

MANAGEMENT REPORT OF FUND PERFORMANCE  
**NATIXIS CANADIAN BOND FUND**  
**(FORMERLY NEXGEN CANADIAN BOND FUND)**

For the period ended June 30, 2017

*This interim management report of fund performance contains financial highlights, but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling us toll free at 1-866-378-7119, by writing to us at NGAM Canada LP (the "Manager"), 145 King Street West, Suite 1500, Toronto, ON., M5H 1J8, or by visiting our website at [ngam.natixis.ca](http://ngam.natixis.ca) or SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*

#### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements about the Fund, including its strategy, expected performance and conditions. Forward-looking statements are statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.*

*Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, capital markets, business competition, technological changes, changes in government regulations, unexpected judicial or regulatory proceedings and catastrophic events.*

*We stress that the above-mentioned list is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.*

## **Management Discussion of Fund Performance**

### **Investment Objective and Strategies**

The investment objective of the Natixis Canadian Bond Fund (the "Fund") is to pursue a steady flow of income while preserving capital primarily through investment in Canadian fixed income securities. The portfolio sub-advisor, J. Zechner Associates Inc. ("Zechner" or the "Sub-Advisor"), in managing the Fund, uses investment strategies analyzing the expected direction of interest rates, the relative value between various terms to maturity, individual issues and different bond market sectors.

### **Risk**

No changes affecting the overall level of risk associated with investing in the Fund were made during the period. The risks of this Fund remain as discussed in the Fund's most recent simplified prospectus or any amendments and fund facts.

### **Results of Operations**

The Fund's net asset value decreased during the period from \$212,925,000 to \$195,054,000. This decrease was the result of net redemptions offset by positive return on investments.

The Series A of the Fund returned 1.9% compared to a 2.4% return on its benchmark, the FTSE TMX Canada Universe Bond Index (the "Benchmark"), from which fees and expenses are not deducted. See the section titled "Past Performance" for a detailed summary of the performance of the Fund.

As 2017 began, investors awaited the inauguration of Donald Trump as the new U.S. president. They hoped to get greater clarity on which of Trump's election promises on trade, the budget deficit, and government regulation would be fulfilled. As the first quarter ended, investors were still wondering about the new administration's policies and its ability to have them implemented. Canadian economic data was generally stronger than expectations, but the Bank of Canada left its administered rates unchanged. U.S. data struggled to meet expectations, but was sufficient to permit the Federal Reserve Board to follow its December interest rate increase with another increase in March. As with the December rate move, the March increase had little discernable impact on bonds. Instead, bond investors took a wait-and-see approach regarding U.S. economic policy and bond prices and yields moved in a sideways pattern during the quarter. Yields of benchmark Canada bonds finished the quarter at almost exactly the same levels they began the year.

Bonds broke out of their trading range in April, with prices initially moving higher and yields declining. In large part, the catalyst for the move to lower yields appeared due to flagging optimism about the U.S. economy. The combination of weaker than expected economic data, the chaotic performance of the new Trump administration, and the inability of the U.S. Republican Party to agree on major policies such as the repeal of Obamacare caused investors to lose confidence in the anticipated economic acceleration from implementation of Trump's election promises. Canadian bond yields followed U.S. bond yields lower.

In June, however, the bond market reversed course as central banks worldwide shifted to a more hawkish stance. With economic growth improving in most advanced economies, the need for quantitative easing and ultra-low interest rates diminished and central bankers started planning for gradual reductions in stimulus. The Canadian bond market was one of the weakest in the world during June as the Bank of Canada made a more abrupt change in its policy. After two years of defending its 2015 rate reductions and deflecting blame for the resultant housing bubble in Vancouver and Toronto, the Bank suggested the rate cuts had had the desired effect and interest rate increases could now be anticipated. Bond prices fell as yields rose in anticipation of higher interest rates, perhaps as soon as in July. Of particular note, short term yields rose to their highest levels in 2½ years.

In the first quarter, there was little change in bond yields from the start of the year. In the second quarter, though, there was a significant flattening twist of the yield curve as short term bond yields rose and long term yields declined. The yields of 2-year and 5-year Canada Bonds rose 34 basis points and 26 basis points, respectively, in the quarter, as investors anticipated the Bank of Canada was about to initiate a series of interest rate increases. As a result, the yields of shorter term maturities rose to their highest levels since late 2014 (i.e. before the Bank of Canada's surprise rate increases in 2015). In contrast, the yields of long term bonds declined in the second quarter, as concerns about robust U.S. economic growth and ballooning budget deficits faded. Optimism that the new U.S. administration would stimulate growth faded in light of its chaotic performance to date and the Republican party's lack of cohesiveness.

