

All Cap Growth - Covid-19 Commentary

As you all may know, we normally do not comment on any one quarter of market action. However, given one of the biggest and also the fastest market corrections in history, we wanted to provide you our thoughts and perspective regarding the Covid-19 crisis.

First and foremost, we hope all of you and your loved ones are healthy. For those who have been impacted we wish you solace in these difficult times.

“In the short run, the market is a voting machine but in the long run, it is a weighing machine.”

What Ben Graham describes is the result of innate behavioral biases that we believe drive reflexive overreactions to short-term market variables that, when viewed rationally, have no impact on long-term value.

First, we want to provide you with a performance update. In short, the strategy significantly outperformed its benchmarks and peers – especially during the drawdown. We normally utilize eVestment data, but as these figures are not available for daily returns for composites, we are providing you with Lipper figures in the table immediately below to highlight our intra-quarter performance. The rest of the peer data that follows is from eVestment unless otherwise noted.

LOOMIS SAYLES ALL CAP GROWTH REPRESENTATIVE ACCOUNT - PERFORMANCE FROM PEAK

Performance Periods ³	Loomis Sayles ACG Rep Account Returns (Gross) ¹	Loomis Sayles ACG Rep Account Returns (Net) ¹	Lipper Peer Rank (%) ²	Russell 3000 Growth Return	Excess Return (Gross)	Excess Return (Net)	S&P 500 Return*	Excess Return (Gross)	Excess Return (Net)
Peak to trough: 2/20/2020 - 3/23/2020	-26.56%	-26.59%	5	-31.89%	5.33%	5.30%	-33.79%	7.23%	7.20%
Since Peak: 2/20/2020 - 3/31/2020	-17.62%	-17.65%	1	-21.87%	4.25%	4.22%	-23.48%	5.86%	5.83%

Data source: Loomis Sayles, Lipper.

Lipper ACG primary share peer rankings (gross) are shown for peak to trough and since peak periods due to availability of data; Lipper provides daily rankings where eVestment does not. Although this study is for mutual funds, we believe that it is relevant because Growth Equity Strategy Funds are managed by the same investment team and based on the same philosophy as the Composite. Strategy returns are based on a representative account.

*The benchmark for the All Cap Growth Composite is the Russell 3000 Growth Index, Performance for the S&P Index is shown as supplemental information.

Ranking out of 146 observations; (Lipper's US Multi-Cap Growth Universe).

Past performance is no guarantee of future results

Please see trailing returns and other statistics as of the most recent quarter-end at the end of this document

LOOMIS SAYLES ALL CAP GROWTH COMPOSITE - TRAILING RETURNS AS OF MARCH 31, 2020

Performance Periods	Loomis Sayles ACG Composite Returns (Gross) ¹	Loomis Sayles ACG Composite Returns (Net) ¹	eVestment Alliance Peer Rank (%)	Russell 3000 Growth Return	Excess Return (Gross)	Excess Return (Net)	S&P 500 Return*
Q1 2020	-11.91%	-12.03%	18	-14.85%	2.94%	2.83%	-19.60%
1 Year	-0.19%	-0.70%	27	-0.44%	0.25%	-0.26%	-6.98%
3 Year	12.51%	11.94%	29	10.54%	1.97%	1.41%	5.10%
5 Year	12.51%	11.94%	13	9.74%	2.77%	2.20%	6.73%
10 Year	14.38%	13.90%	14	12.68%	1.70%	1.21%	10.53%
Since inception: 7/1/2006⁴	12.76%	12.21%	6	9.70%	3.06%	2.50%	7.54%

Data source: Loomis Sayles, eVestment Alliance.

*The benchmark for the All Cap Growth Composite is the Russell 3000 Growth Index. Performance for the S&P 500 Index is shown as supplemental information.

Peer rankings are based on eVestment All Cap Growth Universe (gross). Returns greater than one year are annualized.

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We are an active manager with a long-term, private equity approach to investing. Our investment process relies 100% on bottom-up fundamental research. Through our proprietary research framework, we look to invest in those few high-quality businesses with sustainable competitive advantages and profitable growth only when they trade at a significant discount to intrinsic value. Because we approach investing as if we are buying into a private business, a long investment horizon is central to our philosophy. Since inception on July 1, 2006⁴ through March 31, 2020, the long-term annualized turnover for our All Cap Growth strategy is 15.2%.

