

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 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.

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 \$13,234,500 to \$16,816,000. This increase was a result of a combination of net sales and positive return on investments.

The Regular Series of the Fund returned 5.8% compared to a 8.5% 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 September 17, 2015 (the Fund's inception date) to December 31, 2015 was largely dominated by monetary policy concerns. After more than a year of managing the market's expectations on the timing, the Federal Reserve (the Fed) delivered an on-time "liftoff", ending its zero interest rate policy at its final meeting of the year. As the Fed monitored economic data which it believed supported a slow transition to a new policy stance, two other events were in play: certain key central banks of the world expanded and extended their monetary easing programs and the value of the U.S. dollar relative to other major currencies rose to levels not seen in more than 10 years. Fundamentally, domestic equity market conditions were mixed. A large percentage of companies beat earnings estimates in the third quarter - yet fourth quarter earnings estimates indicated that aggregate earnings for the S&P 500® Index will likely show the first year-over-year decline since 2008. Overall, these factors led to an increase in uncertainty which was evidenced by increased market volatility as the year ended.

Implied volatility, as measured by the Chicago Board Options Exchange Volatility Index (the VIX), averaged 17.90 from September 17, 2015 to December 31, 2015. The measure began at 21.14, which was below its high of 27.63 for the period, and steadily declined to its low of 14.15 as the market extended its rally into early November.

The Fund seeks to generate returns by owning a portfolio of equity securities intended to track the return of the S&P 500® Index while writing at-the-money index call options, which substitute a less variable option premium for market price appreciation, and uses some of the cash flow 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. The Fund also purchases put options to protect against sudden, short-term stock market declines. 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 generated by earning call option premium. This may result in a return that is lower than the return of the 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 Fund's lower rate of return compared to the S&P 500® Index from September 17, 2015 to December 31, 2015 was mostly due to October's strong market rally when the Fund underperformed, returning 2.53% (in U.S. Dollar terms) while the S&P 500® Index returned 8.44% (in U.S. Dollar terms). The Fund's return in October was consistent with an environment defined by a strongly advancing equity market after a period of elevated implied volatility. Over the last two months of the year, the S&P 500® Index declined 1.28% (in U.S. Dollar terms) and the Fund improved its performance relative to the Index as it declined 0.39% (in U.S. Dollar terms).

Recent Developments

2015 was a challenging year for investors with many major equity indexes generating low to negative returns in local currency terms. Moreover, diversification was limited as investment grade bonds failed to deliver attractive returns while riskier assets slipped. High yield bond indexes had negative returns and key commodity classes like energy and precious metals had large losses.

Looking forward, there appears to be good reason for investors to temper their optimism. Volatility is on the rise in equity markets and the bull market in domestic equities is getting long in the tooth. The current bull market is already a year longer than the average in the post-World War II era, though the longest bull market (starting in 1987) extended more than five years longer than this one.

In U.S. Dollar terms, the Barclays U.S. Aggregate Bond Index returned just 0.55% in 2015 and generated a trailing three-year annualized return of 1.44%. As the Fed recently initiated its plan to tighten monetary policy by increasing short-term interest rates, the environment for investment grade bonds doesn't seem likely to get less challenging any time soon. With the Fed tightening monetary policy while other key central banks remain accommodative, U.S. Dollar strength could be a headwind for the returns of non-U.S. Dollar denominated assets and a possible impediment to a recovery in commodity prices as well.

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 cashflow, 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 risk while pursuing long-term return in this challenging and uncertain environment.

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	5,693
Administrative services provided by the Manager	8,363
Fund expenses absorbed by the Manager	(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	40	60
Series F	0.75	0	100
Series H	1.60	21	79

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 - Long positions	%*	Sector Allocation	%*
SPDR S&P 500 ETF Trust	10.8	Information Technology	18.2
Cash & Cash Equivalents [^]	4.3	Financials	14.1
Apple Inc.	3.0	Health Care	12.8
Microsoft Corporation	2.2	Index Funds	10.8
Alphabet Inc.	2.2	Consumer Discretionary	10.8
Exxon Mobil Corporation	1.7	Consumer Staples	8.7
General Electric Company	1.5	Industrials	8.4
Johnson & Johnson	1.4	Energy	5.6
Wells Fargo & Company	1.3	Cash & Cash Equivalents [^]	4.3
Berkshire Hathaway Inc.	1.3	Utilities	2.5
Facebook Inc.	1.2	Materials	2.3
JPMorgan Chase & Co.	1.2	Telecommunication Services	2.2
Amazon.com Inc.	1.2	Options purchased	0.3
The Procter & Gamble Company	1.1	Options written	(1.0)
AT&T Inc.	1.1	Total	<u>100.0</u>
Pfizer Inc.	1.0		
Verizon Communications Inc.	0.9		
Bank of America Corporation	0.9		
Chevron Corporation	0.9		
The Coca-Cola Company	0.9		
Intel Corporation	0.8		
The Walt Disney Company	0.8		
Citigroup Inc.	0.8		
The Home Depot Inc.	0.8		
Visa Inc.	0.8		
Top Holdings - Short positions	%*		
S+P 500 Index Jan16 2050 Call	(0.2)		
S+P 500 Index Feb16 2050 Call	(0.2)		
S+P 500 Index Jan16 2000 Call	(0.2)		
S+P 500 Index Feb16 2025 Call	(0.2)		
S+P 500 Index Jan16 2050 Call	(0.1)		
S+P 500 Index Jan16 2075 Call	(0.1)		

