

Gateway UCITS Funds Plc

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

Registered number 542273

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

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**Gateway UCITS Funds plc
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For the financial year ended 31 March 2016

General Information

Directors

∞David Hammond* Conor Houlihan**
∞Bryan Tiernan* Vivienne Feaheny**
David Stafford***
Peter Madden***
∞ *Independent Director*

Legal Advisors in Ireland

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Registered Office

Custom House Quay
3rd Floor, IFSC House
IFSC
Dublin 1
Ireland

Company Secretary

Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Promoter & Manager

Société Générale Securities Services GmbH
Apianstraße 5
D-85774 Unterföhring
Germany

Administrator, Registrar and Transfer Agent

Société Générale Securities
Services, SGSS (Ireland) Limited
IFSC House
IFSC
Dublin 1
Ireland

Sub-Investment Managers

Gateway Systematic Alpha UCITS Fund
Systematic Alpha Management, LLC
Carnegie Hall Tower Floor 10
152 W 57th Street
New York 10019
United States

Depositary

Société Générale S.A.
Dublin Branch
IFSC House
IFSC
Dublin 1
Ireland

Gateway Target Beta UCITS Fund

Prime Capital AG
Bockenheimer Landstr 51-53
60325 Frankfurt am Main
Germany

Auditors

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

* David Hammond resigned 9 December 2015, and Bryan Tiernan was appointed on 9 December 2015.

** Appointed on incorporation 8 April 2014, resigned 11 May 2015

*** Appointed on 11 May 2015.

All Directors are non-executive

Gateway UCITS Funds plc
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General Information

Background

Gateway UCITS Funds plc (the “Company”) was incorporated on 8 April 2014 as an open-ended umbrella investment company with variable capital and segregated liability between Funds under the Irish Companies Act 2014 with registration number 542273. The company was established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 on 16 June 2015.

The Company is structured as an umbrella Fund consisting of different Funds, each Fund comprising of one or more Classes. The Shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, voting rights, return of capital, the level of fees and expenses to be charged, subscription or redemption procedures or the minimum subscription and minimum holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class.

The Company currently has two Funds both of which use EUR as their base currency, Gateway Systematic Alpha UCITS Fund and Gateway Target Beta UCITS Fund (the “Funds”). The Gateway Systematic Alpha UCITS Fund launched on 4 September 2015 and Gateway Target Beta UCITS Fund launched on 15 September 2015.

At the financial year end, there were:

- Two classes of shares in issue for Gateway Systematic Alpha UCITS Fund: the Class F1 USD and Class R USD; and
- Three classes of shares in issue for Gateway Target Beta UCITS Fund: the Class I EUR Units, Class I CHF and Class I USD.

Share classes not yet launched for Gateway Systematic Alpha Fund: Class R EUR, Class R GBP, Class I EUR, Class I GBP, Class I USD, Class F1 EUR, Class F1 GBP, Class F2 EUR, Class F2 GBP, Class F2 USD.

The minimum initial subscription and transaction for the Gateway Systematic Alpha UCITS Fund share classes is as follows:

Class	Currency of Denomination	Minimum Initial Subscription	Minimum Transaction Size	Minimum Holding
Class R EUR	EUR	EUR 10,000	EUR 10,000	N/A
Class R GBP	GBP	GBP 10,000	GBP 10,000	N/A
Class R USD	USD	USD 10,000	USD 10,000	N/A
Class I EUR	EUR	EUR 500,000	EUR 500,000	N/A
Class I GBP	GBP	GBP 500,000	GBP 500,000	N/A
Class I USD	USD	USD 500,000	USD 500,000	N/A
Class F1 EUR	EUR	EUR 500,000	EUR 500,000	N/A
Class F1 GBP	GBP	GBP 500,000	GBP 500,000	N/A
Class F1 USD	USD	USD 500,000	USD 500,000	N/A
Class F2 EUR	EUR	EUR 10 million	EUR 1 million	EUR 10 million
Class F2 GBP	GBP	GBP 10 million	GBP 1 million	GBP 10 million
Class F2 USD	USD	USD 10 million	USD 1 million	USD 10 million

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General Information (continued)

Background (continued)

The minimum initial subscription and transaction for the Gateway Target Beta UCITS Fund share classes is as follows:

Class	Currency of Denomination	Minimum Initial Subscription	Minimum Transaction Size	Minimum Holding
Class I EUR	EUR	EUR 50,000	EUR 10,000	N/A
Class I USD	USD	USD 50,000	USD 10,000	N/A
Class I CHF	CHF	CHF 50,000	CHF 10,000	N/A

Investment Objective and Policies

The Manager may appoint a Sub-Investment Manager for the management of assets of each Fund, in which case the Manager will specify the parameters within which the Sub-Investment Manager is to manage assets allocated to it, and in particular, will specify the investment objective, investment strategy and restrictions that are applicable to such assets.

Each such Fund, through the Manager or the applicable Sub-Investment Manager, shall invest its assets principally in multiple liquid asset classes including global equities, currencies, interest rates, corporate bonds, indices, exchange traded derivatives and other collective investment schemes as more fully described in the relevant Supplement. Notwithstanding the foregoing each such Fund may invest in any asset class permitted by and subject to the UCITS Directive and the UCITS Regulations.

Gateway Systematic Alpha UCITS Fund

The Fund's investment objective is to achieve consistent positive returns having low to negative correlation to the returns on any major equity and fixed income markets.

The Fund will invest in a diversified portfolio of exchange traded futures contracts on equity indices. Details of any financial indices used by the Fund will also be provided to Shareholders of the Fund by the Sub-Investment Manager on request and will be set out in the Company's semi-annual and annual accounts. Any financial indices to which the Fund takes exposure through investment in futures contracts must be cleared by the Central Bank or otherwise meet its requirements. The Fund will enter into futures contracts to buy or sell a standardised value of an equity index at a predetermined future date and at a price agreed through a transaction undertaken on an exchange.

The Fund will enter into long and/or short exchange traded equity index futures as a means of gaining exposure to the relevant markets without having to purchase or sell securities directly. Equity index futures are cash settled and based on the performance of the underlying equity index. Where the Fund takes a long position in an equity index futures contract, it will receive payment based on the appreciation of the underlying equity index and where the Fund goes short an equity index futures contract, it will receive payment based on the depreciation of the underlying equity index.

In addition, any financial indices to which the Fund may gain exposure will typically be rebalanced on a daily and monthly basis. The costs associated with gaining exposure to financial indices will be impacted by the frequency and size by which the relevant financial futures markets are rebalanced. The total cost of rebalancing will be minimal and should account for less than 0.1% per year of the NAV of the Fund. The overall trading costs to execute the strategy outlined herein, inclusive of futures exchange fees, clearing and execution fees, should account for around 1% per year of the NAV of the Fund.

Gateway UCITS Funds plc
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General Information (continued)

Investment Objective and Policies (continued)

Gateway Systematic Alpha UCITS Fund (continued)

The Fund will seek to achieve its investment objective by investing in a diversified portfolio of exchange traded futures contracts on equity indices, fixed income securities and currencies. The Sub-Investment Manager seeks to achieve consistent positive returns having low/negative correlation to returns on major equity markets. This low/negative correlation is achieved by having low net exposure to equity markets, as the Fund at all times maintains long and short positions of similar size in highly correlated global equity index futures, and gains on the long positions often offset losses on the short positions. As a result, any appreciation or depreciation in major equity markets has limited impact on the returns of the Fund; hence the returns of the Fund have low/negative correlation to returns on major equity markets.

In addition, any financial indices to which the Fund may gain exposure will typically be rebalanced on a daily and monthly basis. The costs associated with gaining exposure to financial indices will be impacted by the frequency and size by which the relevant financial futures markets are rebalanced. The total cost of rebalancing will be minimal and should account for less than 0.1% per year of the NAV of the Fund. The overall trading costs to execute the strategy outlined herein, inclusive of futures exchange fees, clearing and execution fees, should account for around 1% per year of the NAV of the Fund.

Gateway Target Beta UCITS Fund

The investment objective of the Fund is to provide consistent positive returns by pursuing an investment strategy which seeks to provide returns similar to those of certain diversified hedge fund indices which invest in or have exposure to global equity and credit markets.

The investment strategy is comprised of two separate sub-strategies as follows: (i) a long only sub-strategy investing in certain Index CDS and equity index futures the returns on which are similar to the HFRI Fund Weighted Index (the “HFRI Index”) and (ii) a diversified trend following strategy which takes long and synthetic short positions in equity indices, fixed income and currency futures the returns on which are similar to the returns on the Newedge CTA Index (the “Newedge Index”).

The HFRI Index is a global, equal-weighted index of over 2,000 single-manager funds that report to the HFR (Hedge Fund Research) Database. The Newedge Index calculates the net daily rate of return for a pool of commodity trading advisors selected from the largest managers open to new investment and the constituents of which are available at <http://www.newedge.com/en/newedge-indices/>.

By investing in these two sub-strategies the Sub-Investment Manager seeks to manage market related risks (“beta”) usually associated with investing in global equities and credit markets and aims to limit the extent to which the value of its portfolio will decline by more than 10% of the Net Asset Value of the Fund on an annualised basis through the use of Absolute VaR as a measurement tool, as more particularly described in the “Investment Strategies” section below.

The Fund will seek to achieve its investment objective by investing in a diversified portfolio of financial derivative instruments comprised of (i) exchange traded futures contracts on equity indices, fixed income securities and currencies and (ii) swaps on major credit default swaps indices with exposure to global equity and credit markets (“FDIs”).

Gateway UCITS Funds plc
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Director's Report

The Directors present the Annual Report and audited financial statements for Gateway UCITS Funds plc for the financial year ended 31 March 2016.

Principal activities

Gateway UCITS Funds plc (the "Company") was incorporated as an open-ended umbrella investment company with variable capital incorporated in Ireland on 8 April 2014, under the Companies Act 2014 with registration number 542273. The Company has been authorised by the Central Bank of Ireland as a UCITS pursuant to the UCITS regulations on 16 June 2015.

The Company is structured as an umbrella Fund with segregated liability between Funds consisting of different Funds, each Fund comprising of one or more share ("class"). The Shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, voting rights, return of capital, the level of fees and expenses to be charged, subscription or redemption procedures or the minimum subscription and minimum holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class.

During the year, the following Funds operated within the Company:

Gateway Systematic Alpha UCITS Fund (commenced trading on 4 September 2015)

Gateway Target Beta UCITS Fund (commenced trading on 15 September 2015)

Activities of the Company are managed by Société Générale Securities Services GmbH, (the "Manager"), together with Systematic Alpha Management LLC and Prime Capital AG (the "Investment Managers"), together in relation to the Gateway Systematic Alpha UCITS Fund and Gateway Target Beta UCITS Fund, respectively. Société Générale Securities Services, SGSS (Ireland) Limited, (the "Administrator") is responsible for the administration of the Company and the Funds.

Risk management objectives and policies

The main risks arising from the Company's financial instruments as defined by IFRS 7 for financial reporting purposes are market price, foreign currency, interest rate, credit risk and liquidity risks and are outlined in Note 11 to the financial statements. The Board reviews and agrees the objective and policies for managing each of these risks.

