

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 (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 Gateway Low Volatility U.S. Equity Fund (the "Fund") is to seek to provide a combination of income and capital appreciation through investment primarily in U.S. equity securities and will attempt to reduce volatility through the sale of index call options and the purchase of index put options.

In implementing its main strategy, the Portfolio Manager of the Fund, Gateway Investment Advisers, LLC (the "Portfolio Manager") invests in a broadly diversified portfolio of common stocks that replicates a broad based securities market index, while also selling index call options and purchasing index put options. The combination of the diversified portfolio, the steady cash flow from the sale of index call options and the downside protection from index put options is intended to provide the Fund with the majority of the returns associated with equity market investments while exposing investors to less risk than other equity investments.

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 year from \$16,816,500 to \$20,737,000. This increase was a result of net sales offset by negative return on investments.

The Regular Series A units of the Fund returned -1.2% compared to a 8.6% return on its benchmark, the S&P 500 (CAD) Total Return 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.

The period from January 1, 2016 to December 31, 2016 was largely dominated by global macroeconomic and political concerns that resulted in volatile equity and currency markets early in the year and surprisingly little volatility in the third and fourth quarters. The S&P 500® Index returned 11.95% in United States Dollar terms (USD) and 8.89% in Canadian Dollar terms (CAD), as CAD strengthened 2.96% relative to USD over the course of the year. The equity and currency market gyrations over the year were more extreme than the returns for the period suggest. The year began with a 10.27%* loss through February 11th for the S&P 500® Index, which was followed by a recovery and advance that totaled 24.77%* by year end. The strengthening CAD also followed a volatile path, dropping 5.09% versus USD through January 19th before rallying 16.36% through May 2nd and then declining 6.77% through December 31st. Drivers of equity market and CAD weakness early in the year included macroeconomic concerns such as falling oil prices, slowing economic growth in China and U.S. Federal Reserve (the Fed) monetary policy. Drivers of the equity market recovery and CAD strength from mid-February to May included firming oil prices and a series of monetary policy developments including: the Bank of Japan announcing a policy of negative short-term interest rates, additional monetary stimulus from the European Central Bank and indications from the Fed that the likelihood of multiple rate increases in 2016 had lessened.

Equity market conditions were calm in the second half of the year despite the United Kingdom (UK) voting to leave the European Union and Donald Trump winning the U.S. presidential election. Neither outcome was expected and both were forecast to have a negative impact on capital markets in the unlikely event they came to pass. The S&P 500® Index did decline 5.34%* in the two days after the UK vote, but quickly recovered and advanced until mid-August. The S&P 500® Index declined 4.38%* from August 15th through November 4th as both the Trump and Clinton campaigns struggled with negative developments. However, the equity market advanced steadily after the election as anticipation of pro-growth economic policies from the incoming Trump administration, plus mostly positive quarterly earnings and economic reports, helped propel the market. U.S. interest rates rose over the second half of the year contributing to USD strength relative to a variety of currencies including CAD.

Implied volatility, as measured by the Chicago Board Options Exchange Volatility Index (the VIX®), averaged 15.83 for the year, based on daily closing values of the VIX®. This is well below its long-term average of 19.71 and a somewhat counter-intuitive outcome for an election year that included a great deal of uncertainty and multiple unexpected events. However, below-average volatility is not uncommon in U.S. presidential election years and the pattern of volatility in 2016 was similar to other election years in that the highest volatility readings came early in the year, troughed in the third quarter and rose in October and November.

The Gateway Low Volatility U.S. Equity Fund (the Fund) seeks to generate returns by owning a portfolio of equity securities intended to track the return of a U.S. broad based securities market index while writing at-the-money index call options, which substitute a less variable option premium for market price appreciation. The Fund uses some of the

cashflow from the index call options to mitigate sudden and severe price declines in the portfolio by purchasing out-of-the-money index put options. An index option is described as being at-the-money when the price of the underlying index is the same as the option's strike price. Additionally, an index put option is described as being out-of-the money when the price of the underlying index is above the put option's strike price. The premium earned from selling index call options plus the change in price of protective put options is a significant factor affecting the Fund's return and its performance relative to the S&P 500® Index. Selling index call options reduces the Fund's volatility and provides steady cash flow, which is an important source of the Fund's return.