Over the last 100 years, the world endured many alarming, unexpected, and damaging events including world wars and other regional conflicts, the Great Depression, the Tech Bubble, the attacks of 9/11, the financial crises of 2008-2009, an oil shock and an oil bubble, and the SARS virus. These events almost always impact short-term economy and market performance to varying degrees. Nevertheless, over the long term, markets have trended upward. The Dow Jones Industrial Average rose from 107.23 at the end of 1919 to 28,538.44 by the end of 2019.

We do not know exactly what will happen as a result of Covid-19; nor does anyone else. Nor can most of these types of events be predicted. We believe efforts to precisely predict the timing, duration, and magnitude of these events are futile. The good news is we believe one need not predict these events to be prepared for the events. The best preparation requires, we believe, a consistent and disciplined ability to do the right thing every day; that is to allocate capital rationally based on informed views of risk-reward. Our approach as an investment manager is to allocate capital to our most compelling reward-to-risk opportunities, regardless of the type of market or short-term events. Doing so requires the knowledge to establish a range of valuation outcomes or scenarios. When buying a business, we require at least a 2:1 anticipated upside-to-downside, reward-to-risk opportunity. We seek to create a margin of safety⁵ by investing at a purchase price that is at a meaningful discount to our estimate of a company's intrinsic value. Investing with a margin of safety requires not only a disciplined understanding of a company's intrinsic value but a clear recognition of what the market price implies about consensus expectations for that company's value. Adhering to this discipline is what helps us manage downside risk, not attempting to correctly forecast unknowable and unforecastable events. Implementing our approach demands the temperament and concomitant discipline to be a contrarian who can buy into fear and sell into greed.

Consider our performance in 2008, during the financial crisis; our All Cap Growth strategy outperformed the Russell 3000 Growth index by 11.66% (gross), 11.12% (net) and ranked in the 9th percentile among our peer group. Our strategy also outperformed in 2009, giving us an annualized positive 2-year return of 2.57% (gross), 1.87% (net) and ranked in the 4th percentile among our ACG peer group (ranked by eVestment Alliance out of 115 observations). Over our track record (July 1, 2006 through March 31, 2020), our strategy's maximum drawdown of 37.20% ranks in the 4th percentile among our ACG peers with our Calmar ratio⁶ of 0.34, ranking in the 4th percentile.

As of 3/31/2020	All Cap Growth	Peer Rank	Count
Excess return 2008 (gross/net)	11.66% / 11.12%	9 th	123
Annualized return 2008-2009 (gross/net)	2.57% / 1.87%	4 th	115
Maximum drawdown since inception	-37.20%	4 th	52
Calmar ratio since inception	0.34	4 th	52

Data source: eVestment Alliance.

Peer rankings are based on eVestment All Cap Growth Universe (gross). Returns greater than one year are annualized.

Past performance is no guarantee of future results.

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Our active risk management is an integral part of our active investment process. Because we define risk as a permanent loss of capital, we take an absolute-return approach to investing and seek to actively manage our downside risk. Also, as important, most investors only focus on the risk they can see and it is usually the risk that is unforeseen and unexpected that has the most impact, especially at inflection points and in down markets. This is important given the number of negative return periods the Russell 3000 Growth Index experiences. Over the last 36 years, 38% of the Index's monthly returns were negative, 29% of quarterly returns were negative, and 19% of yearly returns were negative. Over our track record through March 31, 2020, the Index experienced 12 negative quarters with gross returns ranging from -0.88% to -23.15%. Our All Cap Growth strategy outperformed the Index in 9 out of the 12 quarters, with a median excess return of 2.93% (gross), 2.81% (net). Over our track record through March 31, 2020, our strategy also outperformed our ACG peer group in 10 out of the 12 quarters, with a median excess return of 3.01% (gross), 2.92% (net). Who could have consistently forecasted all these down periods and up markets?