Throughout the first half of the year, the portfolio was defensively positioned, with a duration less than the benchmark. That meant it would be less impacted by rising yields, such as occurred in June. The fund held relatively few short term bonds because of their low absolute yields, and relatively more mid term issues. In June, though, several yield curve trades were

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made in reaction to the Bank of Canada shift in policy. The trades involved selling several shorter dated bonds and replacing them with duration equivalent amount of longer term issues. In the process, the sub-advisor reduced the allocation to mid term issues and increased both long term holdings and cash. Within the provincial sector, the overweight allocation to British Columbia was substantially reduced due to political uncertainty arising from the election in that province. The corporate sector was over-weighted relative to the benchmark throughout the period, but the allocation to corporate bonds was gradually reduced from 49.6% at the start of the year to 40.0% at midyear.

The sub-advisor also initiated investments in a select number of preferred shares during the period. The preferred shares are expected to provide diversification and improved yield for the fund.

### *Recent Developments*

The sub-advisor anticipates that the Bank of Canada will increase its administered interest rates at its July 12<sup>th</sup> Fixed Action Date. An additional rate increase in the fall would fully reverse the Bank's 2015 rate cuts and the sub-advisor expects that the Bank will then pause to evaluate the impact of the rate increases and to avoid catching up to the Fed's 1.25% target rate. The sub-advisor thinks the Fed will skip raising rates again at its September meeting, and choose to start reducing its balance sheet instead.

The adjustment in yields following the Bank of Canada's policy stance has made short and mid term bonds more reasonably priced. The yield of 5-year Canada Bonds, for example, has risen close to 1.50%, which appears to fully discount for the two rate increases that are expected over the balance of 2017. Accordingly, the sub-advisor anticipates reversing some of the yield flattening trades made in June. As part of this, cash levels should be reduced from their current, elevated levels.

The sub-advisor believes corporate bonds are fairly valued, but are no longer cheap. Selectivity remains key, and the sub-advisor is considering further reductions in the corporate sector allocation. The sub-advisor is also looking at the relative spreads for corporate issuers at different terms. If there is little difference in risk premiums between different maturities, it may make sense to reduce terms.

The sub-advisor remains somewhat defensive regarding duration for two reasons. First, the trend globally appears to be toward higher yields, as central banks remove or prepare to remove some of the extraordinary monetary stimulus that has been in place. Second, Canadian bonds appear expensive compared to those of the United States. The differential between the two countries' bonds widened following Donald Trump's election, but as the U.S. administration flounders it seems likely that the yield spreads will narrow. The better relative economic performance of Canada also argues for Canadian yields to move closer to their American counterparts.

### *Change of Securities Offerings*

Effective May 9, 2017, the securities of Ultra High Net Worth Series are no longer available for purchase.

Investors may continue to own these securities, redeem their investment, or switch their investment to securities of the Fund or another Natixis Fund that is available for purchase and for which they qualify.

Effective June 12, 2017, the securities of Regular Front End Load, Deferred Load and Low Load series are no longer available for purchase.

Effective June 12, 2017, commenced offering securities of Series A.

On July 18, 2017 all the assets attributable to Regular Front End Load, Deferred Load and Low Load were re-designated to Series A.

### *Fund Series Name Changes*

Effective June 9, 2017, the Fund renamed the following Series:

Previous Name	New Name
Regular F Series	Series F
High Net Worth Front End Load Series	Series H
High Net Worth F Series	Series HF
Ultra High Net Worth Series	Series U
Institutional Front End Load Series	Series I

### *Related Party Transactions*

NGAM Canada LP (the "Manager") provides investment management, distribution and administrative services to the Fund. These services are provided in the normal course of operations and are recorded at the amount of consideration agreed to by the Manager and the Fund. National Instrument 81-107 requires the Fund, to establish an independent review committee ("IRC") to whom the Fund must refer all conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters, and provide assistance to the IRC in carrying out its functions.

