

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 or SEDAR at 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 Loomis Sayles Strategic Monthly Income Fund (the "Fund") is to seek high current income with a secondary objective of capital growth through investment primarily in U.S. income producing securities.

Under normal market conditions, the Fund will invest substantially all of its assets in income producing securities with a focus on U.S. corporate bonds, convertible securities, foreign debt instruments, including those in emerging markets and related foreign currency transactions, and U.S. government securities.

Loomis, Sayles & Company, L.P. ("Loomis Sayles" or the "Portfolio Manager"), the Portfolio Manager, seeks to buy bonds that offer a positive yield advantage over the market and, in its view, have room to increase in price. It may also invest to take advantage of what the Portfolio Manager believes are temporary disparities in the yield of different segments of the market for U.S. government securities.

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 increased during the period from \$53,411,000 to \$65,156,000. This increase was a result of a combination of net sales and positive return on investments. The Series A units of the Fund returned 3.4% compared to a 4.3% return on its benchmark, 65% Barclays U.S. Government/Credit Index, 25% Barclays Global High Yield Index, 10% S&P 500 Total Return Index (CAD) (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.

Nearly all asset classes saw positive returns in the second quarter, supported by "just right" macroeconomic and financial conditions. The Federal Reserve (Fed) hiked interest rates in June, corporate profits continued to recover and investors embraced the risk-on trade. Commodities were the only dark spot as the sector struggled with a volatile supply/demand backdrop.

US investment grade corporate bonds generated positive returns. Longer-duration corporates led performance, aided by declines at the long end of the US yield curve (a curve that shows the relationship between bond yields across the maturity spectrum).

High yield credit was a leading asset class as investors continued to search for yield. Improving corporate profits provided an additional tailwind to the sector.

Emerging market assets built on year-to-date gains, benefiting from the low-yield environment, positive investor sentiment and accelerating corporate earnings.

Portfolio Review

Investment grade credit was additive for the quarter and contributed the most to year to date relative performance. Within this space, select names among consumer non-cyclical, banking, communications, and consumer cyclical were top contributors.

An overweight to high yield credit boosted relative performance. Within high yield, select issues in the technology, consumer non-cyclical, and capital goods sectors contributed to outperformance.

A meaningful underweight to US Treasuries proved helpful to outperformance.

Securitized detracted from performance, primarily due to selected issues within car loans.

A small underweight to emerging markets weighed on relative performance.

The fund, on average, had a shorter-than-benchmark duration that modestly aided relative performance (duration refers to a security's price sensitivity to interest rate changes).

Outlook

We believe global and US GDP will continue to improve. North America continues to benefit from low inflation, low interest rates and contained energy prices. Europe has been improving, and emerging markets are stabilizing with generally better commodity prices. China is also exhibiting more stable growth. We believe this backdrop will support corporate credit fundamentals and risk asset valuations.

The Fed is raising rates slowly and will likely wait until December to hike again. We believe the Fed will begin balance sheet normalization later this year, but the runoff path will be gradual and should have minimal impact on interest rates. US inflation remains contained; however, the stronger US economic backdrop, job growth and wage pressures should ultimately firm inflation. The yield curve will likely continue to flatten as longer rates remain more stable than shorter rates. We are maintaining a short duration relative to the benchmark.

Oil prices declined in the first half of 2017 on concerns about US supply and the perception that OPEC has lost its ability to balance the oil market. US shale is a relatively new variable for oil markets, and it could create price volatility. However, over the long term, we believe extended OPEC cuts will lead to a more balanced market and firmer pricing. US energy companies have continued to repair their balance sheets and credit metrics are in much better shape. We are maintaining exposure to selected names in the sector that we believe offer attractive yields and total return potential.

Given improving corporate profits and positive margin expansion, we expect low default rates and default losses from corporate bonds in the coming year. Overall, we expect the long, slow expansion to continue. Valuations in credit markets have risen modestly, but we still see no downturn or recession on the horizon for the next 12 to 18 months. Moderate new corporate bond issuance and the global search for yield should support credit markets. We are largely maintaining our exposures to carefully selected investment grade and high yield corporate credit.

