

This annual 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 (formerly NexGen Financial Limited Partnership or the "Manager"), 36 Toronto Street, Suite 1070, Toronto, ON., M5C 2C5, or by visiting our website at www.nexgenfinancial.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, risk, 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.

Results of Operations

The Fund's net asset value increased during the period from the retail inception date of September 17, 2015 to December 31, 2015, from \$26,319,000 to \$29,075,000. This increase was a result of a combination of net sales and positive return on investments.

The Regular Series of the Fund returned 3.5% 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.

In a period marked by the first Federal Reserve (Fed) rate hike since June 2006, most U.S. investment grade fixed income benchmarks finished the period with modest losses. Meanwhile, high yield indices faced additional challenges, largely due to continued weakness in the energy sector.

The distribution of U.S. high yield total returns was uneven across sectors, but commodity-related sectors and the interest-rate-sensitive sectors like utilities and energy suffered the most. West Texas Intermediate (WTI) crude oil prices plunged more than 18% (in U.S. Dollar terms) in the quarter, which led to steep losses for energy sector bonds.

Many currencies continued to struggle versus the U.S. dollar. Developed market currencies weakened against the dollar as central bank monetary policy divergence continued. Generally, Asian currencies tended to fare better than those of commodity-exporting countries.

Portfolio Review

Solid security selection within common stock positions was highly beneficial to returns this period. Selected industrials, technology and energy positions performed best therein.

Non-U.S. dollar denominated issues generated positive results during the period. Strong security selection aided returns as holdings denominated in Brazilian real and Indonesian rupiah outperformed.

Investment grade and high yield financials were also contributors during the period. Security selection was the primary driver of performance, specifically within the strategy's banking and finance companies holdings.

Investment grade and high yield industrials lagged in the period amid a risk-averse environment. Our overweight exposure to these sectors dragged on absolute and relative return across the period. Speculative grade industrials were hit hardest as oil and energy-related issues sold off.

An underweight allocation to U.S. Treasuries weighed on returns during the period. Gains from Treasuries during the beginning of the period as market volatility had risen more than offset the losses suffered towards the end of the period as investors braced for the Federal Reserve to raise rates for the first time since the financial crisis.

An allocation to convertible issues, highly correlated to the performance of the equity markets, weighed on excess return. Selected energy, and metals and mining names were the worst performers in this space.

Recent Developments

In 2016, we believe economic conditions will be constructive, interest rates will rise, and risk assets will recover. We estimate the global economy will grow at approximately 3% and U.S. growth will be about 2.5% led by gains in employment, consumer confidence and consumption trends. Our expectations for growth remain slightly below market consensus.

We do not expect a significant uptick in inflation. Core personal consumption expenditures (PCE) have been steady at 1.3% year over year partially due to a stronger U.S. dollar and falling commodity prices. Along with moderate wage gains, this could keep inflation pressures below the Fed's target.

With the Fed's initial, modest hike behind us, we expect rate hikes to proceed very gradually given the uncertainty about global growth. If improving employment conditions cause upward pressure on inflation, the pace may be faster than signaled. We expect more hikes over the next two years than are currently priced into the market.

We continue to favor investment grade and high yield debt, seeking to maximize yield and reduce interest rate sensitivity. We believe the U.S. is in the later stages of the credit cycle, but healthy corporate balance sheets can extend this phase. Investment grade issuance has been heavy due to mergers and acquisitions activity, which has pushed spreads wider, particularly for lower-quality investment grade issues. We think oversold sectors like energy, metals and mining can rebound. We are cautious on non-U.S. markets and do not intend to change our allocation to non-U.S.-dollar assets.