PERFORMANCE IN NEGATIVE QUARTERS

Down Quarter	R3000 Growth Return	ACG Gross Return	ACG Net Return	Excess Gross Return Loomis Sayles ACG vs R3000G	Excess Net Return (Loomis Sayles ACG vs R3000G)	Median ACG Peer Gross Return	Excess Gross Return Loomis Sayles ACG vs Median ACG Peer	Peer Universe Count
Q4 2007	-0.88%	-2.89%	-3.07%	-2.01%	-2.19%	-0.28%	-2.61%	145
Q1 2008	-10.39%	-9.91%	-10.08%	0.48%	0.31%	-11.02%	1.10%	148
Q3 2008	-11.93%	-0.92%	-1.10%	11.02%	10.83%	-13.21%	12.29%	150
Q4 2008	-23.15%	-19.09%	-19.25%	4.06%	3.90%	-23.93%	4.84%	148
Q1 2009	-4.54%	-0.46%	-0.62%	4.07%	3.92%	-4.76%	4.30%	149
Q2 2010	-11.55%	-12.24%	-12.40%	-0.69%	-0.85%	-10.75%	-1.49%	146
Q3 2011	-13.90%	-13.25%	-13.30%	0.65%	0.60%	-15.68%	2.43%	142
Q2 2012	-4.02%	-5.35%	-5.41%	-1.34%	-1.39%	-5.35%	0.00%	143
Q4 2012	-1.19%	2.81%	2.71%	4.00%	3.90%	0.05%	2.76%	141
Q3 2015	-5.93%	-3.02%	-3.14%	2.92%	2.79%	-7.46%	4.44%	136
Q4 2018	-16.33%	-12.50%	-12.62%	3.83%	3.71%	-16.55%	4.05%	86
Q1 2020	-14.85%	-11.91%	-12.03%	2.94%	2.82%	-15.47%	3.26%	77
Range				-2.01% to 11.02%			-2.61% to 12.29%	
Median				2.93%			3.01%	

Data source: eVestment Alliance.

Peer rankings are based on eVestment All Cap Growth Universe (gross). Returns greater than one year are annualized.

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Ultimately, our job as an investment manager is to allocate capital to our most compelling reward-to-risk opportunities. Over our track record through March 31, 2020, gross annualized returns for our All Cap Growth strategy rank in the 6th percentile, better than 94% of our eVestment peers. What's more, our All Cap Growth strategy has performed well in both down market and up market capture, with statistics of 95.69 and 108.96, respectively, as of March 31, 2020. This is a differentiated risk profile compared with our peer group where our down market capture ranks in the 17th percentile and our up market capture ranks in the 27th percentile. For alpha generation, we believe the pursuit of greater upside potential and managing absolute levels of risk are inextricable goals.

RISK/RETURN PROFILE: DOWNSIDE MARKET CAPTURE

Firm Name	Product Name	Downside Market Capture - (07/2006 - 3/2020) Using Russell 3000 Growth	Rank	Upside Market Capture - (07/2006 - 3/2020) Using Russell 3000 Growth	Rank	Information Ratio - (07/2006 - 3/2020) Using Russell 3000 Growth	Annualized Alpha - (07/2006 - 3/2020) Using Russell 3000 Growth
Loomis Sayles	ACG	95.69	17	108.96	27	0.62	3.08
Summary Statistics For Peer Group with Better Downside Capture Than Loomis Sayles ACG (count = 9)							
Average		86.52	5	86.02	93	-0.08	1.22
Min		56.25	1	47.62	100	-0.38	-0.82
Max		95.55	16	99.18	61	0.24	3.57

RISK/RETURN PROFILE: UPSIDE MARKET CAPTURE

Firm Name	Product Name	Downside Market Capture - (07/2006 - 3/2020) Using Russell 3000 Growth	Rank	Upside Market Capture - (07/2006 - 3/2020) Using Russell 3000 Growth	Rank	Information Ratio - (07/2006 - 3/2020) Using Russell 3000 Growth	Annualized Alpha - (07/2006 - 3/2020) Using Russell 3000 Growth
Loomis Sayles	ACG	95.69	17	108.96	27	0.62	3.08
Summary Statistics For Peer Group with Better Upside Capture Than Loomis Sayles ACG (count = 14)							
Average		114.76	86	126.19	11	0.28	1.05
Min		100.80	34	109.17	26	-0.13	-1.87
Max		139.82	100	174.67	1	0.61	3.60

Source: eASE Analytics System. Ranking out of 52 observations. eVestment Alliance's US All Cap Growth Universe.) Excludes low-volatility strategies, managed volatility strategies, enhanced equity strategies, and strategies with inception dates after 7/1/2006. Annualized performance is calculated as the geometric mean of the product's returns with respect to one year. Returns-based data are gross of management fees and net of trading costs. The highest (or most favorable) percentile rank is 1, and the lowest (or least favorable) percentile rank is 100. Rankings are subject to change. Although we believe it is reliable, we cannot guarantee the accuracy of data from a third party source. This information cannot be copied or redistributed in any form.

