLES & COMPANY

FAQs

Year-End Distribution Estimates

Q: Why do funds make distributions?

A: In general, in order to avoid the imposition of federal taxes at the fund level, a fund must meet IRS requirements for sources of income and diversification of portfolio holdings and must distribute substantially all of its ordinary income and net realized capital gains to shareholders annually.

Q: What is ordinary income?

A: Ordinary income generally consists of dividends, interest, and other income earned on the fund's investments, less fund expenses.

Q: What is a capital gain?

A: A capital gain is the increase in value of an investment above the original purchase price or basis of the investment. For funds, a capital gain is realized when an investment rises in value above its purchase price or basis and the investment is sold or otherwise disposed of. If an investment within a fund rises in value above its purchase price or basis, but is not disposed of, the fund has an unrealized gain. There are two different types of realized gains: long-term gains and short-term gains.

Q: What is the difference between long- and short-term capital gains?

A: Capital gains realized by a fund from the disposition of investments held for more than one year are considered long-term. Short-term capital gains are gains realized from the disposition of investments held for less than one year. Taxes on distributions of capital gains are determined by how long a fund held the investments that generated them, rather than how long a shareholder has owned his or her shares.

Q: Do capital gain distributions correlate to a funds' current performance?

A: The distribution of capital gains is not necessarily correlated to a funds' current performance. When funds realize more gains than losses, they must distribute those gains to shareholders or pay federal taxes on those gains if not distributed. However, a fund may also use net capital losses from prior years to offset current year realized capital gains, thereby reducing or eliminating the realized capital gains required to be distributed.

Q: Where can I find more information about a fund's realized and unrealized capital gains?

A: Information about a fund's realized and unrealized capital gains, including available capital loss carryforwards, can be found in the fund's semiannual and annual reports to shareholders. Funds' unrealized capital gains can indicate whether the fund would need to distribute capital gains if its securities were sold. Realized and unrealized capital gains reported in funds' financial statements may not include all tax adjustments. Additionally, the amount of net realized foreign currency losses that reduced ordinary income distributions during the period and the net unrealized gain/loss from foreign currency translations can be found in the semiannual and annual reports to shareholders. Such amounts may not include all tax adjustments.

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Q: How do foreign currency losses impact fund distributions?

A: During periods in which the US dollar appreciates relative to foreign currencies, funds that hold non-US dollar denominated bonds may realize currency losses that impact their ordinary income distributions. When a non-US dollar denominated bond matures or is sold, the resulting gain or loss is made up of two components: a capital gain/loss and a currency gain/loss. A recognized currency loss, in accordance with federal tax rules, decreases the amount of ordinary income the fund has available to distribute (to the extent that losses are not offset by realized currency gains, and regardless of how long the bond was held). To compensate for realized currency losses, the funds' ordinary income must be adjusted to ensure that the fund does not distribute too much income early in its fiscal year. If currency losses are not factored into ongoing distributions, the fund risks distributing more income to shareholders than it earned during the year. This would result in a return of capital to shareholders, effectively reducing the amount of principal that shareholders have in their accounts. Except with respect to the Loomis Sayles Income Fund, which has a managed dividend program beginning in 2026, Management does not intend to knowingly declare a return of capital distribution for the Funds, although it is possible that a distribution could be recharacterized as a return of capital after the fact. Global or international funds, given their larger allocation to foreign bonds, may be especially impacted by a strengthening US dollar and therefore could experience greater fluctuations in ordinary income distributions. Currency gain/loss amounts are monitored on a regular basis for each fund.

Q: When are distributions paid?

A: Ordinary income distributions are made on a monthly, quarterly, or annual basis in accordance with a fund's distribution policy. You can find your fund's distribution policy in the fund's prospectus. Capital gain distributions are made annually in December. Additionally, certain funds may be subject to an additional distribution, commonly referred to as a spillback distribution. Spillback distributions are distributions of ordinary income and/or capital gains from the previous fiscal year that were not distributed by the end of that year. Spillback distributions are normal practice for funds with a fiscal year ending December 31 and January 31. Spillback distributions, if any, are made annually, typically in March or April.