Related Party Transactions

NGAM Canada LP (formerly NexGen Financial Limited Partnership or 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 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

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:

	December 31, 2015
Management fees	3,865
Administrative services provided by the Manager	8,577
Fund expenses absorbed by the Manager	(29,663)

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	54	46
Series F	0.75	0	100
Series H	1.60	9	91

Summary of Investment Portfolio at December 31, 2015

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, 36 Toronto Street, Suite 1070, Toronto, ON, M5C 2C5 or by visiting our website at www.nexgenfinancial.ca or SEDAR at www.sedar.com.

Top 25 Holdings	%*	Sector Allocation	%*
Cash & Cash Equivalents [^]	5.5	Corporate Bonds	60.1
United States Treasury Notes 0.75% Jan 15, 2017	4.3	Treasuries	19.0
United States Treasury Notes 0.63% Aug 31, 2017	4.3	Cash & Cash Equivalents [^]	5.5
United States Treasury Notes 0.63% Sep 30, 2017	4.3	Asset Backed Securities	3.2
United States Treasury Notes 1.25% Dec 15, 2018	3.0	Industrials	1.5
Royal Bank of Scotland Group PLC 6.13% Dec 15, 2022	1.9	Convertible Bonds	1.5
HCA Inc. 6.25% Feb 15, 2021	1.8	Information Technology	1.5
Valeant Pharmaceuticals International Inc. 6.13% Apr 15, 2025	1.6	Consumer Staples	1.5
International Finance Corporation 7.80% Jun 03, 2019	1.4	Health Care	1.5
Morgan Stanley 5.00% Nov 24, 2025	1.4	Financials	1.4
Federative Republic of Brazil 12.50% Jan 05, 2016	1.4	Energy	1.1
Lucent Technologies Inc. 6.45% Mar 15, 2029	1.3	Utilities	0.8
Cooperatieve Centrale Raiffeisen-Boerenleenbank BA (Rabobank Nederland) 4.63% Dec 01, 2023	1.2	Consumer Discretionary	0.6
Societe Generale SA 4.25% Apr 14, 2025	1.1	Telecommunication Services	0.5
ING Bank NV 5.80% Sep 25, 2023	1.0	Materials	0.3
The Coca-Cola Company 3.15% Nov 15, 2020	1.0	Total	100.0
Level 3 Financing Inc. 5.38% Aug 15, 2022	1.0		
Ally Financial Inc. 4.63% Mar 30, 2025	1.0		
Standard Chartered PLC 5.20% Jan 26, 2024	1.0	Geographic Allocation	%*
Lloyds Bank PLC 4.50% Nov 04, 2024	1.0	United States	72.0
General Motors Financial Company, Inc. 4.25% May 15, 2023	1.0	United Kingdom	6.2
Wal-Mart Stores Inc. 1.00% Apr 21, 2017	1.0	Cash & Cash Equivalents [^]	5.5
Oracle Corporation 1.20% Oct 15, 2017	1.0	Netherlands	3.1
DISH DBS Corporation 5.00% Mar 15, 2023	1.0	Mexico	2.7
The Walt Disney Company 1.50% Sep 17, 2018	0.9	Supranational	2.4
		Canada	2.3
		Brazil	1.4
		France	1.1
		Spain	0.9
		Bermuda	0.7
		Singapore	0.7
		Ireland	0.5
		Jersey C.I.	0.4
		The Marshall Islands	0.1
		Total	100.0

* Based on Transactional NAV in which securities are priced at market closing prices on December 31, 2015.