### *Management Fees*

NGAM Canada LP is the manager of the Fund. In consideration for the investment advisory services provided, the Manager receives a monthly management fee based on the daily average net assets of each series of the Fund, other than Series I. From its management fees, the Manager pays the cost of portfolio manager compensation, and sales and trailing commissions to dealers who distribute securities of the Fund. In consideration for other administrative services provided, the Manager may also charge an administrative fee to the Funds.

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From time to time, the Manager may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Fund, directing the Fund to make management fee distributions to these unitholders, or by rebating these fees back to the Fund in amounts equal to the management fee reduction. Management fee distributions are automatically reinvested in additional units of the Fund and are accounted for as distributions for financial statement purposes.

*Fund Operating Expenses*

Each Fund is responsible for the payment of all operating expenses including, but not limited to, taxes, accounting fees, legal fees, audit fees, trustee fees, IRC fees, custodial fees, administrative costs, investor servicing costs, broker commissions, interest and bank charges, and costs of reports and prospectuses. In consideration for other administrative services provided, the Manager may also charge an administrative fee to the Funds. The Manager allocates to the Fund certain overhead costs which are directly related to the operation of the Fund (excluding marketing and sales). Those overhead costs would include a portion of the Manager's IT computer software, systems and staff salaries, facilities, insurance (property and liability only), depreciation on fixed assets, data and telephone, printing, office and other general administrative costs.

Operating expenses are attributed to a Fund, or a Fund's series. Common operating expenses of the Funds may be allocated among each fund based on the average number of securityholders or the average daily net asset value of that fund, or other methods of allocation that the Manager deems appropriate, depending on the type of operating expenses being allocated.

*Expenses Absorbed*

The Manager may waive or absorb a portion of the management fees or operating expenses for certain funds. The decision to absorb these expenses is reviewed periodically and determined at the discretion of the Manager, without notice to unitholders.

The related party fees charged are as follows:

	June 30, 2017	June 30, 2016
Management fees	120,290	167,153
Administrative services provided by the Manager	48,503	12,685
Fund expenses absorbed by the Manager	(74,910)	(32,646)

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## Management Fees and Series Description

The Fund currently offers five series of units: Series A, Series F, Series H, Series HF and Series I. The following securities are no longer available for purchase: Series U, Regular Front End Load and Deferred and Low Load.

Management fees differ among the Fund's series of units. The Fund pays the Manager an aggregate management fee. Management fees for Series I units are negotiated and paid directly by the investor, not by the Fund. From its management fees, the Manager pays the costs of portfolio manager compensation, and sales and trailing commissions to dealers who distribute securities of the Fund.

Series	As a Percentage of Management Fees		
	Management Fee (%)	Dealer Compensation (%)	General Administration, Investment Advice and Profit (%)
Series A, Regular, Deferred and Low Load	1.25	31	69
Series F	0.75	0	100
Series H	1.00	50	50
Series HF	0.60	0	100
Series U	0.95	37	63

*\*\*For Series I [Units/Shares (revise as applicable)], separate Series I fees are negotiated and paid by each Series I investor. The combined management, administrative and any service fees charged for Series I Units will not exceed the management fee charged for Series A Units.*

## Summary of Investment Portfolio at June 30, 2017

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. You may obtain monthly updates to the Fund's holdings free of charge by calling us toll free at 1-866-378-7119 or by writing us at NGAM Canada LP, 145 King Street West, Suite 1500, Toronto, ON, M5H 1J8 or by visiting our website at [ngam.natixis.ca](http://ngam.natixis.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).