Our convertible allocation remains diversified across industries, including technology, healthcare and energy. We reduced the portfolio's equity exposure amid strong equity market performance earlier in 2017, and our convertible exposure is currently more bond-like in character.

We have modestly increased reserves in the form of cash and short US Treasury debt. We have some concerns about underpriced geopolitical risk but remain comfortable with the fundamental global economic outlook. Reserves may dampen portfolio risk should volatility develop, and they can be quickly deployed if market dislocations create attractive buying opportunities.

In this low yield, low volatility environment, we are focused on issue selection and using our flexible mandate to construct a portfolio that is structurally different from the benchmark. We advocate lower duration and higher yield relative to the broad investment grade fixed income market.

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.

The Fund's portfolio manager is Loomis, Sayles & Company, L.P. ("Loomis Sayles"), an affiliate of the Manager. Loomis Sayles provides portfolio management services to the Fund. Loomis Sayles receives from the Fund a management fee based on assets under management, calculated daily and payable monthly.

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 the Institutional series. 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.

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

MANAGEMENT REPORT OF FUND PERFORMANCE
LOOMIS SAYLES STRATEGIC MONTHLY INCOME FUND

For the period ended June 30, 2017

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	164,611	35,288
Administrative services provided by the Manager	22,805	16,614
Fund expenses absorbed by the Manager	(58,613)	(53,835)

Management Fees and Series Description

The Fund currently offers four series of units: Series A, Series F, Series H, and Series I.

Management fees differ among the Fund's series of units. The Fund pays the Manager an aggregate management fee. Management fees for the I Series 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.

As a Percentage of Management Fees

Series	Management Fee (%)	Dealer Compensation (%)	General Administration, Investment Advice and Profit (%)
Series A	1.75	58	42
Series F	0.75	0	100
Series H	1.60	62	38

***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 or SEDAR at www.sedar.com.

Top 25 Holdings	%*	Sector Allocation	%*
Cash & Cash Equivalents [^]	11.5	Corporate Bonds	63.5
United States Treasury Note 1.25% Jun 30/19	3.3	Cash & Cash Equivalents [^]	11.5
United States Treasury Note 1.63% Mar 15/20	2.9	Treasuries	10.2
United States Treasury Note 0.63% Jun 30/18	2.1	Asset Backed Securities	2.5
United States Treasury Note 1.25% Mar 31/19	1.9	Information Technology	1.7
Universal Health Services, Inc. 5.00% Jun 01/26	1.5	Convertible Bonds	1.8
Valeant Pharmaceuticals International, Inc. 6.13% Apr 15/25	1.2	Consumer Staples	1.6
General Motors Financial Company, Inc. 5.25% Mar 01/26	1.0	Industrials	1.1
Toyota Motor Credit Corporation 1.55% Oct 18/19	0.9	Health Care	1.2
Societe Generale SA 4.25% Apr 14/25	0.9	Financials	1.2
Time Warner Cable Inc. 4.50% Sep 15/42	0.9	Energy	1.0
Morgan Stanley 5.00% Nov 24/25	0.9	Provincial Bonds	0.9
Bank of America Corporation 4.25% Oct 22/26	0.9	Consumer Discretionary	0.7
Dell International LLC / EMC Corp. 6.02% Jun 15/26	0.9	Utilities	0.4
EnLink Midstream Partners, LP 4.15% Jun 01/25	0.9	Materials	0.4
Citibank Credit Card Issuance Trust Series 2017-A3 Cl. A3 1.92% Apr	0.9	Telecommunication Services	0.3
Ford Motor Credit Company LLC 4.39% Jan 08/26	0.8	Total	100.0
Energy Transfer Partners, LP 4.05% Mar 15/25	0.8		

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For the period ended June 30, 2017

