

## 2018 REPORT TO SECURITYHOLDERS OF THE NATIXIS FUNDS

### INDEPENDENT REVIEW COMMITTEE

Natixis Investment Managers Canada LP (the “**Manager**” or “**Natixis**”), the manager of the Natixis 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, 2018 and ending December 31, 2018, the financial year-end for the Funds.

#### Members of the IRC

Name	Residence	First Appointed
G. Alan Hutton <sup>1</sup> (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 Neo Exchange Inc.

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, 2018, 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, 2018, no member of the IRC beneficially owned, directly or indirectly, any securities of any class or series of voting or equity

securities of Natixis Investment Managers Canada LP, the manager of the Funds.

#### **Natixis Investment Managers Canada Capital Corporation**

Pursuant to a declaration of trust dated November 18, 2016, as amended, each of the members of the IRC acts as trustees of Natixis Investment Managers Canada Capital Corporation Voting Trust (the “**Trust**”) which holds 50% of the outstanding common shares of Natixis Investment Managers Canada Capital Corporation, the mutual fund corporation which holds the Natixis Class Funds (the “**Natixis MF Corporation**”). The Trust holds the common shares for the benefit of the holders of mutual fund shares of Natixis MF Corporation. The trustees of the Trust are the three members of the IRC.

#### **Service providers**

As at December 31, 2018, 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 members of the IRC for the period from January 1, 2018 to December 31, 2018 was \$67,500 for their work as members of the IRC and trustees of the Trust. As at the date of this report, each member of the IRC receives an annual fee of \$20,000 (\$27,500 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 considers the following:

1. the best interests of the Funds;
2. the number, nature and complexity of the 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 2017 annual assessment, the Manager recommended to the members of the IRC that their compensation as outlined above be increased modestly for the 2018-year. The IRC reviewed compensation in its 2017 annual assessment and did increase the compensation of IRC members. The Committee met to discuss its compensation on November 22, 2018, considered the above criteria including a review of comparative data from other fund groups (to the extent available) and has determined that the current compensation is adequate.

### **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 Natixis's website at <https://www.im.natixis.com/en-ca/independent-review-committee>. 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@natixis.com](mailto:info.canada@natixis.com). Question for members of the IRC will be appropriately directed to our attention.

**Natixis Funds**

Natixis Canadian Bond Fund  
Natixis Canadian Bond Class

Loomis Sayles Global Diversified Corporate Bond  
Fund  
Loomis Sayles Global Diversified Corporate Bond  
Class

Natixis Canadian Preferred Share Registered Fund  
Natixis Canadian Preferred Share Class

Natixis Strategic Balanced Registered Fund  
Natixis Strategic Balanced Class

Natixis Canadian Dividend Registered Fund  
Natixis Canadian Dividend Class

Natixis Intrinsic Balanced Registered Fund  
Natixis Intrinsic Balanced Class

Natixis Intrinsic Growth Registered Fund  
Natixis Intrinsic Growth Class

Natixis U.S. Dividend Plus Registered Fund  
Natixis U.S. Dividend Plus Class

Natixis U.S. Growth Registered Fund  
Natixis U.S. Growth Class

Natixis Global Equity Registered Fund  
Natixis Global Equity Class

Loomis Sayles Strategic Monthly Income Fund

Gateway Low Volatility U.S. Equity Fund

Oakmark Natixis Registered Fund  
Oakmark Natixis Class

Oakmark International Natixis Registered Fund  
Oakmark International Natixis Class