

Loomis Sayles Growth Fund

A concentrated fund of high-quality growth stocks

Portfolio highlights

- A US large-cap growth fund that uses a fundamental, research-intensive approach to preserving and growing investor capital over the long term.
- Seeks companies that have a strong competitive advantage, sustainable growth prospects and strong cash flows.
- Seeks to buy companies trading at a discount to intrinsic value to help manage portfolio risk.
- Stock selection follows a disciplined investment process, which results in a low turnover portfolio that is concentrated in high conviction stocks but diversified from a business risk perspective.
- The fund typically holds between 30 and 40 stocks, up to 20% in ADRs with a maximum position size at cost of 5% and 8% at market.
- Sector weights can be 2x the sector weight of either the Russell 1000[®] Growth or the S&P 500[®], whichever is greater. May hold zero weight in any sector.
- Managed by Aziz Hamzaogullari, a true growth investor who takes a long-term, private equity-oriented approach: seeking to own businesses that have a strong and difficult to replicate competitive position within their industry.

Portfolio applications

For investors seeking a US large-cap growth fund focusing on high quality companies with sustainable growth prospects that are trading at a significant discount to intrinsic value.

The fund is a pure US large-cap growth portfolio with low turnover, diversified by business risk, and concentrated in high conviction names.

This is a strategy designed to generate alpha⁴ and manage risk over the long term.



ABOUT THE FUND

Objective

Seeks long-term growth of capital

Portfolio manager¹

Aziz Hamzaogullari, CFA[®]

Inception date

05/16/1991

Share classes

Class A	LGRRX
Class Y	LSGRX
Class N	LGRNX
Class C	LGRCX

Benchmark²

Russell 1000[®] Growth Index

Expense ratios (gross/net)³

LGRRX	0.90%	0.90%
LSGRX	0.65%	0.65%
LGRNX	0.58%	0.58%
LGRCX	1.65%	1.65%

¹ CFA[®] and Chartered Financial Analyst[®] are registered trademarks owned by the CFA Institute.

² Russell 1000[®] Growth Index is an unmanaged index that measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000[®] companies with higher price-to-book ratios and higher forecasted growth values.

³ As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense cap of the fund has been exceeded. This arrangement is set to expire on 1/31/20. When an expense cap has not been exceeded, the gross and net expense ratios and/or yields may be the same.

⁴ A measure of the difference between a portfolio's actual returns and its expected performance, given its level of systematic market risk. A positive alpha indicates outperformance and negative alpha indicates underperformance relative to the portfolio's level of systematic risk.

Philosophy, process, and risk management

A disciplined, fundamental research-driven process: Employs a research-intensive approach to preserving and growing investor capital over the long term. The team takes a private equity perspective, believing that their success requires investing in businesses rather than trading stocks. A seven-step stock selection process is used, seeking companies based on:

Quality

1. Sustainable competitive advantage
2. Competitive analysis
3. Financial analysis
4. Management analysis

Growth

5. Growth drivers

Valuation

6. Fundamental value range
7. Expectation analysis

Buy Discipline – A stock will be bought if:

- It has at least a 2-1 reward to risk ratio
- Its price moves toward worst-case valuation and investment thesis remains intact
- Reward to risk and margin of safety increase

Sell Discipline – A stock will be sold if:

- Its price converges toward “best” case valuation
- Reward to risk ratio decreases
- Investment thesis is realized
- A critical assumption is flawed or a mistake is realized



Loomis, Sayles & Company helps fulfill the investment needs of institutional and mutual fund clients worldwide. The firm's performance-driven investors integrate deep proprietary research and integrated risk analysis to make informed, judicious decisions. Loomis Sayles looks for value across traditional asset classes and alternative investments to pursue attractive, sustainable returns.

Valuation drives timing and convictions drives weight

- Scale into new positions as price moves towards worst case and investment thesis remains intact. Reward-to-risk and margin of safety increases.
- Scale out of positions as price converges towards base case and investment thesis is realized.

Scenario	Reward	Risk	Position size
Best	Minimum	Maximum	0%
Base	Low	High	2.5% – 0%
Bear	High	Low	0% – 2.5%
Worst	Maximum	Minimum	2.5% – 5.0%

Diagram description: A line graph connects the four scenarios. It starts at 'Worst' (High Reward, Low Risk), goes to 'Bear' (High Reward, Low Risk), then to 'Base' (Low Reward, High Risk), and finally to 'Best' (Low Reward, High Risk). A purple arrow labeled 'Build' points downwards from the 'Worst' scenario, and another purple arrow labeled 'Trim' points upwards from the 'Base' scenario.

Typically 5% maximum position size at cost; 8% maximum position size at market price.

RISKS: Equity securities are volatile and can decline significantly in response to broad market and economic conditions. **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. **Investments in small and midsize 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. **Currency exchange rates** between the US dollar and foreign currencies may cause the value of the Fund's investments to decline.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Visit im.natixis.com or call 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.

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