Q: What happens when a distribution is paid? Do I lose money?

A: When a distribution is paid, the fund's net asset value (“NAV”) per share is reduced by the amount of the distribution. For example, if a fund's NAV per share is $5, and the fund pays a distribution of $1 per share, the fund’s NAV would drop to $4 per share, assuming there was no other market activity affecting the share price. Shareholders who reinvest their distributions would receive additional fund shares equal to the amount of the distribution. As a result, the shareholder’s total account value would remain the same.

Q: What are some of the important dates related to distributions?

A: **Record Date:** The date used to determine which shareholders are eligible to receive the distribution. Shareholders who purchase fund shares on or before the record date will receive the distribution.

Ex-dividend Date: The date when the distribution amount per share is deducted from the fund’s NAV. Shareholders who purchase fund shares on the ex-dividend date are not eligible to receive the distribution.

Payable Date: The date when shareholders are paid their distribution, either in cash or by reinvestment in additional fund shares. Shares are reinvested at the NAV per share on the ex-dividend date.

Q: How are my taxes impacted by fund distributions?

A: Distributions are taxable in the year received whether shareholders receive them in cash or reinvest in additional fund shares. If fund shares are held in a tax-advantaged account (such as a 401(k) or IRA), taxes may be paid upon withdrawal from the account. Distributions are taxable to shareholders even if they are paid from ordinary income or capital gains earned by a fund before a shareholder’s investment in the fund (and thus were included in the price the shareholder paid for his or her shares). Ordinary income distributions are taxable to shareholders at individual income tax rates, currently as high as 37%. All or a portion of a funds ordinary income may be distributed to shareholders as “qualified dividend income,” which is taxed at a maximum rate of 20%. Dividend income earned by the fund must meet certain requirements in order for the funds ordinary income distributions to qualify for the lower rate. Long-term capital gains are currently taxed at a maximum rate of 20%. Short-term capital gains are currently taxed at ordinary income rates.

Shareholders who receive more than $10 in taxable ordinary income and capital gains from a fund held in a taxable account will receive Form 1099-DIV, which will reflect all distributions paid during the calendar year, by February 15 of the following calendar year. Certain funds may apply to the Internal Revenue Service for a 30-day delivery extension. Shareholders who receive less than $10 in taxable ordinary income and capital gains will not receive Form 1099-DIV, but are still responsible for reporting distributions received on their tax returns.

Q: **Could the character of the distributions I've received change between now and when I receive my Form 1099-DIV?**

A: Yes. The character of fund distributions is determined annually in accordance with federal tax regulations; as such, ordinary income and capital gain distributions are sometimes reclassified after the end of the calendar year to properly reflect the fund's earnings on a tax basis. For example, for those funds that invest in real estate investment trusts ("REITs"), the amount of distributable (taxable) income is dependent on the composition of distributions made by the underlying portfolio of REITs; accordingly, when the fund identifies the character of distributions paid by REITs in the previous calendar year, distributions to fund shareholders may be reclassified as either ordinary income or capital gain distributions or, if in excess of taxable income, as a return of capital.

Q: **How does the use of derivatives in the investment strategy impact fund distributions?**

A: The impact of derivatives on fund distributions depends on the types of derivative contracts utilized by the fund, the volume of derivatives use, and the performance of the derivative contracts during the annual measurement period. Information on a funds use of derivatives, including realized and unrealized capital gains, can be found in the funds semiannual and annual reports to shareholders. The timing and character of amounts required to be distributed with respect to derivatives are based on the application of complex sections of the Internal Revenue Code; as such, actual distributions may differ from amounts reported in a funds' financial statements.

Q: **Does Natixis provide estimates of year-end distributions?**

A: Yes. Natixis provides estimates of ordinary income and capital gain distributions to be paid in December for the convenience of shareholders and their financial advisors to assist with year-end tax and investment planning; however, such estimates are not intended to be a precise indicator of year-end distribution amounts. Actual distributions, including the funds paying/not paying, may differ significantly from the estimates. Capital gain distribution estimates are typically made available by early November and are updated in early December. Ordinary income distribution estimates are typically made available in early December.