Books and records

The measures that the Directors have taken to ensure compliance with the requirements of sections 281 to 285 of the Companies Act with regard to keeping adequate accounting records include the use of appropriate systems and procedures and employment of a fund administration company. The books of account are retained at Société Générale Securities Services, SGSS (Ireland) Limited, 3rd Floor, IFSC House, Dublin 1, Ireland.

Results

The results of operations for the financial year are set out in the Statement of Comprehensive Income on pages 18-20.

Dividends

No dividends were paid or proposed for the financial year ended 31 March 2016.

Directors

The Directors of the Company are as stated on page 3.

- Conor Houlihan resigned as a Director on 11 May 2015
- Vivienne Feaheny resigned as a Director on 11 May 2015
- David Hammond resigned as a Director on 9 December 2015
- David Stafford was appointed as Director on 11 May 2015
- Peter Madden was appointed as Director on 11 May 2015
- Bryan Tiernan was appointed as Director on 9 December 2015

**Gateway UCITS Funds plc
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Director's Report (continued)

Directors' and secretary's interest in the Company

The Directors, who all served throughout the financial year and held office at 31 March 2016 are listed above. No Director had any interest in the share capital of the Company during or at the end of the financial year. All Directors are non-executive.

Connected Parties Disclosure

The Central Bank UCITS Regulations 41(1) requires that any transaction carried out with the Company by a manager, custodian, investment adviser and/or associated or group companies of these ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the shareholders.

The Directors of the Company are satisfied that there are adequate arrangements in place to ensure that this requirement is applied to transactions with connected parties, and that transactions with connected parties during the year complied with this requirement.

All connected party transactions and balances and a statement of compliance with the Central Bank of Ireland's UCITS Notice 41(1) are outlined in Note 14.

Significant events during the year

David Hammond resigned as a Director on 9 December 2015. Conor Houlihan and Vivienne Feaheny resigned as Directors on 11 May 2015, and David Stafford and Peter Madden were appointed as Directors on 11 May 2015. Bryan Tiernan was appointed Director on 9 December 2015.

The Gateway Systematic Alpha UCITS Fund launched on 4 September 2015, and the Gateway Target Beta UCITS Fund launched on 15 September 2015.

Events since the year-end

Since the financial year end, Gateway Systematic Alpha UCITS Fund has received EUR 1,040,000 in subscriptions and Gateway Target Beta UCITS Fund has received EUR 538,017 in subscriptions and EUR 1,581,297 in redemptions.

There were no other material subsequent events which would require disclosure in these financial statements.

Business review and future developments

A review of the Company's activities for the period and an outlook for 2016 is provided in the Sub Investment Manager's Report on pages 10-11.

Independent Auditors

The auditors, KPMG, Chartered Accountants and Statutory Audit Firm, shall continue in office in accordance with Section 383(2) of the Companies Act 2014.

Corporate Governance

The Board of Directors have applied the voluntary Irish Funds (IF) Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "Code") throughout the year. The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures consistent with the Code.

Soft Commissions

There are no soft commission arrangements in place for the year ended 31 March 2016.

On behalf of the board

_____ Peter Madden

26 July 2016

_____ David Stafford

26 July 2016

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Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its changes in net assets attributable to holders of redeemable participating shares for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a depositary for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

On behalf of the board

_____ Peter Madden

_____ David Stafford

26 July 2016

26 July 2016

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Sub-Investment Manager's Report

Gateway Systematic Alpha UCITS Fund

The Gateway Systematic Alpha UCITS Fund was up +6.96% since inception. The Fund is trading using our market neutral Systematic Alpha Futures Program ("SAF").

Since the Fund's inception in September 2015 through to March 2016, the percentage of days in which the performance was non-negative was 54.1%. Five of the seven months since the Fund's inception last September were positive. As we have done in previous years since 2009, trading was stopped just before Christmas and was resumed on January 8 - due to the lack of liquidity during the year-end holiday financial year.

The average U.S. stockmarket volatility (VIX) over the period since the Fund's inception through end of March ranged from the low of 13.56% to the high of 28.14%, with the periods of elevated volatility occurring in late September/early October and again in January-February of 2016. Commensurate with the elevated VIX levels, October, January and February were among the best months for the program, which often generates short-term more accurate and more profitable trading signals during intra-day volatility spikes. Historically, the program has done particularly well during choppy markets or when markets are selling off.

The negative performance in November was primarily due to the breakdown in the Swiss spreads, while the Canadian and Russell 2000 spreads detracted from performance in December. Over the entire period since the Fund's inception through to March, however, the Swiss and UK spreads were among the most profitable relationships for the program.

In addition to generating signals during intra-day volatility spikes, the SAF program also exploits liquidity driven mispricing between major global equity indexes traded on different exchanges and during different time zones. In addition, delayed reaction of the equity indexes to the fluctuations in corresponding currency markets is another driver of SAFs absolute returns.

The average notional leverage in the SAF program was in line with the historical average exposure. The allocation to the original mean-reversion models vs. less-parametric contrarian models remains at 75%/25%, respectively. We typically overweight the original models when we perceive the environment to be stable and favourable for the SAF program. The less-parametric models usually perform better when various shockwaves or major divergences go through the financial system.

We recently analysed the returns of the SAF Program against the returns of the most successful CTAs having at least 10 years of track record and we came to a conclusion that adding SAF to a mix of CTAs significantly improves the risk-adjusted returns of a portfolio. In particular, looking at the Systematic Alpha Futures Fund (SAFF) vs. Winton Diversified Trading Program using monthly data since inception of SAFF in June of 2004, a 59.3% allocation to SAFF and a 40.7% allocation to Winton produces an improvement of 40% in the Sharpe Ratio from 0.87 for Winton to 1.22 for a mix between the two programs. This noteworthy result is primarily due to a negative -22% correlation of the SAFF to Winton, conditional on the negative months for Winton. A similar analysis against FORT Contrarian Program also produces a nearly 40% improvement in the Sharpe Ratio for a mix between the two programs.

It is worth mentioning that while the average correlation of the SAF program to CTA's and to hedge funds is close to zero, the conditional correlation in down months for CTAs is a statistically significant negative. This quality of SAF's returns makes the allocation into the program particularly attractive, as it should significantly improve the risk-adjusted return profile of a portfolio, while reducing the average drawdown and the worst drawdown.

We believe the environment for the program is favourable, due to healthy volatility levels and strong correlations between major equity markets.

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Sub-Investment Manager's Report (continued)

Gateway Systematic Alpha UCITS Fund (continued)

In anticipation of the heightened uncertainty going into the Brexit vote, we reduced risk exposure to both the UK and European spreads. We have since resumed trading in European spreads but are still monitoring the UK markets for evidence of stability before resuming trading there, and expect to start trading there again soon. With continuing global uncertainty and the equity markets once again trading near their all-time highs, we expect volatility to remain at healthy levels, which is conducive for our strategy. While no major changes to the models are warranted at this stage, we continue to make our adaptive, incremental, bi-monthly updates to the model parameters for each market that we trade, consistent with changes in the market environment over time.

On behalf of

26 July 2016

Gateway UCITS Funds plc
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Sub-Investment Manager's Report (continued)

Gateway Target Beta UCITS Fund

The Gateway Target Beta UCITS Fund produced a gain of 2.4% from its inception to the end of March 2016. Over the same period the HFRI Fund Weighted Index and the Newedge CTA Index returned respectively about -1.3% and 5.3%. During the reporting period, the Fund's annualised realised volatility averaged 4.5% together with a maximum drawdown of close to 3%, well below its targeted limit of 10%. The Fund's net asset value experienced significant growth during the reporting period with initially ca. €6m and ca. €33m by the end of March 2016. The growth in net asset value was primarily driven by new subscriptions.

Our biggest performance contributors during this period were the long positions in equity and credit spreads especially North American indices like S&P 500 and CDX North America High Yield. Our biggest performance detractors were short US Dollar positions, in particular against Canadian Dollar and Swiss Franc.

The expected volatility of the portfolio stood at about 3.8% at the end of March. The portfolio's overall risk profile remains modest as the risk of long stock indices positions driven by our beta models is offset by the risk of long positions in short term interest rates driven by our trend following models. As of end of March 2016 most of the portfolio's risk was currently allocated in decreasing order to government bonds, followed by stock indices, credit spreads, short term interest rates and currencies.

On the research and development front, we are focusing on two areas of improvements: a refinement of our risk forecasts as well as the addition of new markets to enhance diversification benefits. This is a long term project and completion is not expected before the end of calendar year 2016. If successful, these research efforts might lead to a marginal improvement in the Fund's expected risk adjusted return profile.

On behalf of

26 July 2016

Gateway UCITS Funds plc
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Depositary's Report to the Shareholders of Gateway UCITS Funds plc

We have enquired into the conduct of Gateway UCITS Funds Plc (the "Company") for the financial year ended 31 March 2016 in our capacity as Depositary of the Company.

In our opinion the Company has been managed, in all material respects, during the year in accordance with the provisions of the Memorandum & Articles of Association and the UCITS Regulations including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank UCITS Regulations 7 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Statement of the Depositary's Responsibilities

The Depositary is required to:

- Take responsibility for safe-keeping the assets of the Company in accordance with the UCITS Regulations;
- Ensure that the Company has been managed, in all material respects, in that financial year, in accordance with its constitutional documentation and the appropriate UCITS Regulations;
- Prepare a report for inclusion in the annual report on the conduct of the Company in accordance with its constitutional documentation and the appropriate UCITS Regulations;
- If the Company has not complied, in all material respects, with its constitutional documentation or the appropriate regulations, the Custodian must state why this is the case and outline the steps which it has taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts its reviews on a test basis to ensure that it adheres to the duties outlined in UCITS Regulations 7, and to ensure that the Company is managed, in all material respects, in accordance with its constitutional documentation and the appropriate regulations.