Past performance is no guarantee of future results.

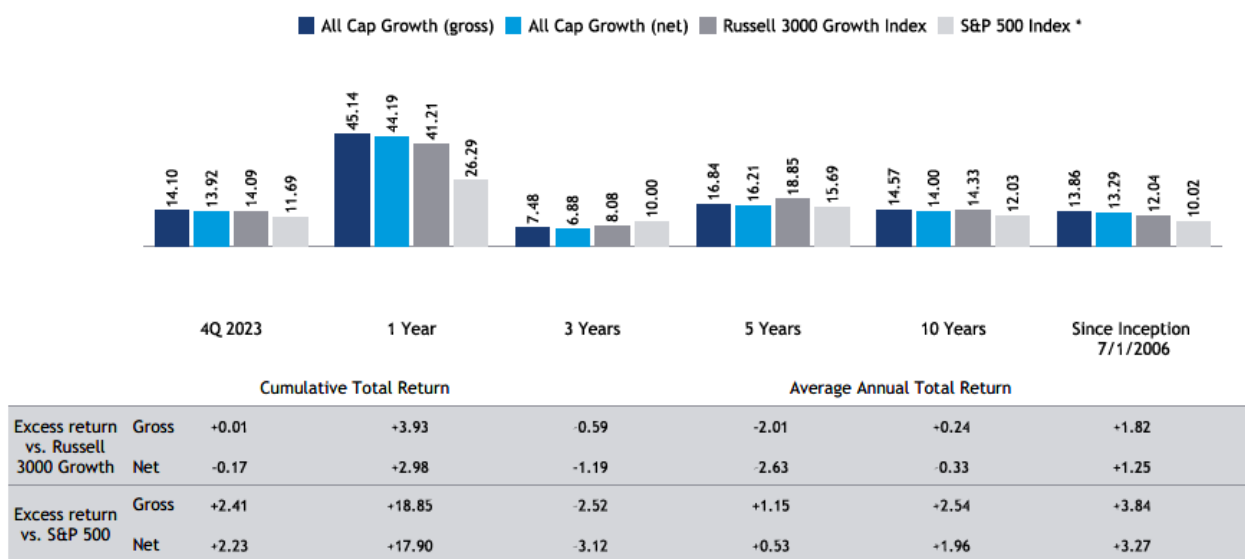
Please see trailing returns and other statistics as of the most recent quarter-end at the end of this document.

In our view, a long investment horizon affords us an opportunity to capture value from secular growth opportunities as well as capitalize on the stock market's shortsightedness through a process called time arbitrage. Therefore we attempt to identify intrinsic value and exploit the long-term differential between this value and the market's current perception. We measure and monitor our long-term investment thesis for each company through bottom-up analysis of a company's fundamentals, not by the fluctuation in daily stock prices. Our approach always seeks to look beyond the current environment as we have a truly long-term investment time horizon. In any binary or non-binary event, the key question we ask ourselves is if the outcome would materially change the underlying long-term intrinsic value of the businesses that we invest in. Or, in other words, would the event/scenario structurally alter the competitive positioning, competitive advantage, financial model, management, long-term growth rate or driver for growth such that these changes would alter the underlying intrinsic value of the company. What's happening today or on a daily basis does not dictate what we will do for the long-term. The only relevance of what is happening in any environment is our pursuit of taking advantage of what is presented to us in terms of attractive investment opportunities.

In this market downturn, our strategy once again outperformed the Russell 3000 Growth Index and the S&P 500 Index and ranked in the first percentile among our Lipper peers during the drawdown period beginning February 20, 2020. It is our opinion that the Covid-19 scenario does not, in and of itself, meaningfully change any of the key criteria listed above. As always, we remain vigilant to developments that do meaningfully alter the long-term investment thesis for any company in our portfolio or investment library.