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

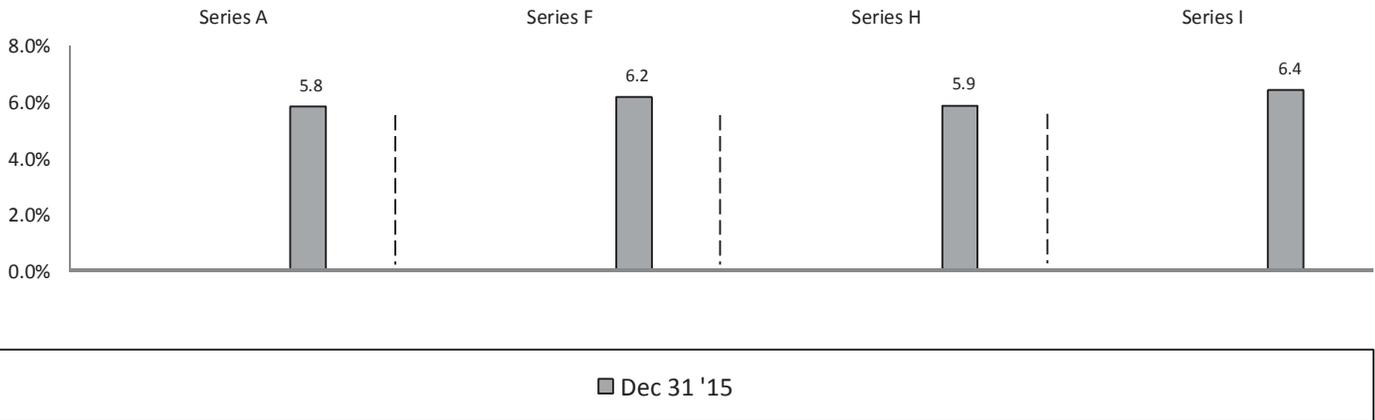
[^]Including other working capital.

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.

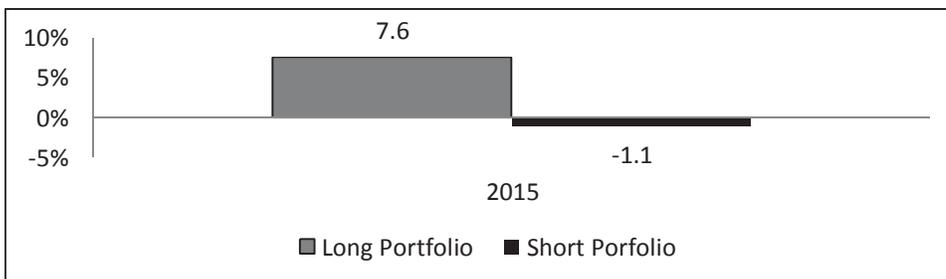
Year-by-Year Returns

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.



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

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	0.08	0.07
Total expenses (excluding distributions)	-	-
Realized gains (losses) for the period	(0.31)	(0.30)
Unrealized gains (losses) for the period	1.00	1.02
Total increase (decrease) from operations²	0.77	0.79
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	(0.17)	(0.17)
Total distributions	(0.17)	(0.17)
Net assets, end of period *	10.41	10.44

	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	0.07	0.07
Total expenses (excluding distributions)	-	-
Realized gains (losses) for the period	(0.25)	(0.24)
Unrealized gains (losses) for the period	0.83	0.81
Total increase (decrease) from operations²	0.65	0.64
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	(0.17)	(0.17)
Total distributions	(0.17)	(0.17)
Net assets, end of period *	10.41	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-15		31-Dec-15
Total net asset value (\$)		1,089,689		1,681,968
Number of units outstanding		104,671		161,047
Management expense ratio (%) ²		2.12		1.04
Management expense ratio before waivers or absorptions (%) ²		2.82		1.73
Trading expense ratio (%) ³		0.15		0.15
Portfolio turnover rate (%) ⁴		-		-
Net asset value per unit (\$)		10.41		10.44

	Series H		Series I	
		31-Dec-15		31-Dec-15
Total net asset value (\$)		80,687		13,964,156
Number of units outstanding		7,748		1,333,892
Management expense ratio (%) ²		1.98		0.17
Management expense ratio before waivers or absorptions (%) ²		2.68		0.87
Trading expense ratio (%) ³		0.15		0.15
Portfolio turnover rate (%) ⁴		-		-
Net asset value per unit (\$)		10.41		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, 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.