On behalf of the Depositary

Société Générale S.A. (Dublin Branch)

26 July 2016

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GATEWAY UCITS FUNDS PLC

We have audited the financial statements of Gateway UCITS Funds PLC ("the Company") for the financial year ended 31 March 2016 which comprise Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2016 and of its changes in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
GATEWAY UCITS FUNDS PLC**

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Vincent Reilly
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

26 July 2016

Gateway UCITS Funds plc
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For the financial year ended 31 March 2016

Statement of Financial Position

	Notes	Gateway Systematic Alpha UCITS Fund* as at 31-Mar-2016 EUR
Assets		
<i>Financial assets at fair value through profit or loss</i>		
Futures	12	3,797
<i>Loans and receivables</i>		
Cash and cash equivalents	6	1,006,726
Fee cap reimbursement receivable	9	42,359
Total assets		1,052,882
Liabilities		
<i>Financial liabilities at fair value through profit or loss</i>		
Futures	12	(5,437)
<i>Other liabilities</i>		
Accrued expenses	5	(25,671)
Bank overdraft	6	(4,274)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(35,382)
Net assets attributable to holders of redeemable participating shares		1,017,500

*The Fund commenced trading on 4 September 2015

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Statement of Financial Position (continued)

	Notes	Gateway Target Beta UCITS Fund* as at 31-Mar-2016 EUR
Assets		
<i>Financial assets at fair value through profit or loss</i>	12	
Bonds		15,261,100
Money Market		13,168,874
Credit Default Swap		531,687
Futures		217,531
Forward foreign exchange currency contracts		5,648
<i>Loans and receivables</i>		
Cash and cash equivalents	6	5,577,874
Accrued income		156,478
Subscription receivable		500,000
Total assets		35,419,192
Liabilities		
<i>Financial liabilities at fair value through profit or loss</i>	12	
Futures		(231,251)
Forward foreign exchange currency contracts		(24,290)
<i>Other liabilities</i>		
Accrued expenses	5	(134,799)
Margin cash	6	(531,687)
Bank overdraft	6	(44,225)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(966,252)
Net assets attributable to holders of redeemable participating shares		34,452,940

*The Fund commenced trading on 15 September 2015

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
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For the financial year ended 31 March 2016

Statement of Financial Position (continued)

	Notes	<u>Total Company</u> as at 31-Mar-2016 EUR	<u>Total Company</u> as at 31-Mar-2015 EUR
Assets			
<i>Financial assets at fair value through profit or loss</i>	12		
Bonds		15,261,100	-
Money Market		13,168,874	-
Credit Default Swap		531,687	-
Futures		221,328	-
Forward foreign exchange currency contracts		5,648	-
<i>Loans and receivables</i>			
Cash and cash equivalents	6	6,536,101	2
Subscriptions receivable		500,000	-
Fee cap reimbursement receivable	9	42,359	-
Accrued income		156,478	-
Total assets		<u>36,423,575</u>	<u>2</u>
Liabilities			
<i>Financial liabilities at fair value through profit or loss</i>	12		
Futures		(236,688)	-
Forward foreign exchange currency contracts		(24,290)	-
<i>Other liabilities</i>			
Accrued expenses	5	(160,470)	-
Margin cash	6	(531,687)	-
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(953,135)</u>	<u>-</u>
Net assets attributable to holders of redeemable participating shares		<u>35,470,440</u>	<u>2</u>

The financial statements were approved by the Board of Directors of the Company on 26 July 2016 and signed on its behalf by:

Peter Madden

David Stafford

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
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For the financial year ended 31 March 2016

Statement of Comprehensive Income

	Notes	Gateway Systematic Alpha UCITS Fund* year ending 31-Mar-2016 EUR
Income		
Net loss on financial assets at fair value through profit or loss	4	(3,956)
Fee cap reimbursement	9	52,808
Total investment income		48,852
Expenses		
Management fees	9	(27,189)
Sub-Investment management fees	9	(7,546)
Performance fees	9	(11,489)
Director fees	9	(1,875)
Audit fees		(12,500)
Transaction fees	9	(14,323)
Set up fees	15	(11,697)
Other fees		(24,438)
Total operating expenses		(111,057)
Decrease in net assets attributable to holders of redeemable participating shares from operations		(62,205)

*The Fund commenced trading on 4 September 2015

Gains and losses arose solely from continuing operations. There are no recognised gains or losses during the financial year other than those included in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Statement of Comprehensive Income (continued)

	Notes	Gateway Target Beta UCITS Fund* year ending 31-Mar-2016 EUR
Income		
Interest income		688
Bond interest income		33,402
Credit Derivatives Income		52,717
Net gain on financial assets at fair value through profit or loss	4	491,058
Total investment income		577,865
Expenses		
Management fees	9	(27,962)
Sub-Investment management fees	9	(49,189)
Performance fees	9	(76,644)
Directors fees	9	(1,875)
Audit fees		(12,500)
Transaction fees	9	(12,666)
Set up fees	15	(20,590)
Other fees		(32,280)
Total expenses		(233,706)
Increase in net assets attributable to holders of redeemable participating shares from operations		344,159

*The Fund commenced trading on 15 September 2015

Gains and losses arose solely from continuing operations. There are no recognised gains or losses during the financial year other than those included in the Statement of Comprehensive Income.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Statement of Comprehensive Income (continued)

	Notes	<u>Total Company</u> year ending 31-Mar-2016 EUR	<u>Total Company</u> period ending 31-Mar-2015 EUR
Income			
Interest income		688	-
Bond interest income		33,402	-
Credit derivatives income		52,717	-
Fee cap reimbursement		52,808	-
Net gain on financial assets at fair value through profit or loss	4	487,102	-
Total investment gain		<u>626,717</u>	<u>-</u>
Expenses			
Management fees	9	(55,151)	-
Sub-Investment management fees	9	(56,735)	-
Performance fees	9	(88,133)	-
Director fees	9	(3,750)	-
Audit fees		(25,000)	-
Transaction fees	9	(26,989)	-
Set up fees	15	(32,288)	-
Other fees		(56,718)	-
Total expenses		<u>(344,764)</u>	<u>-</u>
Operating income		281,953	-
Increase in net assets attributable to holders of redeemable participating shares from operations		<u>281,953</u>	<u>-</u>

Gains and losses arose solely from continuing operations. There are no recognised gains or losses during the financial year other than those included in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

		Gateway Systematic Alpha UCITS Fund*
		year ending 31-Mar-2016 EUR
Net assets attributable to holders of redeemable participating shares at beginning of the financial year		-
Proceeds from redeemable participating shares issued	7	5,487,901
Payments on redeemable participating shares redeemed	7	(4,408,195)
		<u>1,079,706</u>
Decrease in net assets attributable to holders of redeemable participating shares from operations		(62,205)
Net assets attributable to holders of redeemable participating shares at end of the financial year		<u><u>1,017,500</u></u>

*The Fund commenced trading on 4 September 2015

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued)

		Gateway Target Beta UCITS Fund* year ending 31-Mar-2016 EUR
Net assets attributable to holders of redeemable participating shares at beginning of the financial year		-
Proceeds from redeemable participating shares issued	7	34,399,719
Payments on redeemable participating shares redeemed	7	(290,938)
		34,108,781
Increase in net assets attributable to holders of redeemable participating shares from operations		344,159
Net assets attributable to holders of redeemable participating shares at end of the financial year		34,452,940

*The Fund commenced trading on 15 September 2015

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
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For the financial year ended 31 March 2016

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued)

		Total Company	Total Company
		year ending	year ending
		31-Mar-2016	31-Mar-2015
		EUR	EUR
Net assets attributable to holders of redeemable participating shares at beginning of the financial year		-	-
Proceeds from redeemable participating shares issued	7	39,887,620	-
Payments on redeemable participating shares redeemed	7	(4,699,133)	-
		35,188,487	-
Increase in net assets attributable to holders of redeemable participating shares from operations		281,953	-
Net assets attributable to holders of redeemable participating shares at end of the financial year		35,470,440	-

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Statement of Cash Flows

	Gateway Systematic Alpha UCITS Fund* <hr/> year ending 31-Mar-2016 EUR
Cash flows from/(used in) operating activities	
Decrease in assets attributable to holders of redeemable participating shares	(62,205)
<i>Adjustments to reconcile net decrease in net assets attributable to holders of redeemable participating shares resulting from operations to net cash from/(used in) operating activities</i>	
Net decrease in financial assets and liabilities at fair value through profit or loss	1,640
Net increase in accrued expenses	25,670
Net increase in fee cap reimbursement receivable	(42,359)
Net cash used in operating activities	<hr/> (77,254) <hr/>
 Cash flows from/(used in) financing activities	
Proceeds from redeemable participating shares issued	5,487,901
Payments for redeemable participating shares redeemed	(4,408,195)
Net cash from financing activities	<hr/> 1,079,706 <hr/>
 Net increase in cash and cash equivalents	 1,002,452
Cash and cash equivalents at beginning of the financial year	-
 Cash and cash equivalents at end of the financial year	 <hr/> 1,002,452 <hr/>
 Cash and cash equivalents	 1,006,726
Bank overdraft	(4,274)
Total cash	<hr/> 1,002,452 <hr/>
 <u>Supplementary information:</u>	
Interest paid	(561)

*The Fund commenced trading on 4 September 2015

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Statement of Cash Flows (continued)

	Gateway Target Beta UCITS Fund* year ending 31-Mar-2016 EUR
Cash flows from/(used in) operating activities	
Increase in assets attributable to holders of redeemable participating shares	344,159
<i>Adjustments to reconcile net decrease in net assets attributable to holders of redeemable participating shares resulting from operations to net cash from/(used in) operating activities</i>	
Net increase in financial assets and liabilities at fair value through profit or loss	(28,947,941)
Net decrease in forward foreign exchange currency contracts	18,642
Net increase in accrued income	(156,478)
Net increase in margin cash	531,687
Net increase in subscription receivable	(500,000)
Net increase in accrued expenses	134,799
Net cash used in operating activities	(28,575,132)
Cash flows from/(used in) financing activities	
Proceeds from redeemable participating shares issued	34,399,719
Payments for redeemable participating shares redeemed	(290,938)
Net cash from financing activities	34,108,781
Net increase in cash and cash equivalents	5,533,649
Cash and cash equivalents at beginning of the financial year	-
Cash and cash equivalents at end of the financial year	5,533,649
Cash and cash equivalents	5,577,874
Bank overdraft	(44,225)
Total cash	5,533,649
<u>Supplementary information:</u>	
Interest received	688
Interest paid	(4,276)
Bond income received	33,402
Credit derivative income	52,717

*The Fund commenced trading on 15 September 2015

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Statement of Cash Flows (continued)

	Total Company	Total Company
	year ending	period ending
	31-Mar-2016	31-Mar-2015
	EUR	EUR
Cash flows from/(used in) operating activities		
Increase in assets attributable to holders of redeemable participating shares	281,953	-
<i>Adjustments to reconcile net decrease in net assets attributable to holders of redeemable participating shares resulting from operations to net cash from/(used in) operating activities</i>		
Net increase in financial assets and liabilities at fair value through profit or loss	(28,946,301)	-
Net increase in forward foreign exchange currency contracts	18,642	-
Net increase in margin cash	531,687	-
Net increase in accrued expenses	160,469	-
Net increase in accrued income	(156,478)	-
Net increase in subscription receivable	(500,000)	-
Net decrease in fee cap reimbursement receivable	(42,359)	-
Net cash used in operating activities	(28,152,387)	-
Cash flows from/(used in) financing activities		
Proceeds from redeemable participating shares issued	39,887,620	-
Payments on redeemable participating shares redeemed	(4,699,133)	-
Net cash from financing activities	35,188,487	-
Net increase in cash and cash equivalents	6,536,101	-
Cash and cash equivalents at beginning of the financial year	-	-
Cash and cash equivalents at end of the financial year	6,536,101	-
Cash and cash equivalents	6,584,600	-
Bank overdraft	(48,499)	-
Total cash	6,536,101	-
<u>Supplementary information:</u>		
Interest received	688	-
Interest paid	(4,837)	-
Bond income received	33,402	-
Credit derivative income	52,717	-

The accompanying notes form an integral part of these financial statements.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Notes to the Financial Statements

1 The Company

Gateway UCITS Funds plc (the “Company”) was incorporated as an open-ended umbrella investment company with variable capital incorporated in Ireland on 8 April 2014, under the Companies Act 2014 with registration number 542273. The Company has been authorised by the Central Bank of Ireland as a UCITS pursuant to the UCITS regulations on 16 June 2015.