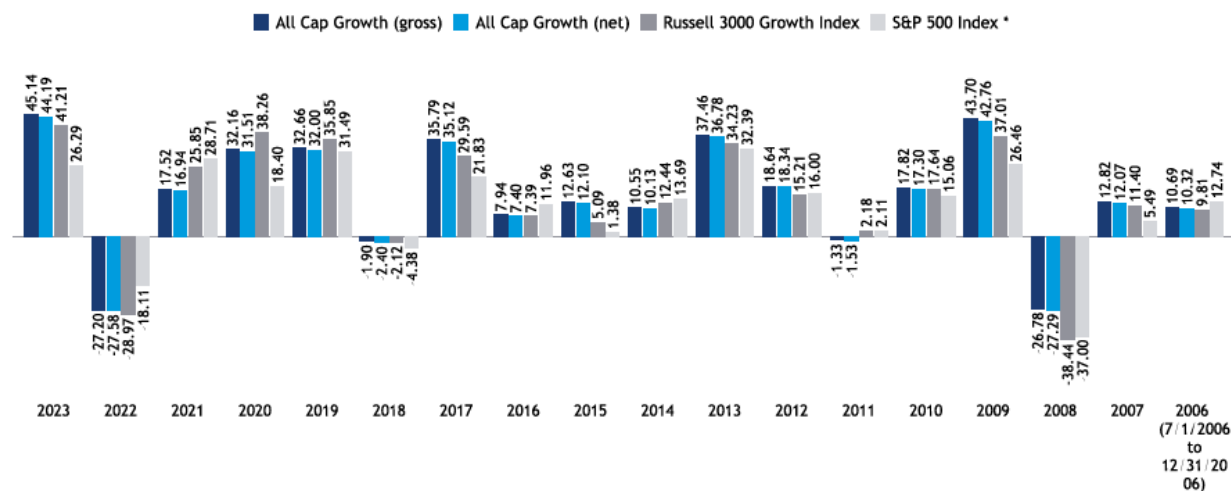
This Commentary was originally published in December 2020. However, we believe that the content is valuable to understand how the team performs in all market environments. We have added current performance and data numbers to bring it up to date.

TRAILING RETURNS AS OF 12/31/2023



Past performance is no guarantee of future results.

CALENDAR YEAR RETURNS



Data Source: Loomis Sayles, the Frank Russell Company and S&P Global.

* The benchmark for the All Cap Growth Composite is the Russell 3000 Growth Index. Performance for the S&P 500 Index is shown as supplemental information.

The portfolio manager for Growth Equity Strategies joined Loomis Sayles on May 19, 2010, and performance prior to that date was achieved at his prior firm. As required by GIPS, the prior performance information is being included as part of the Loomis Sayles All Cap Growth Composite. Gross returns are net of trading costs but gross of management fees. Net returns are gross returns less the effective management fees. Returns for multi-year periods are annualized.