Royal Bank of Scotland Group PLC 6.13% Dec 15/22	0.8	Geographic Allocation	%*
Latam Airlines 2015-1 Pass Through Trust B 4.50% Aug 15/25	0.8	United States	70.6
HCA Healthcare, Inc. 6.25% Feb 15/21	0.8	Cash & Cash Equivalents^	10.8
Ally Auto Receivables Trust Series 17-3 Cl. A3 1.74% Sep 15/21	0.7	Canada	3.3
Apple Inc. 1.10% Aug 02/19	0.7	Netherlands	3.0
Province of Ontario 2.00% Jan 30/19	0.7	United Kingdom	2.9
Microsoft Corporation 1.10% Aug 08/19	0.7	Bermuda	1.9
		Luxembourg	1.2
		Argentina	1.1
		France	0.9
		Mexico	0.8
		Chile	0.8
		Ireland	0.7
		Spain	0.4
		Austria	0.4
		Norway	0.3
		Jersey	0.3
		Cayman Islands	0.3
		Switzerland	0.1
		Finland	0.1
		Brazil	0.1
		Total	100.0

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

^Including other working capital.

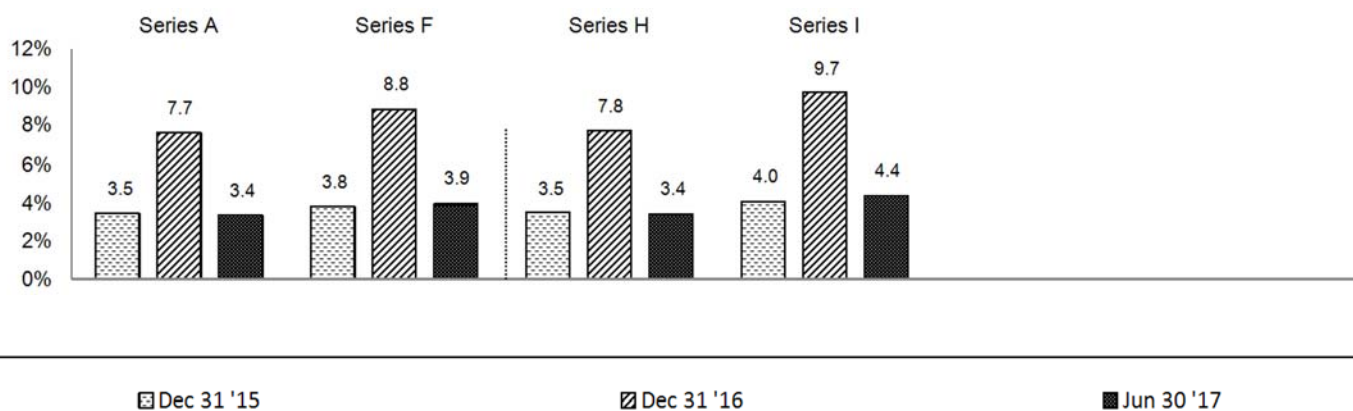
The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Updates are available quarterly.

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 does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following chart illustrates the annual performance of each series of units of the Fund since its retail inception date – September 17, 2015. 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.



Financial Highlights⁺

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 (\$) ¹

	Series A			Series F		
	30-Jun-17	31-Dec-16	31-Dec-15	30-Jun-17	31-Dec-16	31-Dec-15
Net assets, beginning of period	10.06	10.14	10.00	10.21	10.18	10.00
Increase (decrease) from operations:						
Total revenue	0.20	0.36	0.12	0.20	0.37	0.12
Total expenses (excluding distributions)	(0.11)	(0.22)	-	(0.05)	(0.11)	-
Realized gains (losses) for the period	(0.21)	0.32	0.04	(0.20)	0.32	0.02
Unrealized gains (losses) for the period	0.44	(0.07)	0.24	0.42	(0.02)	0.34
Total increase (decrease) from operations ²	0.32	0.39	0.40	0.37	0.56	0.48
Distributions:						
From net investment income (excluding dividends)	(0.19)	(0.29)	(0.10)	(0.20)	(0.29)	(0.10)
From dividends	-	-	-	-	-	-
From capital gains	-	(0.52)	(0.10)	-	(0.52)	(0.10)
Return of capital	(0.06)	(0.04)	-	(0.05)	(0.04)	-
Total distributions	(0.25)	(0.85)	(0.20)	(0.25)	(0.85)	(0.20)
Net assets, end of period *	10.14	10.06	10.14	10.35	10.21	10.18