However, the use of these options limits the Fund's ability to profit from increases in the value of its equity portfolio. In a rising market, it is expected that call premium will be earned, resulting in a positive return for the Fund while the protective put options will decline in price and detract from the return. This may result in a return that is lower than the return of the S&P 500® Index. In a declining market, it is expected that the Fund will decline less than the S&P 500® Index as call premium is earned and the protective put options may increase in price, offsetting at least a portion of the loss of the Fund's index-tracking equity portfolio. The stocks and options the Fund invests in are valued in USD. Currency hedging is not a component of the strategy; therefore, CAD appreciation relative to USD detracts from return for Canadian investors while a strengthening USD adds to return.

The Fund's lower rate of return compared to the S&P 500® Index from January 1, 2016 to December 31, 2016 was primarily due to currency factors early in the year. A strengthening CAD was the primary driver of the Fund's loss of 10.16% CAD through May 2nd while the S&P 500® Index gained 2.54% USD and lost 7.12% CAD. From May 2nd through year-end, the Fund returned 9.96% CAD compared to 9.18% USD and 17.24% CAD for the S&P 500® Index. When the market advances at an above average rate with below average volatility the strategy is expected to lag the S&P 500® Index and the weakening CAD helped the Fund keep pace with the Index in CAD terms. Despite the currency impact, the Fund did deliver downside protection during periods of market decline throughout the year. From the beginning of the year through February 11th, the Fund declined 5.07% CAD outperforming the S&P 500® Index by 4.41 CAD percentage points, in the two days after the UK referendum, the Fund declined 0.06% CAD outperforming by 3.05 CAD percentage points, and from August 15th through November 4th, the Fund advanced 2.02% CAD outperforming by 2.72 CAD percentage points.

Recent Developments

As Gateway or the Portfolio Manager transition from the old year to the new one, we close the books on a year of unexpected events. But with key market elements including interest rates, monetary policy, market volatility and corporate earnings at possible inflection points, 2017 may deliver some significant turning points of its own. As the trends play out, they could contribute significantly either on the positive or negative side for stocks and bonds.

Global currency markets have been unusually volatile in recent years, roiled by central bank policies, crises and recoveries. Trump administration plans to make significant changes to trade, tax and regulatory policies have the potential to keep currency markets volatile. Canadian investors who allocate to USD-denominated assets have felt the impact of currency volatility with particular intensity due to the Canadian economy's sensitivity to commodity prices and strong ties to the U.S.

In an environment where risky assets, including equities, commodities and currencies sensitive to global economic growth like the CAD, tend to go up and down in tandem, having exposure to USD-denominated assets may be advantageous for Canadian long-term investors looking to mitigate the downside risk posed by Canadian equity exposure in their portfolios. Despite the total return headwind created by CAD strength since the U.S. equity market began recovering in mid-February 2016, the last several years suggest there may be advantages for maintaining exposure to the U.S. equity market through the next equity market downturn.

In seven out of the last ten years when the U.S. equity market, as represented by the S&P 500® Index in CAD, has had a downturn, the peak-to-trough loss for the S&P/TSX Composite Index has been greater than that of the S&P 500® Index (CAD). U.S. equity-based investment strategies designed to provide reliable downside protection relative to the U.S. market may be particularly advantageous for Canadian investors seeking to achieve their long-term goals - irrespective of the currency exposure.

Gateway's investment philosophy maintains that the U.S. equity market is the most reliable source of attractive long-term returns, despite its high volatility and tendency to periodically deliver significant losses over shorter periods of time. Gateway's investment philosophy also holds that consistency is the key to long-term investment success and that generating cash flow, rather than seeking to forecast the rise and fall of the market, can be a lower-risk means to participate in equity markets. By staying true to its philosophy and continuing to manage the Gateway Low Volatility U.S. Equity Fund consistently with the firm's historical approach, Gateway will continue to assist investors in managing equity market risk while pursuing long-term returns in this challenging and uncertain environment.

Fund Changes

On November 18, 2016, the Simplified Prospectus for the Gateway Low Volatility U.S. Equity Fund was amended to (i) reflect the creation of two classes of units of the Gateway Fund, the Hedged Class and the Ordinary Class, and the redesignation of Series A, H, F and I units of the Gateway Fund as Series A, H, F and I units of the Ordinary Class of the Gateway Fund; (ii) qualify for distribution Series A (Hedged) and Series F (Hedged) units of the Hedged Class of the Gateway Fund; and (iii) reflect that NGAM Canada LP will act as portfolio manager to the Gateway Fund in respect of the currency hedging strategy of the Fund, while Gateway Investment Advisers, LLC will remain as portfolio manager in respect of the rest of the Fund's portfolio.