The Company is structured as an umbrella Fund with segregated liability between Funds consisting of different Funds, each Fund comprising of one or more share (“class”). The Shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, voting rights, return of capital, the level of fees and expenses to be charged, subscription or redemption procedures or the minimum subscription and minimum holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class.

During the year, the following Funds operated within the Company:

Gateway Systematic Alpha UCITS Fund (commenced trading on 4 September 2015)

Gateway Target Beta UCITS Fund (commenced trading on 15 September 2015)

Activities of the Company are managed by Société Générale Securities Services GmbH, (the “Manager”), together with Systematic Alpha Management LLC and Prime Capital AG (the “Investment Managers”), in relation to the Gateway Systematic Alpha UCITS Fund and Gateway Target Beta UCITS Fund, respectively. Société Générale Securities Services SGSS (Ireland) Limited, (the “Administrator”) is responsible for the administration of the Company and the Funds.

2 Summary of significant accounting policies

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union, the Companies Act 2014, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

The financial statements of the Company are prepared on the historical cost basis, except for financial assets and liabilities measured at fair value through profit or loss, are held at fair value.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties that may require significant judgement (e.g., interest rates, volatility, estimated cash flows etc.). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

(a) Investments

The following is a summary of the significant accounting policies adopted by the Company:

(i) Classification

The Company has designated its investments in financial assets and financial liabilities in the following categories:

- Financial assets and financial liabilities at fair value through profit or loss. These include derivatives (held-for-trading).
- Financial assets designated at fair value through profit or loss. These include financial assets that are not held for - trading purposes and which may be sold, debt securities.
- Financial assets at amortised cost that are classified as loans and receivables include cash and cash equivalents, subscriptions receivable and accrued income.
- Financial liabilities at amortised cost that are not at fair value through profit or loss include margin cash, accrued expenses and financial liabilities arising on redeemable participating shares.

The Company designates all debt and equity investments at fair value through profit or loss as the Company manages these securities on a fair value basis in accordance with its documented investment strategy.

(ii) Recognition and Measurement

The Company recognises financial assets or financial liabilities at fair value through profit or loss on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they originated.

Financial instruments are measured initially at fair value (transaction price) on trade date with transaction costs recognised immediately in the Statement of Comprehensive Income directly. In cases where a financial asset or financial liability is not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are recognised in the Statement of Comprehensive Income.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost. Financial liabilities arising from the redeemable participating shares issued by each Fund are carried at the redemption amount representing the investors' right to a residual interest in each Fund's assets.

(iii) Fair value measurement principles

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access to at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the financial asset or financial liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a mid-price because it is a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

(a) Investments (continued)

(iv) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(v) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers. If any such indication exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the impairment, the impairment is reversed through the Statement of Comprehensive Income.

(vi) Derecognition

The Company derecognises financial assets when the contractual rights to the cash flows from the financial asset expire, or when it transfers the right to receive contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition the carrying amount of the assets differential with the proceeds is recognised in profit or loss. Any interest in such transferred assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfer of assets with retention of all or substantially all of the risks and rewards include securities lending transactions.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(vii) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

Income and expense are presented on a net basis for gains or losses from financial instruments at fair value through profit or loss and foreign exchange gains or losses.

b) Net gains from financial assets and liabilities at fair value through profit or loss

Realised gains or losses on the sale of investments arising during the financial year are calculated on a weighted average cost basis and are taken to the Statement of Comprehensive Income. The movement in unrealised gains or losses on investments is reflected in the Statement of Comprehensive Income under 'net gain/(loss) on financial instruments at fair value through profit or loss' and includes all fair value changes and foreign exchange differences.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

(c) Derivatives

Forward Foreign Exchange Contracts

A forward foreign exchange contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward foreign exchange contracts are valued by reference to the forward price at which a new forward foreign exchange contract of the same size and maturity could be undertaken at the forward foreign exchange contract valuation date. The unrealised gain or loss on open forward foreign exchange contracts is calculated as the difference between the contract rate and the forward price and are recognised in the Statement of Comprehensive Income.

Futures Contracts

Futures contracts are a commitment to make or take delivery of a fixed quantity of a specified security, index, currency or commodity at a predetermined date in the future. Changes in the value of the futures contracts are recorded as unrealised gains and losses by marking-to-market the value of the contract at the financial year end date. When the contract is closed, the difference between the proceeds from (or cost of) the closing transaction and the original transaction is recorded as a realised gain or loss. Futures are held at the Prime Broker in a segregated account requiring margin, which is maintained daily. The unrealised gain or loss at the financial year end is reported as a financial asset or financial liability as applicable in the Statement of Financial Position.

Credit default swaps

Credit default swap agreements are fair valued on the date of valuation based on the underlying reference asset using the fair value approach outlined in the next paragraph. The change in value is recorded in net gain on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Realised gains and losses are recognised when a contract matures or is closed out.

The fair value of derivatives that are not exchange traded are estimated at the amount that the Sub-Fund would receive or pay to terminate the contract at the financial period end date, taking into account current market conditions and the current creditworthiness of the counterparties.

(d) Income

Interest income on debt instruments at fair value through profit or loss is accrued using the original effective interest rate and classified in net gains/losses on financial instruments at fair value through profit or loss in the Statement of Comprehensive Income. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Bank interest income is recorded on an effective yield basis.

(e) Other income and operating expenses

The Funds bear all expenses incurred as a result of its activities. All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Bank clearing charges in connection with the purchase and sale of securities are expensed at the time such transactions take place.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of financial assets or financial liabilities. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on purchase or sale of financial assets and financial liabilities measured at fair value through profit or loss are expensed immediately in the Statement of Comprehensive Income for each Fund. Transaction costs include brokerage commission and broker fees on equities, debt securities and exchange traded derivative contracts.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

(f) Net asset value per share

The net asset value per share of each class of share is calculated by dividing the Net Asset Value attributable to that class by the number of Shares in issue for that class.

(g) Net assets attributable to holders of Redeemable Participating Share

Shares issued by the Company in respect of the Funds provide shareholders with the right to redeem their shares for cash equal to their proportional share of the net asset value of the relevant Fund and are classified as liabilities. The liabilities to shareholders are presented in the Statement of Financial Position as “Net assets attributable to holders of redeemable participating shares” and are determined based on the residual assets of the relevant Fund after deducting the Fund’s other liabilities.

Redeemable shares issued by each Fund cannot qualify for equity classification because they do not meet the pro-rata share of the Company’s net assets on liquidation.

(h) Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Bank overdrafts are also classified as cash and cash equivalents.

(i) Margin cash

Balances due from brokers comprise of margin held for the foreign currency exchange contracts and collateral held as margin for foreign exchange currency contracts and future contracts.

3 New standards and amendments to existing standards

Standards and amendments to existing standards effective for the current reporting year

There were no new standards or amendments to standards which came into effect during the year relevant to these financial statements.

Standards which come into effect after the reporting period but which have not been adopted early:

IFRS 9 “Financial Instruments” (effective for periods beginning on or after 1 January 2018). This standard is the first step in the process to replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of financial assets. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. For financial liabilities, the recognition and measurement guidance is unchanged from IAS 39. An additional presentational requirement has been added for liabilities designated at fair value through profit and loss. This standard has not yet been endorsed by the EU, and the impact of adoption of this standard is under assessment by management.

Gateway UCITS Funds plc
Annual Report and Audited Financial Statements

For the financial year ended 31 March 2016

Notes to the Financial Statements (continued)

4 Net gain on financial assets held at fair value through profit or loss

	Gateway Systematic Alpha UCITS Fund
	31-Mar-16
	EUR
Net realised gain on investments	112,951
Net realised loss on foreign exchange	(91,351)
Net unrealised loss on investments	(1,640)
Net unrealised loss on foreign exchange	(23,916)
	(3,956)
	Gateway Target Beta UCITS Fund
	31-Mar-16
	EUR
Net realised gain on investments	311,867
Net realised loss on foreign exchange	(211,356)
Net unrealised gain on investments	483,975
Net unrealised loss on foreign exchange	(93,428)
	491,058
	Total Company
	31-Mar-16
	EUR
Net realised gain on investments	424,818
Net realised loss on foreign exchange	(302,707)
Net unrealised gain on investments	482,335
Net unrealised loss on foreign exchange	(117,344)
	487,102

Gateway UCITS Funds plc
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For the financial year ended 31 March 2016

Notes to the Financial Statements (continued)

5 Accrued expenses

	Gateway Systematic Alpha UCITS Fund
	31-Mar-16
	EUR
Management fee	7,115
Sub-Investment management fees	691
Performance fees	634
Other fees	17,231
	25,671
	Gateway Target Beta UCITS Fund
	31-Mar-16
	EUR
Management fee	23,531
Sub-Investment management fees	33,936
Performance fees	66,325
Other fees	11,007
	134,799
	Total Company
	31-Mar-16
	EUR
Management fee	30,646
Sub-Investment management fees	34,627
Performance fees	66,959
Other fees	28,238
	160,470

6 Cash and cash equivalents and margins

Cash balances throughout the year were held with Société Générale S.A. (Dublin Branch) and Newedge. All margin balances were held with Newedge.

