

# Small Cap Value

## Management Team

Joseph R. Gatz, CFA  
Jeffrey Schwartz, CFA

## Objective

- Seeks to generate consistent, long-term investment performance superior to the Russell 2000® Value Index

## Highlights

- The investment universe includes all stocks generally within the market cap range of the benchmark at initial purchase
- We believe that known and recurring inefficiencies are available in the small cap market causing stock prices to deviate from their intrinsic value
- These inefficiencies can be categorized into three areas: misunderstood franchises, underfollowed and special situations
- A repeatable investment process can uncover higher quality businesses that are trading at a discount to intrinsic value utilizing rigorous fundamental research
- Disciplined bottom-up portfolio construction within a risk aware framework
- Sector guidelines: typical range is +/- 50% for benchmark sectors over 10%
- Individual security exposure: typical position range is 0.3% to 1.2% with a maximum weight of 2.5%
- Typically 100 to 130 stocks; turnover: 20% to 40% annually

## Benchmark

Russell 2000® Value Index

### Facts

Strategy inception	5/13/91
Composite inception	4/1/92
Strategy assets	\$1,530.7M
Composite assets	\$1,530.8M

## Composite Performance (%) as of December 31, 2025

	CUMULATIVE RETURN		ANNUALIZED TOTAL RETURN					SINCE INCEPTION
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR		
<b>GROSS</b>	0.72	6.34	6.34	12.72	10.62	9.75	11.54	
<b>NET</b>	0.47	5.29	5.29	11.61	9.69	8.87	10.79	
<b>BENCHMARK</b>	3.26	12.59	12.59	11.73	8.88	9.27	10.02	

## Calendar Year Performance (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>GROSS</b>	6.34	11.80	20.47	-10.86	29.77	2.81	25.28	-15.19	10.39	26.90
<b>NET</b>	5.29	10.70	19.29	-11.44	28.95	2.02	24.34	-15.84	9.57	25.96
<b>BENCHMARK</b>	12.59	8.05	14.65	-14.48	28.27	4.63	22.39	-12.86	7.84	31.74

*Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted. Returns for multi-year periods are annualized. Gross returns are net of trading costs. Net returns are gross returns less effective management fees. Returns may increase or decrease as a result of currency fluctuations.*

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

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

Loomis, Sayles & Company, L.P. ("Loomis Sayles") is an independently operated investment advisory firm registered under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. For additional information on this and other Loomis Sayles strategies, please visit our website at [www.loomissayles.com](http://www.loomissayles.com).



PORTFOLIO CHARACTERISTICS <sup>^</sup>			TOP 10 HOLDINGS (%)		SECTOR DISTRIBUTION (%)		
	Rep. Account	Index		Rep. Account		Rep. Account	Index
Price/earnings (trailing 12 mths)	15.21x	13.82x	Moog Inc	2.2	Industrials	24.0	12.6
Est. P/E (forward 12 months)	15.21x	13.73x	Bel Fuse Inc	2.2	Financials	20.9	26.4
5 Year Historical EPS Growth	23.30%	8.03%	TTM Technologies Inc	1.8	Information Technology	11.5	7.7
3-5 yr EPS growth	12.55%	10.63%	Advo Inc	1.8	Consumer Discretionary	9.3	9.9
ROE (1-yr equal wtd)	16.67%	11.22%	Popular Inc	1.7	Healthcare	7.6	11.0
Free Cash Flow Yield	5.53%	2.29%	Garrett Motion Inc	1.6	Energy	6.0	7.0
Wtd avg market cap	\$4.80B	\$3.55B	Ameris Bancorp	1.6	Materials	4.6	5.4
Median market cap	\$3.65B	\$806.33M	South State Corp	1.5	Real Estate	4.2	9.5
Median active share (since inception)	89.83%	-	VSE Corp	1.4	Utilities	3.6	5.7
			Wintrust Financial Corp	1.4	Communication Services	3.1	3.2
			Total	17.3	Consumer Staples	1.9	1.6
					Cash	3.4	-

MARKET CAPITALIZATION (%)		
	Rep. Account	Index
> \$2 Billion	79.9	62.9
\$1 to 2 Billion	13.2	20.6
\$0.5 to 1 Billion	3.4	9.8
< \$0.5 Billion	-	6.6
Cash	3.4	-

<sup>^</sup>Performance and risk metrics are calculated on a gross-of-fee basis and do not reflect the deduction of fees and expenses. Please see the Composite trailing returns for standard gross and net performance.

#### 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 depositary 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.

\*The characteristics shown above are provided by our third party vendor Factset and exclude negative values in the calculation (i.e. companies with negative trailing 12 month earnings are not included in the P/E statistic). This methodology can distort the relative comparison for each characteristic as the index has historically contained a higher percentage of non-earning companies versus the strategy.

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 Value 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.

This document may contain references to third party copyrights, indices, and trademarks, each of which is the property of its respective owner. Such owner is not affiliated with Loomis Sayles & Co., L.P. or any of its related or affiliated companies (collectively "Loomis Sayles") and does not sponsor, endorse or participate in the provision of any Loomis Sayles services, funds or other financial products.

The Composite includes all discretionary accounts with market values of at least \$1 million managed by Loomis Sayles that seek to identify attractively-valued, small-sized companies with the potential for above average capital appreciation. The strategy objective is to generate consistent, long-term investment performance over a full market cycle superior to the Russell 2000 Value Index, and generally within the market capitalization range of the Index. As of 1/1/2021 the Composite was redefined to include commingled vehicles, previously only separate accounts were included. The Composite inception date is April 1, 1992. The Composite was created in 1993. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomisayles.com](http://www.loomisayles.com).

0.0