Strategic Alpha Fund

Fund Facts

OBJECTIVE

Seeks to provide an attractive absolute total return, complemented by prudent investment management designed to manage risks and protect investor capital. The secondary goal of the fund is to achieve these returns with relatively low volatility

Share class	Y
Inception	12/15/2010
Ticker	LASYX
CUSIP	63872T620
Benchmark	Bloomberg US Aggregate Bond Index

Market Conditions

- Bonds produced a modest gain in the second quarter, with income accounting for the bulk of the total return. Expectations that the lingering effects of the conflict in Iran would cause inflation to reaccelerate prompted investors to price in tighter central bank policy. While in the autumn of 2025 the markets were anticipating that the US Federal Reserve (Fed) would enact as many as five quarter-point interest rate cuts over the coming year, by the end of June expectations had shifted toward the possibility of at least one rate hike in the second half of 2026.
- Investment-grade corporates produced a healthy total return in the second quarter. Yield spreads experienced a meaningful decline as hopes for an end to the conflict in Iran led to a resurgence in investors' appetite for risk. According to the Federal Reserve Bank of St. Louis, the option-adjusted spread on the ICE BofA US Corporate Index fell from 90 basis points (0.90 percentage points) on March 31 to 76 basis points on June 30. This trend, in combination with the contribution from income, helped corporates outpace Treasurys by a comfortable margin.
- High-yield bonds registered robust total returns in the second quarter. Yield spreads declined considerably as movement toward a resolution of the war in Iran fueled a recovery in investors' appetite for risk. According to the Federal Reserve Bank of St. Louis, the option-adjusted spread on the ICE BofA US High Yield Index fell from 328 basis points (3.28 percentage points) at the start of the period to 275 basis points on June 30. This trend, together with the contribution from income, contributed to outperformance for high-yield bonds relative to US Treasurys and the investment-grade market more broadly.

Bloomberg US Aggregate Bond Index.

The Bloomberg US Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. Indexes are unmanaged and do not incur fees. It is not possible to invest directly in an index.

ICE BofA 3-monthTreasury Bill Index.

The ICE BofA 3-Month Treasury Bill Index tracks the performance of 3-Month Treasury Bills. Indexes are unmanaged and do not incurfees. It is not possible to invest directly in an index.

Class Y Performance as of June 30, 2026 (%)

	CUMULATIVE TOTAL RETURN		ANNUALIZED TOTAL RETURN			
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
FUND	1.16	1.14	5.26	8.11	3.27	4.02
BENCHMARK*	0.67	0.62	3.79	4.16	0.08	1.54

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.

**Bloomberg US Aggregate Bond Index.*

Gross expense ratio 0.75% (Class Y). Net expense ratio 0.70%. 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 limitation of the fund has been exceeded. This arrangement is set to expire on 4/30/2028. When an expense limitation has not been exceeded, the fund may have similar expense ratios and/or yields.

The Class Y inception date is 12/15/2010. Class Y shares are sold to eligible investors without a sales charge; other Classes are available for purchase.

Portfolio Review

- The fund outperformed its benchmark, the Bloomberg US Aggregate Index, primarily due to securitized exposure.

Contributors

- Relative performance was supported by positive contributions from securitized credit, investment grade corporates, and global sovereign and foreign exchange positioning.
- Within securitized credit, asset-backed securities were a key contributor to results.

Detractors

- Duration management detracted from performance, as long exposure to intermediate Treasury futures weighed on results amid rising yields.