Top 25 Holdings	%*	Sector Allocation	%*
Cash & Cash Equivalents <sup>^</sup>	12.1	Corporate Bonds	37.9
Government of Canada 5.75% Jun 01/33	7.7	Federal Bonds	23.0
Province of Ontario 6.50% Mar 08/29	6.5	Provincial Bonds	18.8
Canada Housing Trust No. 1 1.75% Jun 15/18	6.4	Cash & Cash Equivalents <sup>^</sup>	12.1
Province of Quebec 5.00% Dec 01/38	4.9	Financials	2.9
Canada Housing Trust No. 1 1.90% Sep 15/26	4.8	Asset Backed Securities	2.4
Government of Canada 4.25% Dec 01/26	4.1	Municipal Bonds	2.2
Province of Quebec 2.50% Sep 01/26	3.8	Real Estate	0.7
Province of British Columbia 5.70% Jun 18/29	2.7	Total	100.0
Bank of Montreal 3.21% Sep 13/18	1.9		
The Empire Life Insurance Company 2.87% May 31/23	1.6		
The Toronto-Dominion Bank 4.86% Mar 04/31	1.4		
Sun Life Financial Inc. 5.40% May 29/42	1.4		
NBC Asset Trust 7.45% Dec 29/49	1.4		
Canadian Mortgage Pools 1.30% Jul 01/20	1.3		
Central 1 Credit Union 1.51% Nov 21/18	1.3		
CIBC Capital Trust 9.98% Jun 30/2108	1.3		
Manulife Finance Delaware LP 5.06% Dec 15/41	1.3		
TransCanada PipeLines Limited 4.55% Nov 15/41	1.2		
Fortis Inc. 6.51% Jul 04/39	1.2		
City of Toronto 2.40% Jun 07/27	1.2		
The Bank of Nova Scotia 3.37% Dec 08/25	1.2		
Royal Bank of Canada 2.48% Jun 04/25	1.2		
Federated Co-operatives Limited 3.92% Jun 17/25	1.2		
MBarc Credit Canada Inc. Series 2017-A Cl. A2 1.46% Feb 18/20	1.1		

\*Based on Transactional NAV in which securities are priced at market closing prices on June 30, 2017.

<sup>^</sup>Including other working capital.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Updates are available quarterly.

## Past Performance

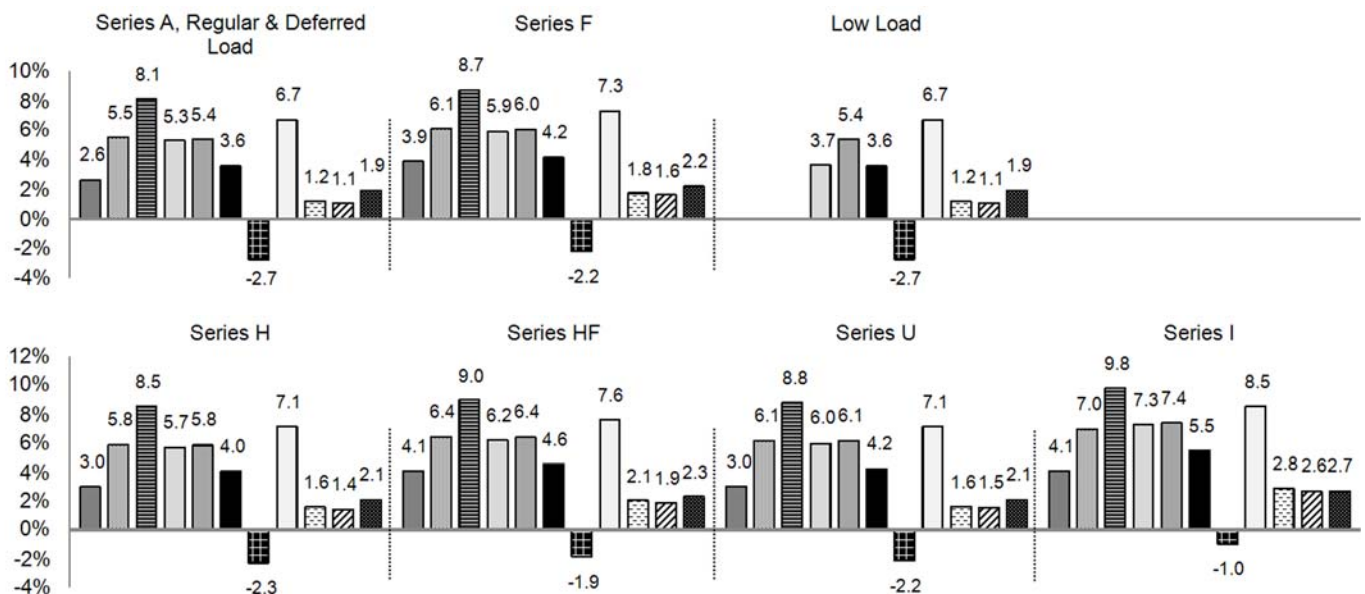
The past performance shows historical performance of each series of units of the Fund. This information is provided to show the past performance only and does not necessarily indicate how the Fund will perform in the future. The past performance information assumes that all distributions were reinvested in additional units of the same series of the Fund. The past performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Effective on September 19, 2016, the annual management fee applicable to all of the sales options of the Series A units and to the Series F shares of the Fund were lowered by 10 basis points, respectively.