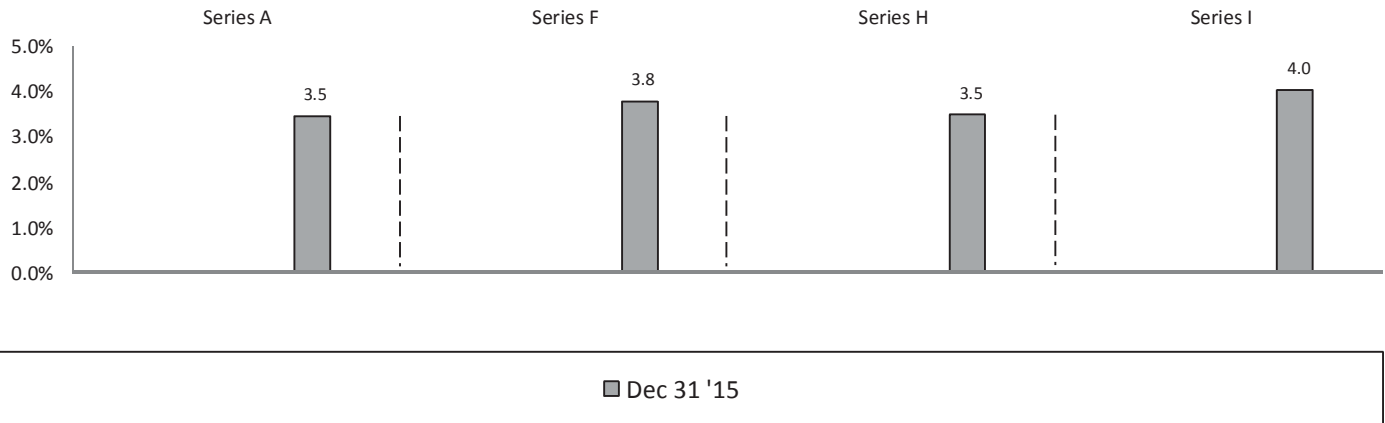
[^]Including other working capital.

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.



Annual Compound Returns

Annual compound returns of the Fund are not shown as the Fund existed for a period less than one year.

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
	31-Dec-15	31-Dec-15
Net assets, beginning of period	10.00	10.00
Increase (decrease) from operations:		
Total revenue	0.12	0.12
Total expenses (excluding distributions)	-	-
Realized gains (losses) for the period	0.04	0.02
Unrealized gains (losses) for the period	0.24	0.34
Total increase (decrease) from operations²	0.40	0.48
Distributions:		
From net investment income (excluding dividends)	(0.10)	(0.10)
From dividends	-	-
From capital gains	(0.10)	(0.10)
Return of capital	-	-
Total distributions	(0.20)	(0.20)
Net assets, end of period *	10.14	10.18

	Series H	Series I
	31-Dec-15	31-Dec-15
Net assets, beginning of period	10.00	10.00
Increase (decrease) from operations:		
Total revenue	0.11	0.11
Total expenses (excluding distributions)	-	-
Realized gains (losses) for the period	0.08	0.10
Unrealized gains (losses) for the period	0.19	0.19
Total increase (decrease) from operations²	0.38	0.40
Distributions:		
From net investment income (excluding dividends)	(0.10)	(0.10)
From dividends	-	-
From capital gains	(0.10)	(0.10)
Return of capital	-	-
Total distributions	(0.20)	(0.20)
Net assets, end of period *	10.15	10.20

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

Ratios and Supplemental Data ¹

	Series A	Series F
	31-Dec-15	31-Dec-15
Total net asset value (\$)	921,943	843,358
Number of units outstanding	90,883	82,883
Management expense ratio (%) ²	2.12	1.04
Management expense ratio before waivers or absorptions (%) ²	2.49	1.41
Trading expense ratio (%) ³	0.02	0.02
Portfolio turnover rate (%) ⁴	15.85	15.85
Net asset value per unit (\$)	10.14	10.18

	Series H	Series I
	31-Dec-15	31-Dec-15
Total net asset value (\$)	47,266	27,262,183
Number of units outstanding	4,658	2,672,697
Management expense ratio (%) ²	1.99	0.17
Management expense ratio before waivers or absorptions (%) ²	2.36	0.54
Trading expense ratio (%) ³	0.02	0.02
Portfolio turnover rate (%) ⁴	15.85	15.85
Net asset value per unit (\$)	10.15	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 December 31, 2015 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.
- 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 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.