	S&P Credit Rating	31-Mar-16 EUR
<u>Gateway Systematic Alpha UCITS Fund</u>		
<i>Cash at bank</i>		
Société Générale S.A.	A	73,020
Newedge	A	933,706
		1,006,726
Newedge overdraft	A	(4,274)
Total Cash equivalents		1,002,452

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Notes to the Financial Statements (continued)

6 Cash and cash equivalents and margins (continued)

Gateway Target Beta UCITS Fund

Cash

Société Générale S.A.	A	150,908
Newedge	A	<u>5,426,966</u>
		5,577,874

Newedge overdraft	A	<u>(44,225)</u>
Total Cash equivalents		<u><u>5,533,649</u></u>

Margin cash (531,687)

Total Company

Cash

		EUR
Société Générale S.A.	A	223,928
Newedge	A	<u>6,360,672</u>
		6,584,600

Newedge overdraft		<u>(48,499)</u>
Total Cash equivalents		<u><u>6,536,101</u></u>

Margin in cash (531,687)

7 Redeemable participating shares

The net assets attributable to holders of redeemable participating shares in the Funds are at all times equal to the net asset value of the Funds. Participating shares, which comprise the capital of the Company, are in substance a liability of the Company to shareholders. The shares are freely transferable and are all entitled to participate equally in profit and distributions (if any) of the Funds and in the assets in the event of termination. The participating shares carry no preferential or pre-emptive rights and are in registered form. Non-participating shares do not entitle the holders to any dividends and on winding up entitle the holders to receive the amount paid up but not otherwise entitle them to participate in the assets of the Company. The movement in the number of participating and non-participating shares is as follows:

<u>Gateway Systematic Alpha UCITS Fund</u>	Class F	Class F	Class R	Class R
	USD	USD	USD	USD
	Shares	USD	Shares	USD
Balance at the beginning of the financial year	-	-	-	-
Increase in net assets attributable to holders of redeemable shares	-	62,733	-	(1,003)
Issued during the financial year	60,000	6,000,000	1000	100,000
Redeemed during the financial year	(50,000)	(4,999,995)	-	-
Balance at 31 March 2016	<u>10,000</u>	<u>1,062,738</u>	<u>1,000</u>	<u>98,997</u>
Net Asset Value per Share (IFRS NAV)		<u>106.27</u>		<u>99.00</u>
Net Asset Value per Share (Dealing NAV)		<u>106.96</u>		<u>99.64</u>

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Notes to the Financial Statements (continued)

7 Redeemable participating shares (continued)

<u>Gateway Target Beta UCITS Fund</u>	Class I EUR Shares	Class I EUR EUR	Class I USD Shares	Class I USD USD
Balance at the beginning of the financial year	-	-	-	-
Increase in net assets attributable to holders of redeemable shares	-	494,659	-	219,389
Issued during the financial year	250,842	25,162,177	91,472	9,100,000
Redeemed during the financial year	(2,912)	(290,938)	-	-
Share in issue at 31 March 2016	247,930	25,365,898	91,472	9,319,389
Net Asset Value per Share (IFRS NAV)		<u>102.31</u>		<u>101.88</u>
Net Asset Value per Share (Dealing NAV)		<u>102.36</u>		<u>101.63</u>
			Class I CHF Shares	Class I CHF CHF
Balance at the beginning of the financial year			-	-
Increase in net assets attributable to holders of redeemable shares			-	11,698
Issued during the financial year			9,809	983,110
Redeemed during the financial year			-	-
Share in issue at 31 March 2016			9,809	994,808
Net Asset Value per Share (IFRS NAV)				<u>101.42</u>
Net Asset Value per Share (Dealing NAV)				<u>101.46</u>

The initial authorised share capital of the Company is two redeemable non-participating voting subscriber shares of no par value (“Subscriber Shares”) and 500,000,000,000 participating Shares of no par value (“Redeemable Participating Shares”). The dealing day means each Business Day and such other day or days as may be determined by the Directors and notified in advance to Shareholders provided there is at least one dealing day per fortnight.

Subscriber Shares

The issued capital of the Company is represented by 2 Subscriber Shares of no par value. The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up.

Redeemable Participating Shares

The Redeemable Participating Shares entitle the holders to attend and vote at general meetings of the Company and to participate in the profits and assets of the Company. There are no pre-emption rights attaching to the Shares.

Called up Share Capital

The called up share capital consists of the two Subscriber Shares. The Subscriber Shares were issued for consideration of €1 each.

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Notes to the Financial Statements (continued)

8 Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997 (as amended). On that basis it is not chargeable to Irish tax on its income or capital gains.

However, Irish tax may arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of shares, or an ending of a "relevant period". A "relevant period" is an eight year period beginning with the acquisition of the shares, by the Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

No Irish Tax will arise on the Company in respect of chargeable events in respect of:

- a Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided that appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Funds.
- certain exempted Irish resident shareholders who have provided the Funds with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income or capital gains are received and such taxes may not be recoverable by the Company or its Shareholders, depending on Double Taxation Treaty.

9 Fees

(a) Management, Depositary and Administration fees

The aggregate fees and expenses payable out of the assets of the Fund in respect of the provision of management (excluding fees payable to the Sub-Investment Manager), administration and depositary services and its attributable portion of the operating expenses of the Company including for the amortisation of establishment costs will not exceed 200 basis points per annum of the Net Asset Value of the Fund. Anything above the Fee Cap will be reimbursed to the Fund, the Fee Cap reimbursement during the financial year amounted to EUR 52,808, and the amount outstanding at the financial year end is EUR 42,359.

This will include (i) any fees and expenses payable to each of the Manager, the Administrator and the Depositary in respect of the provision of services to the Fund (the "Service Provider Fees") and (ii) the fees and expenses of each of the Company Secretary, the Money Laundering Reporting Officer for the Company, the fees payable to the Auditors and the Directors (the "Third Party Fees").

The Service Provider Fees shall accrue and shall be payable out of the assets of the Fund on a monthly basis. The Third Party Fees shall accrue and shall be payable out of the assets of the Fund on a monthly basis or otherwise on an annual basis as may be agreed from time to time.

The management fees charged to the Gateway Systematic Alpha UCITS Fund during the financial year amounted to EUR 41,564, and the amount outstanding at the financial year end is EUR 7,115.

The management fees charged to the Gateway Target Beta UCITS Fund during the financial year amounted to EUR 42,337, and the amount outstanding at the financial year end is EUR 23,531.

There is a preliminary charge of up to 5% Net Asset Value of Class I Shares being purchased may be charged and, in such case, shall be payable to the Manager, who may in turn pay some or all of such amount to the Sub-Investment Manager or sub-distributors that it has appointed. The Directors may, at their discretion, reduce or waive such Preliminary Charge or subject always to the requirement to ensure fair treatment of Shareholders differentiate between Shareholders as to the amount of such Preliminary Charge. The Directors do not currently intend to impose a Preliminary Charge.

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Notes to the Financial Statements (continued)

9 Fees (continued)

(a) Management, Depositary and Administration fees (continued)

The management fees are accrued daily and payable monthly in arrears. The management fee is charged at 0.23% on the first EUR50million, 0.19% on the next EUR 50million and 0.15% on the next EUR 50million and 0.12% on anything above EUR150million, with a monthly minimum of EUR 7,000 for the Gateway Systematic Alpha UCITS Fund, and a monthly minimum of EUR 7,800 for the Gateway Target Beta UCITS Fund.

The Manager also receives a fee for the VaR calculations at EUR 10,000 for Gateway Systematic Alpha UCITS Fund and EUR 8,000 for Gateway Target Beta UCITS Fund.

(b) Sub-Investment Management fees

The Sub-Investment Manager is entitled to charge a monthly investment management fee up to the percentage specified in the following table of the Net Asset Value of each Class calculated prior to the deduction of the Investment Management Fee and the Performance Fee. The Investment Management Fee shall be calculated and accrue daily and be payable monthly in arrears and shall be payable out of the assets of the Fund.

The sub-investment fees charged to the Gateway Systematic Alpha UCITS Fund during the financial year amounted to EUR 7,546, and the amount outstanding at the financial year end is EUR 691.

The sub-investment fees charged to the Gateway Target Beta UCITS Fund during the financial year amounted to EUR 49,189, and the amount outstanding at the financial year end is EUR 33,936.

Gateway Target Beta UCITS Fund:

Class I Shares: 0.5%

Gateway Systematic Alpha UCITS Fund:

Class F1 Shares 0.75%

Class F2 Shares 0.75%

Class R Shares 2%

Class I Shares 1.5%

(c) Performance fees

The Sub-Investment Managers shall be entitled to receive out of the assets of the respective Fund a performance fee at a rate of:

Gateway Systematic Alpha UCITS Fund shares:

Class F1 Shares 10%

Class F2 Shares 10%

Class R Shares 20%

Class I Shares 20%

Gateway Target Beta UCITS Fund shares:

Class I Shares 10%

The performance fee is payable on the New Net Profits above the High Water Mark of the assets of the Fund at the end of a Performance Period. The Performance Fee shall accrue on each Dealing Day and be payable monthly out of the assets of the Fund. The performance fees charged to the Gateway Systematic Alpha UCITS Fund during the financial year amounted to EUR 11,489, and the amount outstanding at the financial year end is EUR 634.

The performance fees charged to the Gateway Target Beta UCITS Fund during the financial year amounted to EUR 76,644, and the amount outstanding at the financial year end is EUR 66,325.

If the assets of the Funds do not earn New Net Profits over the High Water Mark at the end of the relevant Performance Period, no Performance Fee shall be due to the Sub-Investment Managers unless and until the New Net Profits exceed the High Water Mark. The amount of the Performance Fee paid to the Sub-Investment

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Notes to the Financial Statements (continued)

9 Fees (continued)

(c) Performance fees (continued)

Managers, if any, shall not be reimbursed to the Funds in the event of subsequent losses. The Performance Fee is only payable on the increase over the New Net Profits above the High Water Mark.

“Performance Period” shall mean each calendar month commencing (in the case of the first such period) from and including the date of the first issue of Shares of the Fund following the close of the relevant Initial Offer Period or (in any other case) from the end of the last calendar month.

“New Net Profits” shall mean the new net profits of the assets of the Funds and shall include net realised profit or loss from closed positions, change in net unrealised profit and loss on open positions after deducting brokerage commissions, transaction fees, money management fees and other fees and charges accrued.

“High Water Mark” shall mean, in the case of the first Performance Period, the Initial Offer Price and, in the case of any other Performance Period, the highest NAV per Share of the Funds on which a performance fee was paid/accrued and shall be adjusted for subscriptions and redemptions.

(d) Transaction fees

The Funds incurred transaction costs during the year as follows:

	<u>Gateway Systematic Alpha UCITS Fund</u>	<u>Gateway Target Beta UCITS Fund</u>	<u>Total Company</u>
	31-Mar-16	31-Mar-16	31-Mar-16
	EUR	EUR	EUR
Purchases	7,240	6,913	14,153
Sales	7,083	5,753	12,836
	<u>14,323</u>	<u>12,666</u>	<u>26,989</u>

(e) Director fees

The Director may receive a fee for their services such as attending the Board meetings and performing their duties as directors, up to a total aggregate maximum fee of €40,000 per annum. The Directors’ fees were EUR 3,750 for the year ended 31 March 2016 in respect of Bryan Tiernan, the independent non-executive Director. The remaining Directors have agreed to waive their entitlement to receive a fee for their services.

(f) Audit fees

Fees and expenses due to be paid to the statutory auditors, KPMG, in respect of the financial year, entirely relate to the audit of the financial statements of the Company. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditors for the financial years ended 31 March 2016 and 2015.

Gateway Systematic Alpha UCITS Fund

	31-Mar-2016
	EUR
Statutory Audit (exl. VAT)	12,500
Total	<u>12,500</u>

Gateway Target Beta UCITS Fund

	31-Mar-2016
	EUR
Statutory Audit (exl. VAT)	12,500
Total	<u>12,500</u>

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Notes to the Financial Statements (continued)

10 Exchange rates used in this report

The financial statements are prepared in Euro (EUR) for both Gateway Systematic Alpha UCITS Fund and Gateway Target Beta UCITS Fund. The following exchange rates at 31 March have been used to translate assets and liabilities denominated in other currencies to EUR:

Currency	EUR
	31-Mar-16
AUD	1.48140
CAD	1.47395
CHF	1.09125
GBP	0.79285
HKD	8.83895
JPY	128.07975
KRW	1,303.18945
USD	1.13955
ZAR	16.76050

11 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk, operational risk and other price risk. These risks are monitored by the Manager and Sub-Investment Managers in pursuance of the investment objectives and policies of the Funds as set out in the relevant Supplements to the Prospectus. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance. The Company may use derivative financial instruments for hedging and for any investment purpose consistent with the investment objective and policy of each individual Fund.