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 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

MANAGEMENT REPORT OF FUND PERFORMANCE
GATEWAY LOW VOLATILITY U.S. EQUITY FUND

For the year ended December 31, 2016

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, 2016	December 31, 2015
Management fees	65,661	5,693
Administrative services provided by the Manager	25,227	8,363
Fund expenses absorbed by the Manager	(116,684)	(30,164)

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	51	49
Series F	0.75	0	100
Series H	1.60	54	46

Summary of Investment Portfolio at December 31, 2016

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 - Long positions	%*	Sector Allocation	%*
SPDR S&P 500 ETF Trust	9.0	Information Technology	18.5
Cash & Cash Equivalents [^]	4.2	Financials	13.2
Apple Inc.	2.8	Health Care	12.1
Microsoft Corporation	2.2	Index Funds	11.3
iShares Core S&P 500 ETF	2.0	Consumer Discretionary	10.7
Exxon Mobil Corporation	1.7	Industrials	9.2
Johnson & Johnson	1.4	Consumer Staples	8.3
Berkshire Hathaway Inc. Cl. B	1.4	Energy	6.7
JPMorgan Chase & Co.	1.4	Utilities	2.8
General Electric Company	1.3	Materials	2.5
Amazon.com Inc.	1.3	Real Estate	2.5
Facebook Inc. Cl. A	1.2	Telecommunication Services	2.4
AT&T Inc.	1.2	Cash & Cash Equivalents [^]	1.4
Wells Fargo & Company	1.1	Index Options	(1.6)
Chevron Corporation	1.0	Total	<u>100.0</u>
The Procter & Gamble Company	1.0		
Bank of America Corporation	1.0		
Alphabet Inc. Cl. A	1.0		
Alphabet Inc. Cl. C	1.0		
Verizon Communications Inc.	1.0		
Pfizer Inc.	0.9		
Citigroup Inc.	0.8		
Intel Corporation	0.8		
Comcast Corporation Cl. A	0.7		
The Home Depot Inc.	0.7		
Top Holdings - Short positions			
	%*		
S+P 500 Index Jan 17 2175 CALL	(0.4)		
S+P 500 Index Feb 17 2200 CALL	(0.3)		
S+P 500 Index Jan 17 2200 CALL	(0.2)		
S+P 500 Index Mar 17 2250 CALL	(0.2)		
S+P 500 Index Feb 17 2225 CALL	(0.2)		
S+P 500 Index Jan 17 2200 CALL	(0.2)		
S+P 500 Index Mar 17 2275 CALL	(0.2)		
S+P 500 Index Jan 17 2250 CALL	(0.1)		

*Based on Transactional NAV in which securities are priced at market closing prices on December 31, 2016.

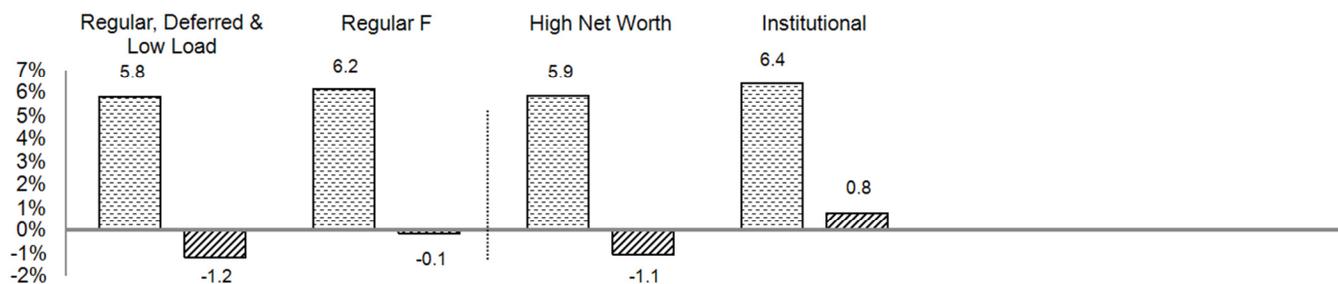
[^]Including other working capital.

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.

