



Small/Mid Cap Growth Fund

Fund Facts

OBJECTIVE

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

Share class	I
Inception	6/30/2015
Ticker	LSMIX
CUSIP	543488779
Benchmark	Russell 2500™ Growth Index

Russell 2500™ Growth Index measures the performance of the small to mid cap growth segment of the US equity universe. It includes those Russell 2500™ companies with higher growth earning potential as defined by Russell's leading style methodology. The Russell 2500™ Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to mid cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid cap opportunity set and that the represented companies continue to reflect growth characteristics. 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

- The second quarter of 2025 started on a volatile note. We entered the quarter at an extreme level of policy uncertainty (using the US Policy Uncertainty index) but concluded the quarter at an all-time high for the S&P 500.
- The market sell-off that followed the Liberation Day tariff announcements on April 2nd formed a V-type bottom that was followed by a strong rally after the April 9th announcement of a 90-day pause.
- The market proceeded to gain momentum as it concluded that trade policy would be significantly less restrictive than initially feared. Our benchmark rallied sharply off the early quarter lows to close approximately 30% higher than these levels but remaining below its late 2024 highs.
- These types of powerful v-bottom rallies have historically presented very challenging headwinds for our process, which emphasizes higher quality, lower share turnover and slightly lower beta names and the most recent period was no exception.

Portfolio Review

- The Small/Mid Cap Growth Fund underperformed its benchmark, the Russell 2500 Growth Index, primarily due to security selection within the consumer discretionary and financials sectors.

Class I Performance as of June 30, 2025 (%)

	CUMULATIVE TOTAL RETURN		ANNUALIZED TOTAL RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	8.49	0.95	8.07	9.40	7.32	8.86
BENCHMARK	11.31	-0.71	8.81	12.05	7.50	8.53

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 0.95% (Class I). Net expense ratio 0.85%. 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 6/30/2015. Class I shares are only available to certain institutional investors only; minimum initial investment of \$1,000,000.

**TOP TEN EQUITY HOLDINGS (%)**

Casey's General Stores, Inc.	1.9
BWX Technologies, Inc.	1.9
Insmid Incorporated	1.8
RBC Bearings Incorporated	1.8
HealthEquity, Inc.	1.7
CyberArk Software Ltd.	1.7
Life Time Group Holdings, Inc.	1.7
Trimble Inc.	1.7
Texas Roadhouse, Inc.	1.7
ATI, Inc.	1.7
Total	17.6

Contributors

- ATI, Circle Internet Group and BWX Technologies were the top individual contributors to performance.
- ATI is a global supplier of melt and mill products to the aerospace & defense, oil and gas, electrical energy and medical markets. ATI continued to produce strong quarterly results in q1'25 as growth in its aerospace and defense businesses was robust. Furthermore, the company is bringing on new capacity in its titanium business, which we believe should allow it to grow faster in that segment over the next year.
- Circle Internet Group is a global fintech firm that issues and manages USDC, the second largest stablecoin. Circle's USDC is a proxy for digital cash and is widely used with cryptocurrency trading and for overseas clients that want to use USDC as a store of value for their US Dollars. We believe there are several long-term use cases such as cross-border and consumer payments that could dramatically grow Circle's USDC market capitalization.
- BWX Technologies is a specialty provider and manufacturer of precision naval nuclear components, reactors and nuclear fuel for the US government, uranium processing and environmental site restoration services, as well as a new supplier into the nuclear medicine industry. The company has had a number of solid quarters in a row, with a growing backlog and strong outlook.

Detractors

- Clearwater Analytics Holdings, Champion Homes and Flowco Holdings were the largest individual detractors from performance.
- Clearwater Analytics Holdings provides cloud native software in investment lifecycle management for the insurance and asset management industry. Earlier this year, the company made three acquisitions and is currently in the midst of integrating these acquisitions. The uncertainty around interest rates post-election also weighed on the stock.
- Champion Homes is a manufacturer of modular homes in the United States and Canada. Overall sentiment around homebuilding stocks and related names has started to deteriorate with interest rates staying higher for longer and a rebound seemingly further pushed out. On top of that, Champion Homes reported a weak first quarter with gross margins under pressure and missed its earnings expectations.
- Flowco is an oilfield service provider focused on the production phase of the well, which has been a more stable area of the market from a spending standpoint. We believe the company possesses market share gaining technology in two areas that are leading to disproportionate growth. However, the timing of its IPO this year coincided with a tougher spending environment by customers as commodity prices declined.

Outlook

- As we write this, volatility has decreased by many measures. The VIX index, which measures stock market volatility, has retreated to below average levels, as has the MOVE index, which measures bond market volatility. While the US Economic Policy Uncertainty Index has come in from the very high levels of April, it is still quite high when compared to history.
- Meanwhile, the broader stock market has gone on to make new highs, likely building in expectations of an economic acceleration. This may come to fruition as the result of the continued large investments being made in Artificial Intelligence, as well as the stimulus that



is imbedded in the recently passed budget.

- If this does occur, it could possibly bring with it higher inflation, which may not be well received by the markets. If the acceleration does not occur, the budget deficit could remain high and may cause interest rates to move higher. The deficit could also be offset via tariff revenue, but there are potential negative implications for tariffs as well.
- While we are paying attention to these macro drivers, we have not built the portfolio with a point of view on these matters, but rather stock by stock on the individual company's own merits.
- We believe this is particularly important at this point in time given that earnings expectations are high, as indicated by the 22x forward earnings multiple on the S&P 500, which is high compared to history.
- We do believe there are more opportunities in smid cap from a valuation perspective, given the underperformance over the last several years. This could be unleashed if smid cap earnings accelerate to a pace faster than large caps, as we expect will happen over the balance of the year.
- We will continue to build the portfolio stock by stock with an eye towards these opportunities while carefully measuring the risks at the company and macro level.



About Risk

Equity securities are volatile and can decline significantly in response to broad market and economic conditions. Investments in small and mid-size companies 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.

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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