The Fund will employ a risk management process based on the VaR approach which is one of the two methods permitted by the UCITS Regulations for measuring risk attaching to derivative positions in accordance with the requirement to accurately monitor, measure and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Fund will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to Central Bank.

Derivatives exposure

Under the UCITS regulations issued by the Central Bank of Ireland, the Company is required to employ a risk management process in connection with any use of derivatives by the Funds. The Funds uses a method known as the "Absolute VaR", whereby management adhere to the leverage limits applicable to the Absolute VaR. The parametric approach has been chosen as the preferred VaR methodology for the company. In addition, a Monte-Carlo-Add-on is used for the nonlinear instrument used by the fund.

Absolute VaR is a statistical methodology that attempts to predict, using historical data, the likely scale of losses that might be expected to occur over a given period of time at a given level of confidence. the Absolute VaR approach is a measure of the maximum potential loss due to market risk over a specified time period. The Absolute VaR of the Fund measured with a one tailed 99% confidence level and 20 day holding period, with a 250 day historical observation period, is limited to 20% of Net Asset Value of the Fund.

This does not mean that losses cannot exceed 20% of Net Asset Value of the Fund over a 20 day holding period, rather than one would only expect losses to exceed 20% of the Net Asset Value of the Fund 1% of the time assuming that positions were held for 20 days.

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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Derivatives exposure (continued)

The Gateway Systematic Alpha UCITS Fund and Gateway Target Beta UCITS Fund employed the Value at Risk (“VaR”) approach for each portfolio. The VaR at the year end is as follows:

- Gateway Systematic Alpha UCITS Fund: VaR (99%, 20 days) as of 31 Mar 2016: 15%
- Gateway Target Beta UCITS Fund: VaR (99%, 20 days) as of 31 Mar 2016: 3.7%

Gateway Systematic Alpha UCITS Fund

	Highest	Lowest	Average
Portfolio VaR (%)	22.33	7.47	12.09
Gross Leverage (%)	440.0000	15.0000	174.0000

Gateway Target Beta UCITS Fund

	Highest	Lowest	Average
Portfolio VaR (%)	3.41	1.45	2.79
Gross Leverage (%)	13.0375	6.5568	10.6708

Market risk

Market risk is the risk of loss arising from movements in market variables including observable variables such as interest rates, exchange rates and others that may be indirectly observable such as volatilities and correlations. The risk of price movements on securities and other obligations in tradable form resulting from risk factors and events specific to individual issuers is also considered market risk. The Funds entered into foreign exchange forwards contracts, futures contracts and credit default swaps during the financial year in order to manage risk.

Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, (other than those arising from interest rate risk or currency risk) whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in the market.

All investments in securities presents a risk of loss of capital. The Manager and Sub-Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The Funds’ overall market positions are monitored on a daily basis by the Funds’ Manager and Sub-Investment Managers.

The Funds’ investments in bonds, treasury bills and derivatives are susceptible to price risk arising from uncertainties about future prices of the instruments. The Funds’ price risk is managed through diversification of the investment portfolio ratios by exposures. When selecting investments, the Investment Managers may apply an ethical screen on those instruments to ensure that they meet certain ethical criteria. Adherence to investment guidelines mitigates the risk of excessive exposure to any particular type of security or issuer. For the Funds that invest in derivative positions, a risk management process is employed which enables the Fund to accurately monitor, manage and measure the risks attached to these derivative positions.

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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Price risk (continued)

The table below illustrates the effect of a 10% change in prices of financial assets to the net assets attributable to holders of redeemable participating shares.

	Gateway Target Beta UCITS Fund 31-Mar-16 EUR
Net assets attributable to holders of redeemable participating shares	34,452,940
Transferable securities designated at fair value through profit or loss	28,569,728
Effect of a 10% increase/ decrease in prices	2,856,973

Interest rate risk

Where Floating Rate Notes are held, any change to the interest rates for particular securities may result in either income increasing or decreasing. There are no Floating Rate Notes held by the Company as at the years ended 31 March 2016 or 31 March 2015.

Prices of securities held will be impacted by domestic rates of interest. The Company's performance therefore will have limited exposure to fair value or cash flow interest rate risk and it will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximise returns to the Funds, while attempting to minimise the associated risks to its investment capital.

As at the financial year end date, the Company is exposed to interest rate risk to the extent disclosed in the following interest risk table.

	Interest bearing < 1 year 31-Mar-16 EUR	Interest bearing > 1 year 31-Mar-16 EUR	Non-interest bearing 31-Mar-16 EUR
Gateway Systematic Alpha UCITS Fund			
<i>Financial assets at fair value through profit or loss</i>			
Transferable securities			
Futures		-	3,797
Cash and cash equivalents	1,002,452	-	-
Fee cap reimbursement	-	-	42,359
Total assets	1,002,452	-	46,156
<i>Financial liabilities at fair value through profit or loss</i>			
Transferable securities			
Futures	-	-	(5,437)
Accrued expenses	-	-	(25,671)
Total liabilities	-	-	(31,108)
Total interest sensitivity gap	1,002,452	-	(31,108)

Effect of a 25 basis point change in interest rates	2,506
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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Interest rate risk (continued)

Gateway Target Beta UCITS Fund

Financial assets at fair value through profit or loss

Transferable securities

Bonds	-	15,261,100	-
Money Market	-	13,168,874	-
Credit Default Swap	531,687	-	-
Futures	-	-	217,531
Forward foreign exchange currency contracts	-	-	5,648

Cash and cash equivalents	5,533,649	-	-
Accrued Income	-	-	156,478
Subscription receivable	-	-	500,000
Total assets	6,065,336	28,429,974	879,657

Financial liabilities at fair value through profit or loss

Transferable securities

Futures	-	-	(231,251)
Forward foreign exchange currency contracts	-	-	(24,290)

Accrued expenses	-	-	(134,799)
Margin	-	-	(531,687)
Total liabilities	-	-	(922,027)

Total interest sensitivity gap 34,495,310

Effect of a 25 basis point change in interest rates 86,238

There was no interest rate exposure in the Company for the financial year ending 31 March 2016.

Gateway Target Beta UCITS Fund

The interest rate duration of the Funds fixed income portfolio is actively managed by the Investment Advisor.

31-Mar-16

Average portfolio interest rate duration 0.6

Currency risk

The Funds can be exposed to currency risk as a result of investing in assets denominated in currencies other than the base currency of the Fund. The Company held assets denominated in currencies other than the Euro (EUR), its functional currency. The Funds are therefore exposed to currency risk as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Funds may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. During the financial year, the Gateway Target Beta UCITS Fund entered into foreign exchange forwards contracts for the purposes of hedging against foreign currency risk exposure with respect to non-Euro denominated investments.

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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Currency risk (continued)

The Funds can also be exposed to indirect foreign currency risk where it is investing in assets which have underlying exposure to foreign currency, for example Funds which in turn invest in foreign currency denominated assets.

The following sets out the total exposure of the Funds to foreign currency risk as at 31 Mar 2016.

Local Currency	<u>Gateway Systematic Alpha UCITS Fund</u>	<u>Gateway Target Beta UCITS Fund</u>	<u>Total Company</u>
	31-Mar-16	31-Mar-16	31-Mar-16
	EUR	EUR	EUR
AUD	-	28,208	28,208
CAD	(12)	46,845	46,833
CHF	(4,281)	971,342	967,062
USD	999,964	8,508,950	9,508,914
GBP	3,593	61,135	64,728
HKD	-	7,575	7,575
JPY	-	78,763	78,763
ZAR		12,011	12,011
KRW		36,837	36,837
	<u>999,264</u>	<u>9,751,665</u>	<u>10,750,930</u>

There was no currency exposure in the Company for the financial year ending 31 March 2016. At the year end date, had the relevant functional currency strengthened / weakened by 5% against the above currencies, the net assets attributable to holders of redeemable participating shares would have decreased/ increased by approximately EUR 537,546.

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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Currency risk (continued)

	Gateway Systematic Alpha UCITS Fund		Gateway Target Beta UCITS Fund	
	31-Mar-16	<i>% of</i>	31-Mar-16	<i>% of</i>
	EUR	<i>TNA</i>	EUR	<i>TNA</i>
<i>Monetary assets and liabilities:</i>				
AUD	-	0.00%	9,826	0.03%
CAD	(12)	0.00%	25,699	0.07%
CHF	(4,262)	(0.42%)	25,326	0.07%
USD	1,002,207	97.68%	2,254,586	6.54%
GBP	3,605	0.35%	46,843	0.14%
EUR	914	0.09%	3,485,535	10.11%
HKD	-	0.00%	10,459	0.03%
JPY	-	0.00%	91,850	0.27%
ZAR	-	0.00%	11,349	0.03%
KRW	-	0.00%	72,176	0.21%
<i>Non-monetary assets and liabilities</i>				
AUD	-	0.00%	18,382	0.05%
CAD	-	0.00%	21,146	0.06%
CHF	(18)	0.00%	946,016	2.74%
USD	(2,243)	-0.22%	6,254,364	18.14%
GBP	(13)	0.00%	14,292	0.04%
EUR	25,882	2.52%	21,233,507	61.60%
HKD	-	0.00%	(2,885)	(0.01%)
JPY	-	0.00%	(13,088)	(0.04%)
ZAR	-	0.00%	662	0.00%
KRW	-	0.00%	(35,339)	(0.10%)
Total unadjusted net assets	1,026,060	100.00%	34,470,707	100.00%
<i>Effect of a 5% increase in exchange rates</i>				
	EUR		EUR	
AUD	-	0.00%	1,410	0.00%
CAD	(1)	0.00%	2,342	0.01%
CHF	(214)	(0.02%)	48,567	0.14%
USD	49,998	4.87%	425,448	1.23%
GBP	180	0.02%	3,057	0.01%
HKD	-	0.00%	379	0.00%
JPY	-	0.00%	3,938	0.01%
ZAR	-	0.00%	601	0.00%
KRW	-	0.00%	1,842	0.01%
Total	49,963	4.87%	487,584	1.41%

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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The main liability of the Funds is the redemption of any shares that investors wish to sell. Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets, which could adversely affect the value of the Shares.

The Funds' offering documents provide for the daily creation and cancellation of shares and they are therefore exposed to the liquidity risk of meeting Shareholder redemptions at any time.

The Funds' financial instruments include investments in securities which are highly liquid and are readily realisable securities which can be readily sold. Illiquidity in certain markets could also make it difficult for a Fund to liquidate a substantial portion of its investments on favourable terms.

The Investment Manager monitors the Funds' liquidity risk on a daily basis.