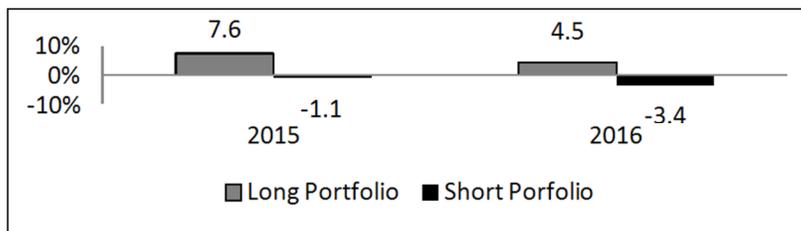


Dec 31 '15

Dec 31 '16

Long and Short Portfolio Returns

The following chart shows the contribution to the return of the Fund by the long and short portfolios of the Fund for the period since fund inception from September 17, 2015.



Annual Compound Returns

The following table shows the annual compounded total return for each class and series currently offered by the Fund for each of the years shown, ending on December 31, 2016. The annual compound total return is also compared to the Benchmark on the same compound basis.

Series ¹	1 year	3 year	5 year	Since Inception ³
Series A	-1.2%			3.5%
Series F	-0.1%			4.6%
Series H	-1.1%			3.6%
Series I	0.8%			5.6%

	1 year	3 year	5 year	Since Inception ³
Return of Benchmark ²	8.6%			13.5%

¹ Net of all fees and expenses paid by the Fund other than the Institutional Series where performance is reported gross of fees negotiated and paid directly by the investor.

² The S&P 500 Total Return Index (CAD) is a market-capitalization weighted index of 500 large-capitalization stocks commonly used to represent the U.S. equity market, including reinvested dividends, and is converted to Canadian dollar performance.

³ Annual compound returns since inception for all classes and series are from the Inception Date.

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-16	31-Dec-15	31-Dec-16	31-Dec-15
Net assets, beginning of year	10.41	10.00	10.44	10.00
Increase (decrease) from operations:				
Total revenue	0.19	0.08	0.19	0.07
Total expenses (excluding distributions)	(0.21)	-	(0.10)	-
Realized gains (losses) for the year	(0.55)	(0.31)	(0.43)	(0.30)
Unrealized gains (losses) for the year	1.14	1.00	0.30	1.02
Total increase (decrease) from operations ²	0.57	0.77	(0.04)	0.79
Distributions:				
From net investment income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	(0.50)	(0.17)	(0.50)	(0.17)
Total distributions	(0.50)	(0.17)	(0.50)	(0.17)
Net assets, end of year *	9.77	10.41	9.91	10.44

	Series H		Series I	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net assets, beginning of year	10.41	10.00	10.47	10.00
Increase (decrease) from operations:				
Total revenue	0.19	0.07	0.19	0.07
Total expenses (excluding distributions)	(0.20)	-	(0.02)	-
Realized gains (losses) for the year	(0.49)	(0.25)	(0.48)	(0.24)
Unrealized gains (losses) for the year	1.06	0.83	0.39	0.81
Total increase (decrease) from operations ²	0.56	0.65	0.08	0.64
Distributions:				
From net investment income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	(0.50)	(0.17)	(0.50)	(0.17)
Total distributions	(0.50)	(0.17)	(0.50)	(0.17)
Net assets, end of year *	9.78	10.41	10.02	10.47

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

Ratios and Supplemental Data ¹

	Series A		Series F	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Total net asset value (\$)	3,424,832	1,089,689	1,996,506	1,681,968
Number of units outstanding	350,721	104,671	201,537	161,047
Management expense ratio (%) ²	2.15	2.12	1.06	1.04
Management expense ratio before waivers or absorptions (%) ²	2.78	2.82	1.69	1.73
Trading expense ratio (%) ³	-	0.15	-	0.15
Portfolio turnover rate (%) ⁴	6.47	-	6.47	-
Net asset value per unit (\$)	9.77	10.41	9.91	10.44

	Series H		Series I	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Total net asset value (\$)	442,816	80,687	14,046,189	13,964,156
Number of units outstanding	45,271	7,748	1,401,143	1,333,892
Management expense ratio (%) ²	2.03	1.98	0.17	0.17
Management expense ratio before waivers or absorptions (%) ²	2.66	2.68	0.80	0.87
Trading expense ratio (%) ³	-	0.15	-	0.15
Portfolio turnover rate (%) ⁴	6.47	-	6.47	-
Net asset value per unit (\$)	9.78	10.41	10.02	10.47

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, 2016 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.