This change could have affected the performance of the Fund had it been in effect throughout the performance measurement periods presented.

## Year-by-Year Returns

The following charts illustrate the annual performance of each series of shares of the Fund for the lesser of a) ten most recently completed financial years; b) since the inception date. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have increased or decreased by the last day of each financial period. *Performance of Series A reflects the past performance of the Regular Front End Load Series. Performance for Series F and Series HF for 2007 covers the period from July 1 to December 31, 2007. Performance for the Low Load Series for 2010 covers the period from March 8 to December 31, 2010.*



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## Financial Highlights<sup>+</sup>

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the year or period ending dates indicated.

### Net Assets Per Unit (\$) <sup>1</sup>

	Series A, Regular, Deferred and Low Load Series						Series F					
	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
<b>Net assets, beginning of period</b>	12.59	12.76	12.86	12.28	12.63	12.18	13.37	13.48	13.51	12.83	13.12	12.58
Increase (decrease) from operations:												
Total revenue	0.21	0.44	0.44	0.43	0.43	0.45	0.22	0.45	0.46	0.45	0.44	0.47
Total expenses (excluding distributions)	(0.10)	(0.22)	-	-	-	-	(0.07)	(0.15)	-	-	-	-
Realized gains (losses) for the period	(0.04)	-	0.25	0.53	(0.10)	0.24	(0.04)	-	0.26	0.54	(0.07)	0.25
Unrealized gains (losses) for the period	0.18	(0.04)	(0.48)	(0.07)	(0.69)	(0.26)	0.17	(0.07)	(0.48)	0.03	(0.64)	(0.19)
<b>Total increase (decrease) from operations<sup>2</sup></b>	0.25	0.18	0.21	0.89	(0.36)	0.43	0.28	0.23	0.24	1.02	(0.27)	0.53
Distributions:												
From net investment income (excluding dividends)	0.20	(0.31)	(0.25)	(0.48)	(0.38)	(0.23)	0.21	(0.33)	(0.26)	(0.50)	(0.40)	(0.24)
From dividends	-	-	-	-	-	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.18)	-	-	-	-	-	(0.18)
Return of capital	-	(0.01)	(0.01)	(0.01)	(0.02)	-	-	(0.01)	(0.01)	(0.01)	(0.01)	-
<b>Total distributions<sup>3</sup></b>	0.20	(0.32)	(0.26)	(0.49)	(0.40)	(0.41)	0.21	(0.34)	(0.27)	(0.51)	(0.41)	(0.42)
<b>Net assets, end of period *</b>	12.63	12.59	12.76	12.86	12.28	12.61	13.45	13.37	13.48	13.51	12.83	13.10

	Series H						Series HF					
	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
<b>Net assets, beginning of period</b>	12.75	12.88	12.94	12.31	12.60	12.09	13.40	13.47	13.47	12.75	12.99	12.41
Increase (decrease) from operations:												
Total revenue	0.21	0.44	0.44	0.43	0.43	0.45	0.22	0.47	0.46	0.45	0.44	0.46
Total expenses (excluding distributions)	(0.09)	(0.18)	-	-	-	-	(0.06)	(0.12)	-	-	-	-
Realized gains (losses) for the period	(0.04)	-	0.24	0.67	(0.11)	0.24	(0.03)	-	0.25	0.56	(0.06)	0.25
Unrealized gains (losses) for the period	0.19	(0.01)	(0.48)	(0.36)	(0.67)	(0.19)	0.13	0.02	(0.52)	0.01	(0.57)	(0.16)
<b>Total increase (decrease) from operations<sup>2</sup></b>	0.27	0.25	0.20	0.74	(0.35)	0.50	0.26	0.37	0.19	1.02	(0.19)	0.55
Distributions:												
From net investment income (excluding dividends)	0.20	(0.31)	(0.25)	(0.49)	(0.38)	(0.23)	0.21	(0.33)	(0.26)	(0.50)	(0.39)	(0.24)
From dividends	-	-	-	-	-	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.18)	-	-	-	-	-	(0.18)
Return of capital	-	(0.01)	(0.01)	(0.01)	(0.01)	-	-	(0.01)	(0.01)	(0.01)	(0.01)	-
<b>Total distributions<sup>3</sup></b>	0.20	(0.32)	(0.26)	(0.50)	(0.39)	(0.41)	0.21	(0.34)	(0.27)	(0.51)	(0.40)	(0.42)
<b>Net assets, end of period *</b>	12.81	12.75	12.88	12.94	12.31	12.58	13.49	13.40	13.47	13.47	12.75	12.98