The residual contractual maturities of the financial liabilities as at 31 March 2016 are shown below:

<u>Gateway Systematic Alpha UCITS Fund</u>	< one month	< one year
31-Mar-16	EUR	EUR
Financial liabilities at fair value through profit or loss	-	5,437
Accrued expenses	25,671	-
Redeemable participating shares	1,017,500	-
	<u>1,043,171</u>	<u>5,437</u>
<u>Gateway Target Beta UCITS Fund</u>		
31-Mar-16		
Financial liabilities at fair value through profit or loss	24,290	231,251
Accrued expenses	134,799	-
Margin	531,687	-
Redeemable participating shares	34,452,940	-
	<u>35,143,716</u>	<u>231,251</u>

There is no liquidity risk arising during the period ended 31 March 2015.

Credit risk

The Funds have entered into a number of derivative contracts with Newedge. Bankruptcy or insolvency of the counterparty may cause the Funds' rights with respect to these derivative contracts to be delayed or limited. The carrying amounts of the financial assets as disclosed in the Statement of Financial Position represent the maximum credit risk exposure as at the financial position date with the exception of the foreign exchange forwards contracts, which are settled on a gross basis, and are only held on the Gateway Target Beta UCITS Fund.

Bankruptcy or insolvency of the Depositary may cause a Funds rights with respect to securities held by the Depositary to be delayed. The Manager monitors this risk by monitoring the credit quality and financial positions of the Depositary that the Fund/Company uses.

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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Credit risk (continued)

To date the Investment Manager has employed a policy stating that the Funds can only deposit cash with, or purchase cash instruments from pre-approved institutions. Limits for the Company's deposits are set by the UCITS Regulations issued by the Central Bank of Ireland and monitored by the Compliance and Business Risk Team of the Manager.

The Gateway Target Beta UCITS Fund invests in fixed interest securities. The Statement of Comprehensive Income shows the credit quality of the debt security investments at 31 March 2016.

DE0001104628	German Government Bond 0.00%	Aaa
DE0001104610	German Government Bond 0.00%	Aaa
FR0010415331	France Government Bond 3.75%	Aa2
FR0119580050	French Treasury Bill 2.5%	Aa2
FR0123283741	French Treasury Bill 0.00%	Aa2
FR0123283774	French Treasury Bill 0.00%	Aa2

The table below shows an analysis of derivative assets and derivative liabilities outstanding as at 31 March 2016:

Gateway Systematic Alpha	Derivative Asset		Derivative Liability	
	Fair Value	Notional Amount	Fair Value	Notional Amount
Exchange Traded	3,797	3,125	(5,437)	(220,500)

Gateway Target Beta	Derivative Asset		Derivative Liability	
	Fair Value	Notional Amount	Fair Value	Notional Amount
Exchange Traded	217,531	17,818,005	(231,251)	73,213,233
Over-The-Counter	537,335	9,665,024	(24,290)	(1,898,482)

As at the financial year end date, none of the financial assets were past due nor impaired.

All open derivatives are marked to market by the Funds.

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Notes to the Financial Statements (continued)

11 Financial Risk Management (continued)

Offsetting of financial assets and liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangements or similar agreement, irrespective of whether they are offset in the Statement of Financial Position and net of the related collateral received/pledged by the Funds as at 31 March 2016.

Such collateral is subject to standard industry terms including, where appropriate, master netting agreements and International Swaps and Derivatives Association (ISDA) agreements. Each party to the master netting agreement will have the option to settle all open contracts on a net basis in the event of default of the other party. The agreements also give each party the right to terminate the related transactions on the counterparty's failure to post collateral. Netting of financial assets and financial liabilities would only occur in the case of default by the counterparty.

The following table illustrates the assets and liabilities held with Newedge for offsetting.

	Gross amounts of recognised assets /(liabilities)	Gross amounts offset in Statement of Financial position	Net amounts presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		
				Financial Instruments including (non-cash collateral)	Cash Collateral received /(pledged)	Net Amount
Derivative assets						
<i>Counterparty</i>						
Newedge	754,866	-	754,866	(255,541)	-	499,325
	754,866	-	754,866	(255,541)	-	499,325
Derivative liabilities						
<i>Counterparty</i>						
Newedge	(255,541)	-	255,541	-	-	-
	(255,541)	-	255,541	-	-	-
Derivative net assets	499,325	-	499,325	-	-	499,325

Capital risk management

The Sub-Investment Managers manage the capital of the Company in accordance with the Company's investment objectives and policies. The Company has no restrictions on specific capital requirements on the subscriptions and redemptions of shares. The Sub-Investment Managers review the capital structure on a monthly basis.

The Company does not have any externally imposed capital requirements.

Gateway UCITS Funds plc
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For the financial year ended 31 March 2016

Notes to the Financial Statements (continued)

12 Financial assets and liabilities at fair value through profit or loss

The Funds have an established control framework with respect to the measurement of fair values. The Company adopted IFRS 13, effective 1 January 2013. This requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Administrator measures the fair value of the Funds' instruments daily using the quoted price in an active market for each instrument.

Level 1- Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The following tables analyse the fair value hierarchy of the Funds:

Gateway Systematic Alpha UCITS Fund

31-Mar-16

	Level 1 EUR	Level 2 EUR	Total EUR
Current assets			
Financial assets at fair value through profit or loss:			
Transferable securities			
- Futures	3,797	-	3,797
	3,797	-	3,797
Current liabilities			
Financial assets at fair value through profit or loss:			
Transferable securities			
- Futures	(5,437)	-	(5,437)
	(5,437)	-	(5,437)

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Notes to the Financial Statements (continued)

12 Financial assets and liabilities at fair value through profit or loss (continued)

Gateway Target Beta UCITS Fund

31-Mar-16

	Level 1	Level 2	Total
	EUR	EUR	EUR
Current assets			
Financial assets at fair value through profit or loss:			
Transferable securities			
- Bonds	-	15,261,100	15,261,100
- Money Market Instruments	-	13,168,874	13,168,874
- Credit Default Swap	-	531,687	531,687
- Futures	217,531	-	217,531
- Forward currency contracts	-	5,648	5,648
	217,531	28,967,309	29,184,840
Current liabilities			
Financial assets at fair value through profit or loss:			
Transferable securities			
- Futures	(231,251)	-	(231,251)
- Forward currency contracts	-	(24,290)	(24,290)
	(231,251)	(24,290)	(255,541)

There were no transfers between the levels during the financial years ended 31 March 2016 and 31 March 2015.

Financial Assets and Liabilities Not Measured At Fair Value Through Profit or Loss

The financial assets and financial liabilities not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts are a reasonable approximate fair value. The financial assets and liabilities not measured at fair value through profit or loss are classified as Level 2. There were no assets and liabilities at 31 March 2015.

13 Efficient portfolio management

The Manager or each of the Sub-Investment Managers may, on behalf of a Fund, engage in transactions in financial derivative instruments for the purposes of efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time as specified in the relevant Supplement of the Fund. Efficient portfolio management transactions relating to the assets of the Funds may be entered into by the Manager or each of the Sub-Investment Managers aiming to hedge or reduce the overall risk of its investments, enhance performance and/or to manage interest rate and currency exchange rate risk. In relation to efficient portfolio management operations, the Manager and each of the Sub-Investment Managers will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of transferable securities held by a Fund. Such techniques and instruments may also include stocklending and repurchase and reverse repurchase agreements as described below.

Any direct and indirect operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques which may be deducted from the revenue delivered to a Fund arising from the transactions involved shall be at normal commercial rates and will be on terms that the revenues derived from the transaction by the other parties to the transaction are fully disclosed to the Company. Such direct or indirect costs and fees will be paid to the relevant counterparty to the FDI transaction, which may include the Depositary or entities related to the Depositary. All revenues generated by or on behalf of the Company through the use of efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the relevant Fund. The details of the entities to which such direct/and indirect costs and/or fees will be paid will be disclosed in the annual report of the Company.

Gateway UCITS Funds plc
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Notes to the Financial Statements (continued)

13 Efficient portfolio management (continued)

As at 31 March 2016, open foreign exchange forward contracts, futures contracts and credit default swaps for the Gateway Systematic Alpha UCITS Fund and Gateway Target Beta UCITS Fund are held with Société Générale Securities Services, SGSS (Ireland) Limited and Newedge.

For UCITS which have engaged in EPM techniques, disclosures are required under UCITS Regulations. A UCITS is required to disclose the revenues arising from EPM techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred, unless the costs associated with EPM techniques are embedded and not separately identifiable.

Subject to the conditions and limits set out in the UCITS regulations, a Fund may use repurchase agreements, reverse repurchase agreements and/or securities lending agreements for EPM. The Funds did not enter into securities lending or repurchase agreements during the financial year. As per the Central Bank of Ireland guidance, no revenue information is provided as there was no activity on securities lending arrangements or repurchase agreements during the year. The costs associated with EPM techniques are not separately identifiable. Note 6 discloses the margin cash.

14 Related party transactions and service providers

Société Générale Securities Services GmbH, was appointed to carry out the management of the Company. The Manager receives a fee for the VaR calculations at EUR 10,000 for Gateway Systematic Alpha UCITS Fund and EUR 8,000 for Gateway Target Beta UCITS Fund.

Société Générale Securities Services, SGSS (Ireland) Limited was appointed as Administrator of the Company pursuant to the Administration Agreement. Under the terms of the Administration Agreement, the Manager has delegated all of its administration, transfer agency and registrar functions in respect of the Company to the Administrator. As disclosed in note 9 above, the Manager settles the administration fee out of the manager fee.

Peter Madden and David Stafford are employees of Société Générale Group companies, and are non-independent, non-executive directors. Mr Madden and Mr Stafford have agreed to waive their entitlement to receive a fee for their services.

Société Générale Securities Services (Dublin Branch) was appointed as Depositary of the Sub Funds. As disclosed above, the Manager pays the depositary fee out of the manager fee.

Brokerage commissions

Under the term of an arrangement with the Sub Funds, Newedge is a related party which provides services which include the clearing of futures, forwards and credit default swaps trades on behalf of the Sub Funds. The Sub Funds pay Newedge clearing commissions on all derivatives transactions cleared. The brokerage and transaction commissions charged during the financial year were:

- Gateway Systematic Alpha UCITS Fund EUR 14,323
- Gateway Target Beta UCITS Fund EUR 12,666

15 Establishment expenses

In accordance with IFRS, all establishment expenses must be debited to the Statement of Comprehensive Income in the first year of operations, resulting in a difference between the published Net Asset Value of the Funds share classes, which amortise the fees over a period of three years from the launch date of the Fund, and the Net Asset Value in these financial statements. This difference will be reduced each financial year for three years until the establishment expenses are fully amortised in the published Net Asset Value.