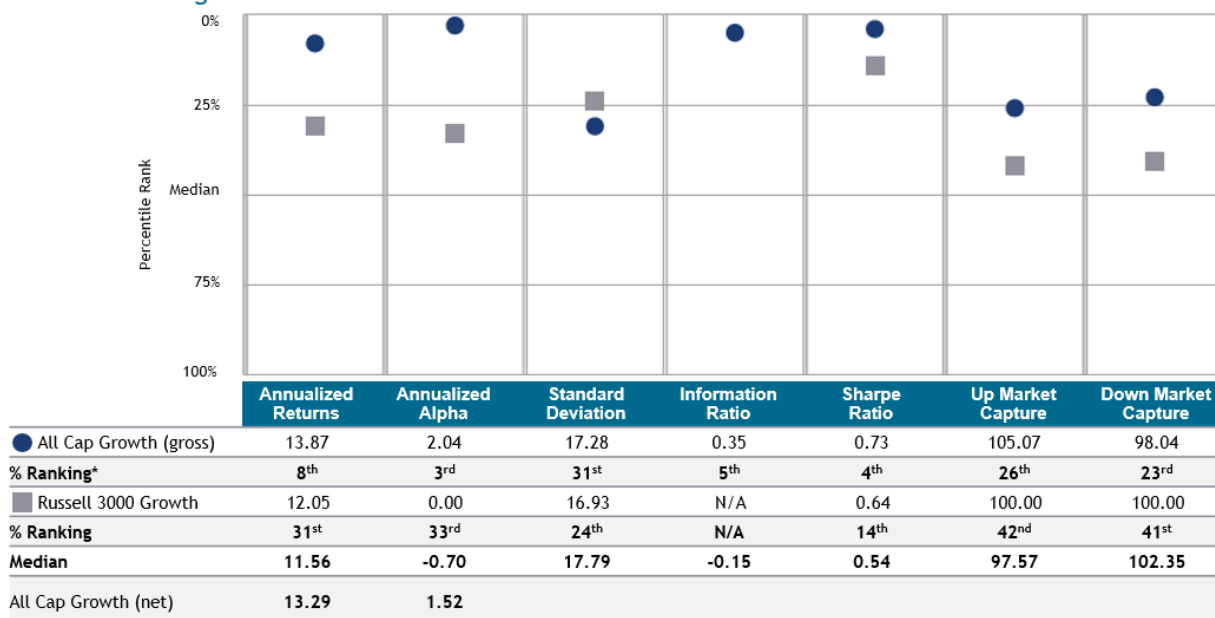
Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Returns may increase or decrease as a result of currency fluctuations.

Past performance is no guarantee of future results.

All CAP GROWTH COMPOSITE INCEPTION (7/1/2006) THROUGH 12/31/2023

Statistics & Rankings vs Index



Data Source: eASE Analytics System; eVestment Alliance is the ranking agency. Rankings are based on gross returns. *Ranking out of 43 observations. (eVestment Alliance's All Cap Growth Universe.) The portfolio manager for the Growth Equity Strategies joined Loomis Sayles on May 19, 2010, and performance prior to that date was achieved at his prior firm. Gross returns are net of trading costs. Net returns are gross returns less effective management fees. Annualized performance is calculated as the geometric mean of the product's returns with respect to one year. The highest (or most favorable) percentile rank is 1, and the lowest (or least favorable) percentile rank is 100. Rankings are subject to change. Although we believe it is reliable, we cannot guarantee the accuracy of data from a third party source. This information cannot be copied, reproduced or redistributed without authorization in any form. Any investment that has the possibility for profits also has the possibility of losses, including loss of principal. Please see Key Investment Risks at the end of this paper. As required by GIPS, the prior performance information is being included as part of the Loomis Sayles All Cap Growth Composite. Returns may increase or decrease as a result of currency fluctuations. Past performance is no guarantee of future results.

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AS OF 12/31/2023:

QUARTER END TRAILING RETURNS AND STATISTICS

PERFORMANCE IN NEGATIVE QUARTERS

Down Quarter	R3000G Gross Return	Loomis Sayles ACG Net Return	Excess Net Return (Loomis Sayles ACG vs R3000G)	Median ACG Peer Net Return	Excess Net Return (Loomis Sayles ACG vs Median ACG Peer)	Peer Universe Count
Q4 2007	-0.88%	-3.07%	-2.19%	-0.52%	-2.55%	100
Q1 2008	-10.39%	-10.08%	0.31%	-11.60%	1.52%	104
Q3 2008	-11.93%	-1.10%	10.83%	-13.51%	12.41%	106
Q4 2008	-23.15%	-19.25%	3.90%	-24.09%	4.84%	107
Q1 2009	-4.54%	-0.62%	3.92%	-3.87%	3.25%	109
Q2 2010	-11.55%	-12.40%	-0.85%	-11.12%	-1.28%	110
Q3 2011	-13.90%	-13.30%	0.60%	-15.96%	2.66%	111
Q2 2012	-4.02%	-5.41%	-1.39%	-5.76%	0.35%	113
Q4 2012	-1.19%	2.71%	3.90%	-0.03%	2.74%	111
Q3 2015	-5.93%	-3.14%	2.79%	-8.21%	5.07%	116
Q4 2018	-16.33%	-12.62%	3.71%	-16.67%	4.05%	93
Q1 2020	-14.85%	-12.03%	2.82%	-15.13%	3.10%	92
Q1 2022	-9.25%	-8.81%	0.44%	-10.65%	1.84%	82
Q2 2022	-20.83%	-23.17%	-2.34%	-20.80%	-2.37%	79
Q3 2022	-3.37%	-2.92%	0.45%	-3.57%	0.65%	75
Q3 2023	-3.60%	-3.76%	-0.42%	-4.21%	-0.45%	77
Range			-2.34% to 10.83%		-2.55% to 12.41%	
Median			0.53%		2.25%	

As of 12/31/2023.

