

Small Cap Growth

MANAGEMENT TEAM

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OBJECTIVE

- Seeks to identify under-exploited, high growth, small-cap companies with positive fundamentals and attractive risk/reward profiles
- Seeks to generate superior risk-adjusted performance over a full market cycle relative to the Russell 2000® Growth Index

HIGHLIGHTS

- Our goal is a lower volatility approach to high growth investing
- Active stock selection primarily drives returns by focusing on what we define as high quality “emerging winners” that may benefit from secular growth stories
- Bottom-up portfolio construction is based on fundamental research and discounted cash flow valuation analysis
- Idea generation includes an internally developed growth screen
- Risk management approach integrated throughout the process, including a clear stop/loss discipline to help manage downside risk
- Turnover typically 30-80%
- Typically 90 to 110 stocks; position size: typically 0.5% to 2.0%
- Sector weightings limited to +/-50% of sectors greater than 10% of benchmark allocation
- Stock selection focuses primarily on companies with a market capitalization between \$500 million to \$3 billion
- Recent IPOs and early-stage (unprofitable) companies are limited* in the portfolio

BENCHMARK

Russell 2000® Growth Index

FACTS

Strategy inception	4/1/05
Composite inception	4/1/05
Strategy assets	\$5,046.3M
Composite assets	\$5,029.3M

COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
GROSS	3.14	3.14	84.08	19.97	21.01	14.86	13.77
NET	2.95	2.95	82.65	18.97	19.99	13.93	12.97
BENCHMARK	4.88	4.88	90.20	17.16	18.61	13.02	11.08

COMPOSITE PERIOD PERFORMANCE(%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GROSS	35.85	27.67	1.26	27.89	6.91	2.28	1.74	49.07	11.83	4.76
NET	34.72	26.61	0.40	26.80	5.96	1.40	0.93	47.92	11.06	4.10
BENCHMARK	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60	43.30	14.59	-2.91

*Typically, unprofitable companies or recent IPOs are limited to the greater of 10% of the portfolio or 50% of the benchmark weighting.

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Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted. Returns are shown in US dollars and are annualized for one and multi-year periods. Gross returns are net of trading costs. Net returns are gross returns less effective management fees.

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



PORTFOLIO CHARACTERISTICS

	Rep. Account	Index
Price/earnings (trailing 12 mths)	35.80x	28.41x
Est. P/E (forward 12 months)	32.50x	26.40x
3 Year Historical EPS Growth	20.40%	16.78%
3-5 yr EPS growth	28.41%	21.46%
ROE (1-yr equal wtd)	13.92%	18.03%
Wtd avg market cap	\$4.12B	\$4.31B
Median market cap	\$3.37B	\$1.33B
Median active share (since inception)	85.67%	-

TOP 10 HOLDINGS (%)

	Rep. Account
Freshpet Inc.	2.1
SiteOne Landscape Supply, Inc.	2.0
Advanced Drainage Systems, Inc.	1.8
Kornit Digital Ltd.	1.5
PRA Health Sciences, Inc.	1.5
Inspire Medical Systems, Inc.	1.5
MACOM Technology Solutions Holdings, Inc.	1.4
Novanta Inc.	1.4
Kratos Defense & Security Solutions, Inc.	1.4
Goosehead Insurance, Inc.	1.3
Total	15.8

SECTOR DISTRIBUTION (%)

	Rep. Account	Index
Healthcare	30.0	33.3
Information Technology	21.2	20.1
Industrials	20.0	14.8
Consumer Discretionary	14.4	14.9
Financials	6.5	3.9
Consumer Staples	3.8	3.1
Communication Services	0.8	2.2
Real Estate	-	3.5
Materials	-	2.6
Utilities	-	1.5
Energy	-	0.2
Cash	3.2	-

MARKET CAPITALIZATION (%)

	Rep. Account	Index
> \$6 Billion	18.5	20.6
\$4 to 6 Billion	21.2	24.1
\$2 to 4 Billion	43.1	32.9
< \$2 Billion	13.9	22.4
Cash	3.2	-

KEY RISKS

Equity Risk, Market Risk, Non-US Securities Risk, Liquidity Risk. Investing involves risk including possible loss of principal.

Due to rounding, **Market Capitalization** and **Sector Distribution** totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. **Top 10 Holdings** may combine more than one security from the same issuer and related depository receipts. Portfolio weight calculations include accrued interest. Holdings are based on total gross assets before any fees are paid; any cash held is included. Reference to specific securities or holdings should not be considered recommendations for action by investors. There is no guarantee the account continues to invest in the securities referenced. **Cash** may include unsettled trades, fees and/or derivatives. **Median Active share (since inception)** indicates the proportion of the portfolio's holdings (by market value) that is different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.

Characteristics are shown for a representative account. Due to systems limitations, it is difficult to analyze characteristics on a composite basis. The representative account was selected because it closely reflects the Loomis Sayles Small Cap Growth investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts in the Composite.

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The Small Cap Growth Composite includes all discretionary separate accounts with market values greater than \$1 million managed by Loomis Sayles that seek to identify under-exploited, high growth, small-cap companies with positive fundamentals and attractive risk/reward profiles. The strategy objective is to generate superior risk-adjusted performance over a full market cycle relative to the Russell 2000 Growth Index, and generally within the market capitalization range of the Index. The Composite inception date is April 1, 2005. The Composite was created in 2005. For additional information on this and other Loomis Sayles strategies, please visit our web site at www.loomisayles.com.