	Series H			Series I		
	30-Jun-17	31-Dec-16	31-Dec-15	30-Jun-17	31-Dec-16	31-Dec-15
Net assets, beginning of period	10.07	10.15	10.00	10.32	10.20	10.00
Increase (decrease) from operations:						
Total revenue	0.20	0.37	0.11	0.20	0.36	0.11
Total expenses (excluding distributions)	(0.10)	(0.21)	-	(0.01)	(0.02)	-
Realized gains (losses) for the period	(0.27)	(0.13)	0.08	(0.22)	0.67	0.10
Unrealized gains (losses) for the period	0.51	0.07	0.19	0.48	(0.04)	0.19
Total increase (decrease) from operations ²	0.34	0.10	0.38	0.45	0.97	0.40
Distributions:						
From net investment income (excluding dividends)	(0.19)	(0.29)	(0.10)	(0.20)	(0.29)	(0.10)
From dividends	-	-	-	-	-	-
From capital gains	-	(0.52)	(0.10)	-	(0.53)	(0.10)
Return of capital	(0.06)	(0.04)	-	(0.05)	(0.04)	-
Total distributions	(0.25)	(0.85)	(0.20)	(0.25)	(0.86)	(0.20)
Net assets, end of period *	10.16	10.07	10.15	10.52	10.32	10.20

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

MANAGEMENT REPORT OF FUND PERFORMANCE
LOOMIS SAYLES STRATEGIC MONTHLY INCOME FUND

For the period ended June 30, 2017

Ratios and Supplemental Data ¹

	Series A			Series F		
	30-Jun-17	31-Dec-16	31-Dec-15	30-Jun-17	31-Dec-16	31-Dec-15
Total net asset value (\$)	12,077,180	6,856,442	921,943	21,134,328	15,710,905	843,358
Number of units outstanding	1,190,612	681,590	90,883	2,041,510	1,539,429	82,883
Management expense ratio (%) ²	2.14	2.11	2.12	1.03	1.01	1.04
Management expense ratio before waivers or absorptions (%) ²	2.35	2.40	2.49	1.23	1.29	1.41
Trading expense ratio (%) ³	0.01	-	0.02	0.01	-	0.02
Portfolio turnover rate (%) ⁴	36.44	48.94	15.85	36.44	48.94	15.85
Net asset value per unit (\$)	10.14	10.06	10.14	10.35	10.21	10.18

	Series H			Series I		
	30-Jun-17	31-Dec-16	31-Dec-15	30-Jun-17	31-Dec-16	31-Dec-15
Total net asset value (\$)	718,966	924,136	47,266	31,225,084	29,919,596	27,262,183
Number of units outstanding	70,752	91,756	4,658	2,969,426	2,899,427	2,672,697
Management expense ratio (%) ²	2.03	2.02	1.99	0.17	0.17	0.17
Management expense ratio before waivers or absorptions (%) ²	2.23	2.31	2.36	0.37	0.46	0.54
Trading expense ratio (%) ³	0.01	-	0.02	0.01	-	0.02
Portfolio turnover rate (%) ⁴	36.44	48.94	15.85	36.44	48.94	15.85
Net asset value per unit (\$)	10.16	10.07	10.15	10.52	10.32	10.20

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

Financial Highlights

[†] 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"). As at June 30, 2017 there was no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Net Assets Per Unit footnotes

- ¹ 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.
- ² 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.
- ^{*} 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

- ¹ The information is provided as at June 30, 2017 and December 31 of the years shown.
- ² 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.
- ³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Transactional NAV during the period.
- ⁴ The Fund's portfolio turnover rate indicates how the Fund's 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. The higher the Fund's portfolio turnover rate in the period, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.