	Series U						Series I					
	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
<b>Net assets, beginning of period</b>	12.80	12.92	12.97	12.33	12.59	12.08	8.69	8.64	8.60	8.16	8.24	7.80
Increase (decrease) from operations:												
Total revenue	0.21	0.45	0.45	0.43	0.43	0.44	0.14	0.30	0.29	0.28	0.28	0.29
Total expenses (excluding distributions)	(0.08)	(0.17)	-	-	-	-	(0.01)	(0.02)	-	-	-	-
Realized gains (losses) for the period	(0.05)	0.02	0.25	0.59	(0.11)	0.24	(0.02)	(0.03)	0.16	0.17	(0.07)	0.18
Unrealized gains (losses) for the period	0.17	(0.07)	(0.45)	0.01	(0.60)	(0.14)	0.13	(0.25)	(0.21)	0.36	(0.29)	0.01
<b>Total increase (decrease) from operations<sup>2</sup></b>	0.25	0.23	0.25	1.03	(0.28)	0.54	0.24	-	0.24	0.81	(0.08)	0.48
Distributions:												
From net investment income (excluding dividends)	0.20	(0.32)	(0.25)	(0.49)	(0.38)	(0.23)	0.14	(0.18)	(0.19)	(0.41)	(0.25)	(0.15)
From dividends	-	-	-	-	-	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.18)	-	-	-	-	-	(0.12)
Return of capital	-	(0.01)	(0.01)	(0.01)	(0.01)	-	-	(0.01)	(0.01)	(0.01)	(0.01)	-
<b>Total distributions<sup>3</sup></b>	0.20	(0.33)	(0.26)	(0.50)	(0.39)	(0.41)	0.14	(0.19)	(0.20)	(0.42)	(0.26)	(0.27)
<b>Net assets, end of period *</b>	12.87	12.80	12.92	12.97	12.31	12.59	8.78	8.69	8.64	8.60	8.16	8.23

Please refer to the footnotes on the last page of this document.

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Ratios and Supplemental Data <sup>1</sup>

	Series A, Regular, Deferred and Low Load Series						Series F					
	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
Total net asset value (\$) <sup>2</sup>	11,658,735	12,962,440	16,397,265	22,500,150	35,374,237	57,606,234	3,867,931	3,816,193	4,323,835	5,033,605	8,061,406	24,824,709
Number of units outstanding	922,922	1,029,901	1,284,915	1,749,438	2,880,139	4,561,413	287,548	285,511	320,771	372,604	628,391	1,892,377
Management expense ratio (%) <sup>3</sup>	1.59	1.68	1.71	1.86	1.90	1.91	1.04	1.13	1.17	1.31	1.34	1.35
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	1.67	1.72	1.97	1.88	1.90	1.92	1.12	1.17	1.42	1.32	1.34	1.35
Trading expense ratio (%) <sup>4</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio turnover rate (%) <sup>5</sup>	52.22	88.38	76.46	83.65	129.00	114.84	52.22	88.38	76.46	83.65	129.00	114.84
Net asset value per unit (\$) <sup>2</sup>	12.63	12.59	12.76	12.86	12.28	12.63	13.45	13.37	13.48	13.51	12.83	13.12

	Series H						Series HF					
	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
Total net asset value (\$) <sup>2</sup>	2,723,549	3,196,041	5,036,753	4,310,571	1,702,834	1,797,575	1,462,217	1,123,916	1,790,989	1,393,571	1,701,546	4,673,597
Number of units outstanding	212,570	250,674	390,934	333,198	138,371	142,688	108,372	83,902	132,914	103,489	133,434	359,652
Management expense ratio (%) <sup>3</sup>	1.34	1.34	1.35	1.48	1.46	1.47	0.88	0.88	0.88	1.02	0.99	0.98
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	1.41	1.39	1.60	1.49	1.46	1.47	0.95	0.93	1.13	1.03	0.99	0.98
Trading expense ratio (%) <sup>4</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio turnover rate (%) <sup>5</sup>	52.22	88.38	76.46	83.65	129.00	114.84	52.22	88.38	76.46	83.65	129.00	114.84
Net asset value per unit (\$) <sup>2</sup>	12.81	12.75	12.88	12.94	12.31	12.60	13.49	13.40	13.47	13.47	12.75	12.99