Gateway UCITS Funds plc
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Notes to the Financial Statements (continued)

15 Establishment expenses (continued)

The set up costs for the Gateway Systematic Alpha Fund was EUR 11,697:

	Expense - NAV	Expense - FS	Difference in NAV
Total set up costs	11,697		
Year 1 (2016)	3,137	11,697	8,560
Year 2 (2018)	3,899	-	4,661
Year 3 (2016)	3,899	-	762
Year 4 (2017)	762	-	0

The set up costs for the Gateway Target Beta UCITS Fund was EUR 20,590:

	Expense - NAV	Expense - FS	Difference in NAV
Total set up costs	20,590		
Year 1 (2016)	2,823	20,590	17,767
Year 2 (2018)	6,863	-	10,904
Year 3 (2016)	6,863	-	4,041
Year 4 (2017)	4,041	-	0

The effect of the IFRS adjustment on the Net Asset Value and Net Asset Value per share at 31 March 2016 is disclosed on the table below:

Gateway Systematic Alpha UCITS Fund

Net Asset Value	Class F USD	Class R USD
	EUR	EUR
Net asset value as per dealing NAV	938,624	87,436
Net asset value as per IFRS	930,794	86,706
Quantity of shares outstanding	10,000	1,000
Net asset value per share as per dealing NAV	93.86	87.44
Net asset value per share as per IFRS	93.08	86.71

Gateway Target Beta UCITS Fund

Net Asset Value	Class I EUR	Class I USD	Class I CHF
	EUR	EUR	EUR
Net asset value as per dealing NAV	25,376,982	8,181,704	912,021
Net asset value as per IFRS	25,363,902	8,177,487	911,551
Quantity of shares outstanding	247,930	91,742	9,809
Net asset value per share as per dealing NAV	102.36	89.18	92.98
Net asset value per share as per IFRS	102.30	89.14	92.93

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Notes to the Financial Statements (continued)

16 Significant events during the year

David Hammond resigned as a Director on 26 November 2015. Conor Houlihan and Vivienne Feaheny resigned as Directors on 11 May 2015, and David Stafford and Peter Madden were appointed Directors on 11 May 2015. Bryan Tiernan was appointed Director on 9 December 2015.

The Gateway Systematic Alpha UCITS Fund launched on 4 September 2015, and the Gateway Target Beta UCITS Fund launched on 15 September 2015.

17 Subsequent Events

Since the financial year end, Gateway Systematic Alpha UCITS Fund has received EUR 1,040,000 in subscriptions and Gateway Target Beta UCITS Fund has received EUR 538,017 in subscriptions and EUR 1,581,297 in redemptions.

There were no other material subsequent events which would require disclosure in these financial statements.

18 Approval of financial statements

The Board of Directors approved and authorised for issue the financial statements on 26 July 2016.

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Schedule of Investments of Gateway Systematic Alpha UCITS Fund at 31 March 2016 (unaudited)

Asset description	Maturity	Quantity	Ccy	Fair value EUR	% TNA
Futures - Assets					
BRITISH POUND	Jun-16	1	USD	104	0.01%
CHF CURRENCY	Jun-16	2	USD	3,693	0.36%
				3,797	0.37%
Total financial assets at fair value through profit or loss				3,797	0.37%
Futures - Liabilities					
FTSE 100	Jun-16	3	GBP	(13)	-
RUSSELL 2000	Jun-16	(1)	USD	(18)	-
S&P 500	Jun-16	(8)	USD	(4,888)	(0.48%)
S&P MID 400	Jun-16	1	USD	(500)	(0.05%)
SWISS MARKET INDEX	Jun-16	5	CHF	(18)	-
Total financial liabilities at fair value through profit or loss				(5,437)	(0.53%)
Net financial assets/liabilities at fair value through profit or loss				(1,640)	(0.16%)
Cash and cash equivalents				1,006,726	98.94%
Other assets and liabilities				12,414	1.22%
Net assets attributable to holders of redeemable participating shares				1,017,500	100.00%

Gateway UCITS Funds plc
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Schedule of Investments of Gateway Target Beta UCITS Fund at 31 March 2016 (unaudited)

Asset description	S&P credit rating	Maturity	Quantity	Ccy	Fair value EUR	% TNA
Government Bonds						
German Government Bond 0.00%	Aaa	15-Sept-17	6,000,000	EUR	6,042,780	17.54%
German Government Bond 0.00%	Aaa	15-Dec-17	5,000,000	EUR	5,041,000	14.63%
France Government Bond 3.75%	Aa2	25-Apr-17	4,000,000	EUR	4,177,320	12.12%
					15,261,100	44.30%
Money Market Instruments						
French Treasury Bill 2.5%	Aa2	25-Jul-16	6,000,000	EUR	6,157,019	17.87%
French Treasury Bill 0.00%	Aa2	12-Oct-16	5,000,000	EUR	5,011,625	14.55%
French Treasury Bill 0.00%	Aa2	13-Apr-16	2,000,000	EUR	2,000,230	5.81%
					13,168,874	38.22%
Credit derivatives						
CDS NAHYS26V1-5Y 20/06/2021		20-Jun-21	8,600,000	USD	215,876	0.63%
ITRX XOVER CDSI S25		20-Jun-21	3,400,000	EUR	315,812	0.92%
					531,688	1.54%
Futures - Assets						
S&P 500		Jun-16	46	USD	77,140	0.22%
EURO CHF		Jun-16	(112)	CHF	25,178	0.07%
BANK ACCEPTANCE		Jun-16	(109)	CAD	22,745	0.07%
10YEAR AUSTRALIA		Jun-16	15	AUD	16,792	0.05%
EURO CHF		Sep-16	(46)	CHF	11,157	0.03%
90 DAY EURO		Mar-17	55	USD	10,805	0.03%
BANK ACCEPTANCE		Sep-16	(86)	CAD	7,811	0.02%
LONG GILT		Jun-16	15	GBP	7,467	0.02%
EURO BUND		Jun-16	16	EUR	6,300	0.02%
90 DAY STERLING		Jun-16	150	GBP	5,434	0.02%
90 DAY STERLING		Dec-16	135	GBP	5,266	0.02%
AUSTRALIAN DOLLAR		Jun-16	4	USD	4,353	0.01%
NIKKEI		Jun-16	2	JPY	4,216	0.01%
90 DAY AUSTRALIAN DOLLAR		Jun-16	(35)	AUD	3,656	0.01%
US 10 YEAR NOTE		Jun-16	26	USD	2,029	0.01%
90 DAY EURO		Jun-16	90	USD	1,963	0.01%
NEW ZEALAND		Jun-16	2	USD	1,843	0.01%
US LONG BOND		Jun-16	9	USD	1,234	-
90 DAY AUSTRALIAN DOLLAR		Sep-16	(29)	AUD	1,071	-
FTSE/JSE TOP 40		Jun-16	(7)	ZAR	662	-
FTSE 100		Jun-16	6	GBP	410	-
					217,532	0.63%
Total financial assets at fair value through profit or loss					29,179,192	84.69%
Futures - Liabilities						
CHF CURRENC		Jun-16	(10)	USD	(37,986)	(0.11%)
USD/KRW KFE		Apr-16	63	KRW	(35,339)	(0.10%)
CANADIAN DOLLAR		Jun-16	(9)	USD	(19,073)	(0.06%)

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Schedule of Investments of Gateway Target Beta UCITS Fund at 31 March 2016 (unaudited)

Asset description	Maturity	Quantity	Ccy	Fair value EUR	% TNA
BRITISH POUND	Jun-16	(18)	USD	(13,569)	(0.04%)
MEXICAN PESO	Jun-16	(15)	USD	(10,210)	(0.03%)
EURO FX	Jun-16	(2)	USD	(8,238)	(0.02%)
JAPANESE YEN	Jun-16	12	USD	(6,850)	(0.02%)
EURO STOXX 50	Jun-16	12	EUR	(8,820)	(0.03%)
RUSSELL 2000	Jun-16	(2)	USD	(4,976)	(0.01%)
HANG SENG INDEX	Apr-16	(2)	HKD	(2,885)	(0.01%)
NIKKEI 225	Jun-16	(1)	JPY	(2,108)	(0.01%)
MSCI TAIWAN INDEX	Apr-16	(1)	USD	(105)	-
SPI 200 FUTURES	Jun-16	(1)	AUD	(84)	-
EURO STOXX 50	Jun-16	(1)	EUR	(30)	-
EURO SCHATZ	Jun-16	112	EUR	(17,625)	(0.05%)
3MO EURO EU	Mar-17	71	EUR	(9,513)	(0.03%)
US 2 YR NOTE	Jul-16	43	USD	(9,488)	(0.03%)
CAN 10YR BOND	Jun-16	22	CAD	(9,410)	(0.03%)
JAPANESE 10YEAR BOND	Jun-16	5	JPY	(6,558)	(0.02%)
3MO EUROYEN	Dec-16	55	JPY	(3,845)	(0.01%)
Eur 3MO EURO	Sep-16	41	EUR	(3,513)	(0.01%)
3MO EURO EU	Dec-16	56	EUR	(3,450)	(0.01%)
90 DAY STERLING	Mar-17	115	GBP	(3,262)	(0.01%)
3MO EUROYEN	Mar-17	74	JPY	(2,918)	(0.01%)
Eur 3MO EURO EU	Jun-16	40	EUR	(2,550)	(0.01%)
Chi 90 DAY EURO	Dec-16	65	USD	(2,183)	(0.01%)
3MO EUROYEN	Jun-17	80	JPY	(1,874)	(0.01%)
AUST 3YR BOND	Jun-16	(9)	AUD	(1,603)	-
90 DAY STERLING	Sep-16	131	GBP	(1,023)	-
90-DAY AUSTRALIA	Dec-16	(21)	AUD	(824)	-
Chi 90 DAY EURO	Sep-16	84	USD	(713)	-
90-DAY AUSTRALIA	Mar-17	(6)	AUD	(626)	-
Total financial liabilities at fair value through profit or loss				(231,251)	(0.67%)
 <i>Forward foreign currency exchange contracts</i>					
Buy €1,899,566, sell \$2,163,416	30-Jun-16			5,648	0.02%
Buy CHF 992,690, sell €910,909	30-Jun-16			(29)	0.00%
Buy \$9,293,420, sell €8,159,996	30-Jun-16			(24,261)	(0.07%)
Total forward foreign currency exchange contracts				(18,642)	(0.05%)
Net financial assets/liabilities at fair value through profit or loss				28,929,299	83.97%
Cash and cash equivalents				5,577,874	16.18%
Other assets and liabilities				(54,232)	(0.16%)
Net assets attributable to holders of redeemable participating shares				34,470,707	100.00%

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Schedule of Significant Portfolio Movements of Gateway Target Beta UCITS Fund at 31 March 2016 (unaudited)

Largest Purchases			Cost	Largest Sales			Proceeds
	Maturity	Coupon	EUR		Maturity	Coupon	EUR
French Treasury Bill	25-Jul-16	2.50%	6,162,551	French Treasury Bill	12-Oct-16	0.00%	1,002,525
German Government Bond	15-Sep-17	0.00%	6,041,960	French Government Bond	02-Dec-15	0.00%	2,000,000
French Treasury Bill	12-Oct-16	0.00%	6,018,060				
German Government Bond	15-Dec-17	0.00%	5,043,960				
French Government Bond	25-Apr-17	3.75%	4,214,300				
French Treasury Bill	13-Apr-16	0.00%	2,002,870				
French Government Bond	02-Dec-15	0.00%	2,000,920				