Source: Loomis Sayles, eASE Analytics System (eVestment Alliance's All Cap Growth Universe. Managers reporting net of fee returns are excluded). Annualized performance is calculated as the geometric mean of the product's returns with respect to one year. Returns are gross of management fees and net of trading costs. Median is the middle value for the observations as of the end of each period shown. Although we believe it is reliable, we cannot guarantee the accuracy of data from a third party source. This information cannot be copied or redistributed in any form. The portfolio manager for the Growth Equity Strategies joined Loomis Sayles on May 19, 2010, and performance prior to that date was achieved at his prior firm.

Please see gross and net trailing returns shown above for additional details.

Past performance is no guarantee of future results

Endnotes

1 Gross returns are net of trading costs. Net returns are gross returns less the effective management fees. Returns for multi-year periods are annualized.

2 Lipper is the ranking agency. Ranking out of 146 observations; (Lipper's US Multi-Cap Growth Universe). Lipper US Multi-Cap Growth peer group information is based on mutual funds due to availability of data. Lipper rankings are based on gross returns. Lipper, a Thomson Reuters Company, is not responsible for the accuracy, reliability or completeness of the information obtained from Lipper. In addition, Lipper will not be liable for any loss or damage resulting from information obtained from Lipper or any of its affiliates.

3 Since Peak returns are shown for a representative account. Due to systems limitations it is difficult to analyze attribution on a composite basis. This representative account was selected because it closely reflects the Loomis Sayles All Cap Growth investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts managed in the All Cap Growth investment style.

4 The portfolio manager for the All Cap Growth Composite joined Loomis Sayles on May 19, 2010, and performance prior to that date was achieved at his prior firm.

5 Holding all else equal, the larger the discount between market price of a particular security and our estimate of its intrinsic value, the greater we view our margin of safety. Margin of safety is not an indication of the fund's safety as all investments carry risk, including risk of loss.

6 Calmar Ratio: This ratio is calculated by dividing the annualized manager return by the max drawdown over a selected time period. This is a commonly used hedge fund measure since such funds often employ hedging strategies to protect returns in down markets; hence, the max drawdown is expected to be lower. Generally, a higher Calmar Ratio is better as it indicates the manager has higher returns and/or lower max drawdown.

This analysis is based on historical data and does not predict future results. Therefore, the use of this type of information to make investment decisions has inherent limitations. There is no guarantee that future experience will be similar. The analysis reflected in this paper is limited to certain periods. We make no representation that the experience of any other periods is comparable.

Important Disclosures

Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

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

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

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

Source: eASE Analytics System; eVestment Alliance is the ranking agency. (eVestment Alliance's All Cap Growth Universe.) Annualized performance is calculated as the geometric mean of the product's returns with respect to one year. Returns-based data are gross of management fees and net of trading costs. The highest (or most favorable) percentile rank is 1, and the lowest (or least favorable) percentile rank is 100. Rankings are subject to change. Although we believe it is reliable, we cannot guarantee the accuracy of data from a third party source. This information cannot be copied or redistributed in any form.

*Benjamin Graham was a British-born American investor, economist, and professor. He is widely known as the "father of value investing", and wrote two of the founding texts in neoclassical investing: *Security Analysis* with David Dodd, and *The Intelligent Investor*.*

This material is provided for informational purposes only and should not be construed as investment advice. Any opinions or forecasts contained herein reflect the subjective judgments and assumptions of the authors only, and do not necessarily reflect the views of Loomis, Sayles & Company, L.P. Investment recommendations may be inconsistent with these opinions. There is no assurance that developments will transpire as forecasted and actual results will be different. Information, including that obtained from outside sources, is believed to be correct, but Loomis cannot guarantee its accuracy. This information is subject to change at any time without notice. Market conditions are extremely fluid and change frequently.

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