	Series U						Series I					
	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	30-Jun-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12
Total net asset value (\$) <sup>2</sup>	145,316	202,171	371,311	443,860	442,217	467,342	175,195,93	191,624,53	1,058	1,028	119,435,95	120,751,21
Number of units outstanding	11,294	15,793	28,739	34,232	35,864	37,084	19,948,098	22,059,925	122	120	14,644,680	14,659,147
Management expense ratio (%) <sup>3</sup>	1.30	1.30	1.30	1.42	1.30	1.31	0.11	0.17	0.02	0.16	0.12	0.13
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	1.38	1.35	1.56	1.43	1.30	1.31	0.19	0.22	0.27	0.18	0.12	0.13
Trading expense ratio (%) <sup>4</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio turnover rate (%) <sup>5</sup>	52.22	88.38	76.46	83.65	129.00	114.84	52.22	88.38	76.46	83.65	129.00	114.84
Net asset value per unit (\$) <sup>2</sup>	12.87	12.80	12.92	12.97	12.33	12.60	8.78	8.69	8.64	8.60	8.16	8.24

Please refer to the footnotes on the last page of this document.

## Financial Highlights

<sup>†</sup> For financial periods beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For the comparative 2013 financial period, beginning and ending Net Assets per unit have been changed to reflect the adoption of IFRS, and for financial periods preceding January 1, 2013, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Net Assets per unit, for the periods prior to January 1, 2013, are calculated in accordance with GAAP, and Net Asset Value in the Ratios and Supplemental Data table is presented based on that used for transactional purposes. All other calculations for the purposes of this MRFP are made using Net Asset Value. As at June 30, 2017 there was no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

## Net Assets Per Unit footnotes

- <sup>1</sup> This information is derived from the Fund's audited annual financial statements as at December 31 of the years shown and the interim statements as at June 30, 2017. The net assets per unit for periods preceding January 1, 2013 presented in the financial statements may differ from the net asset value calculated for fund pricing purposes as a result of adopting the requirements under Section 3855 of the CICA Handbook, Financial Instruments – Recognition and Measurement.
- <sup>2</sup> Net assets and distributions are based on the actual amount of units at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.
- <sup>3</sup> Distributions were reinvested in additional units of the Fund, unless the investor requested payment in cash.
- <sup>\*</sup> This is not a reconciliation of the beginning and ending net assets per unit as the increase (decrease) from operations data is based on the weighted average number of units during the period rather than actual unit amounts at the relevant time.

## Ratios and Supplemental Data footnotes

- <sup>1</sup> The information is provided as at June 30, 2017 and December 31 of the years shown.
- <sup>2</sup> Total Net Asset Value and Net Asset Value per unit for periods preceding January 1, 2013, are presented based on transactional NAV which may differ from amounts in the financial statements as a result of adopting the requirements under Section 3855 of the CICA Handbook, Financial Instruments – Recognition and Measurement.
- <sup>3</sup> The management expense ratio (MER) is calculated in accordance with National Instrument 81-106 and is based on total expenses (excluding distributions, commissions, portfolio transaction costs and forward fees as applicable) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. In a period where a series is established, the management fee ratio is annualized from the date of inception to the end of the period.  
  
The Manager may authorize a reduction in the management fees and/or operating expense rates generally for certain investors of the Fund who pay or incur distribution or other expenses normally paid by the Fund or the Manager. In this case, if the Manager reduces or rebates a portion of the management fee, the Fund or the Manager pays an amount equal to the reduction either as a distribution or as a direct rebate. The MER does not take this type of reduction into account.  
  
The Manager may temporarily reduce or absorb all or any portion of the management fee and/or operating expenses of the Fund and can terminate the reduction or absorption at any time. The Manager expects to continue to absorb these fees or expenses until such time as the Fund is of sufficient size to reasonably absorb all fees and expenses.
- <sup>4</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average Transactional NAV during the period.
- <sup>5</sup> The Fund's portfolio turnover rate indicates how the portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. Typically, the higher a fund's portfolio turnover rate, the greater the trading costs payable by a fund. There is not necessarily a relationship between a high turnover rate and the performance of a fund.