

2016 REPORT TO SECURITYHOLDERS OF THE NATIXIS/NEXGEN FUNDS

INDEPENDENT REVIEW COMMITTEE

NGAM Canada LP (formerly NexGen Financial Limited Partnership) (the “**Manager**” or “**NGAM**”), the manager of the Natixis Funds and the NexGen Funds (the “**Funds**”), established an independent review committee (the “**IRC**”) on May 1, 2007 to review conflict of interest matters in respect of the Funds as required under National Instrument 81-107 (the “**Instrument**”). Each year, the IRC is required to provide a report to securityholders of the Funds describing the IRC and its activities for the year.

The information disclosed in this report covers the period beginning January 1, 2016 and ending December 31, 2016, the financial year-end for the Funds.

Members of the IRC

Name	Residence	First Appointed
G. Alan Hutton ¹ (Chair)	Toronto, Ontario	May 1, 2007
Graham Turner	Town of Lincoln, Ontario	September 13, 2007
Edward J. Zinger	Ancaster, Ontario	May 1, 2007

Notes:

1. Alan Hutton is also a member of the Independent Review Committee of Return on Innovation Advisors Ltd. and a member of the Board of Directors of Aequis NEO Exchange

Each of the members of the IRC has been reappointed with the agreement of the Manager.

Each member of the IRC is independent of the Funds, the Manager and any person or company related to the Manager.

Holdings of Securities

Funds

As at December 31, 2016, IRC members beneficially owned, directly or indirectly, in aggregate, less than 10 percent of the outstanding units of each class or series of the Funds.

Manager

As at December 31, 2016, no member of the IRC beneficially owned, directly or indirectly, any units of any class or series of voting or equity securities of NGAM, the manager of the Funds.

NGAM Canada Investment Corporation

Pursuant to a declaration of trust dated November 18, 2016, each of the members of the IRC acts as trustees of NGAM Canada Investment Corporation Voting Trust (the “**Trust**”) which holds 50% of the outstanding common shares of NGAM Canada Investment Corporation (formerly NexGen Investment Corporation), the mutual fund corporation which houses the Natixis/NexGen Tax Managed Funds (the “**NGAM MF Corporation**”). The Trust holds the common shares for the benefit of the holders of mutual fund shares of NGAM MF Corporation.

Service providers

As at December 31, 2016, no member of the IRC beneficially owned, directly or indirectly, any securities of any class or series of voting or equity securities of any service provider to the Manager or a Fund.

Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds in appropriate circumstances. The aggregate compensation paid to the IRC for the period from January 1, 2016 to December 31, 2016 was \$60,000. As at the date of this report, each member of the IRC receives an annual fee of \$17,500 (\$25,000 for the Chairman). Such compensation, which is the responsibility of the Funds, was absorbed and paid in part by the Manager. The portion of the IRC’s compensation which was paid by the Funds was allocated among the Funds in an equitable and reasonable manner.

The initial compensation of the IRC was set by the Manager of the Funds. At least annually, the IRC reviews and determines its own compensation on an annual basis as required by the Instrument. In deciding the appropriate level of compensation, the IRC consider the following:

1. the best interests of the Natixis/NexGen Funds;
2. the number, nature and complexity of the Natixis/NexGen Funds for which the IRC acts;
3. the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member;
4. industry best practices, including industry averages and surveys on IRC compensation;
5. the Manager’s recommendations, if any; and
6. the IRC’s most recent assessment, if any, of its compensation.

No indemnities were paid to the IRC by the Funds or the Manager during the period.

As part of the IRC 2016 annual assessment, the Manager recommended to the members of the IRC that their compensation as outlined above remain unchanged for the 2017 year, subject to a review of the compensation by the IRC in its 2016 annual assessment. The Committee met to discuss its compensation on December 5, 2016 and considered the above criteria including a review of comparative data from other fund groups (to the extent

available) and has agreed with the Manager's recommendation.

Conflict of Interest Matters

The Instrument requires the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. In certain cases, the IRC may also issue standing instructions to the Manager in conjunction with an approval or a recommendation to enable the Manager to act in the conflict of interest matter on a continuing basis.

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation.

Approvals and Standing Instructions

The Manager received the following approvals and standing instructions from the IRC in the period. In each case, the standing instructions required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

1. Inter-Fund trades
2. Related party transactions under 4.2 of National Instrument 81-102
3. Related party trades under 6.2 of the Policy

The Manager received positive recommendations and standing instructions with respect to the conflict of interest matters addressed by the following policies. In each case, the standing instructions required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

Positive Recommendations and Standing Instructions

1. Best Execution Policy
2. Fees and Expenses Policy
3. Market Timing and Short Term Trading Policy
4. Personal Trading Policy
5. Proxy Voting Policy
6. Purchases of Securities Underwritten by a Related Entity Policy
7. Related Issuer Transaction Policy
8. Self-Dealing Transactions Policy
9. Soft Dollar Policy
10. Standard of Fairness Policy
11. Valuation Policy

Additional Information

This report is available on NGAM's website at <https://ngam.natixis.ca/contacts/index.html>. You may also request a copy of it, at no cost to you, by contacting the Funds at 1-866-378-7119 by telephone or by email at info.canada@ngam.natixis.com. Question for members of the IRC will be appropriately directed to our attention.

* Note: On December 9, 2016, the following mergers occurred:

NEXGEN FUNDS

NexGen Canadian Cash Fund
NexGen Canadian Cash Tax Managed Fund

NexGen Canadian Bond Fund
NexGen Canadian Bond Tax Managed Fund

Loomis Sayles Global Diversified Corporate Bond Fund
(formerly known as NexGen Corporate Bond Fund)
Loomis Sayles Global Diversified Corporate Bond Tax
Managed Fund
*(formerly known as NexGen Corporate Bond Tax
Managed Fund)*

NexGen Canadian Preferred Share Registered Fund
NexGen Canadian Preferred Share Tax Managed Fund

NexGen Canadian Diversified Income Registered Fund
NexGen Canadian Diversified Income Tax Managed
Fund

Natixis Strategic Balanced Registered Fund
*(formerly known as NexGen Turtle Canadian Balanced
Registered Fund)*
Natixis Strategic Balanced Tax Managed Fund
*(formerly known as NexGen Turtle Canadian Balanced
Tax Managed Fund)*

NexGen Canadian Dividend Registered Fund
NexGen Canadian Dividend Tax Managed Fund

NexGen Intrinsic Balanced Registered Fund
NexGen Intrinsic Balanced Tax Managed Fund

NexGen Intrinsic Growth Registered Fund
NexGen Intrinsic Growth Tax Managed Fund

NexGen U.S. Dividend Plus Registered Fund
NexGen U.S. Dividend Plus Tax Managed Fund

NexGen U.S. Growth Registered Fund
NexGen U.S. Growth Tax Managed Fund

NexGen Global Equity Registered Fund
NexGen Global Equity Tax Managed Fund

NATIXIS FUNDS

Loomis Sayles Strategic Monthly Income Fund
Gateway Low Volatility U.S. Equity Fund
Oakmark Natixis Registered Fund
Oakmark International Natixis Registered Fund
Oakmark Natixis Tax Managed Fund
Oakmark International Natixis Tax Managed Fund

Terminating Fund	Continuing Fund
NexGen Canadian Diversified Income Registered Fund (CDIR)	Natixis Strategic Balanced Registered Fund (SBR)
NexGen Canadian Diversified Income Tax Managed Fund (CDITM)	Natixis Strategic Balanced Tax Managed Fund (SBTM)