Outlook

- Market volatility remained elevated during the second quarter, though fears of a severe economic downturn eased as the conflict involving the U.S., Israel, and Iran proved less disruptive to global energy markets than initially feared. While higher oil prices and geopolitical uncertainty continued to weigh on sentiment, the broader economic backdrop remained resilient. The initial energy shock lifted inflation expectations and contributed to higher interest rates, with the 10-year Treasury yield rising from approximately 4.32% to 4.47% during the quarter. At the same time, credit markets largely absorbed the volatility and investment grade and high yield corporate spreads tightened as investors looked through near-term geopolitical risks and remained focused on resilient economic growth.
- Looking ahead through the remainder of 2026, we believe the U.S. will remain firmly in the 'Expansion to Late Cycle' phase of the credit cycle[1]. Our outlook is based on positive wealth effects, supportive fiscal policy, robust corporate profits and a significant capital expenditure cycle tied to artificial intelligence (AI). Manufacturing activity has also remained healthy, order books are strong, and inventories remain relatively lean. Corporate health appears solid, as reflected in healthy earnings, profit margins and corporate balance sheets. After softening in 2025, labor market indicators have improved, with payroll growth, job openings, and unemployment claims also suggesting continued resilience. Globally, growth entered 2026 on more synchronized footing, supported by monetary easing in 2025, improving manufacturing activity, and increasingly supportive fiscal policy. Despite the energy shock and geopolitical tensions that remain, the global economy appears more resilient than it was during the initial energy shock following Russia's invasion of Ukraine.
- Inflation across the globe remains a key challenge. The disinflationary progress many investors expected at the start of the year has yet to materialize. While higher energy prices have contributed to inflation pressures, underlying inflation measures have remained stubbornly firm. More importantly, we believe inflation is increasingly being supported by structural factors, including persistent fiscal deficits, demographic pressures, supply-chain reconfiguration, rising defense spending, and substantial investment in AI, energy infrastructure, and industrial capacity. In our view, global central bankers no longer have an easing bias; however, we are not concerned about cycles of aggressive rate hikes either.

- During periods in which the US dollar appreciates relative to foreign currencies, funds that hold non-US-dollar-denominated bonds, foreign currency or foreign currency-based derivative securities ("Foreign Currency Exposures") may realize currency losses in connection with the maturity or sale of certain Foreign Currency Exposures. These losses impact a fund's ordinary income distributions (to the extent that losses are not offset by realized currency gains within the fund's fiscal year). A recognized currency loss, in accordance with federal tax rules, decreases the amount of ordinary income a fund has available to distribute, even though non-US-dollar-denominated bonds continue to generate coupon income.
- Fund officers have analyzed the fund's current portfolio of investments, realized currency gains and losses, schedule of maturities, and the corresponding amounts of unrealized currency losses that may become realized during the current fiscal year. This analysis is performed regularly to determine how realized currency losses have and will impact periodic ordinary income distributions for the fund. Based on the most recent quarterly analysis (as of June 30, 2026), realized currency losses could continue to have an impact on the distributions in the 2026 fiscal year. This analysis is based on certain assumptions including, but not limited to, the amount of Foreign Currency Exposures held by the funds', the level of foreign currency exchange rates, security prices, interest rates, the fund advisers' ability to manage realized currency losses, and the net asset level of the fund. Changes to these assumptions could materially impact the analysis and the amounts of future fund distributions. Fund officers will continue to monitor these amounts on a regular basis and take the necessary actions required to manage the fund's distributions to address realized currency losses while seeking to avoid a return of capital distribution.

[1]A credit cycle is a cyclical pattern that follows credit availability and corporate health

About Risk

Fixed income securities may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity. **Below investment grade fixed income securities** may be subject to greater risks (including the risk of default) than other fixed income securities. **Currency** exchange rates between the US dollar and foreign currencies may cause the value of the fund's investments to decline. **Derivatives** involve risk of loss and may entail additional risks. Because derivatives depend on the performance of an underlying asset, they can be highly volatile and are subject to market and credit risks. **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. **Mortgage-related and asset-backed securities** are subject to the risks of the mortgages and assets underlying the securities. Other related risks include prepayment risk, which is the risk that the securities may be prepaid, potentially resulting in the reinvestment of the prepaid amounts into securities with lower yields. **Commodity-related** investments, including derivatives, may be affected by a number of factors including commodity prices, world events, import controls and economic conditions, and therefore may involve substantial risk of loss. **Non-diversified funds** invest a greater portion of assets in fewer securities and therefore may be more vulnerable to adverse changes in the market. **Short exposures** using derivatives may present various risks. If the value of the asset, asset class or index on which the Fund holds short investment exposure increases, the Fund will incur a loss. The potential risk of loss from a short exposure is theoretically unlimited, and there can be no assurance that securities necessary to cover a short position will be available for purchase.

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.

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 800-225-5478 for a prospectus and a summary prospectus, if available, containing this and other information. Read it carefully.

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