

## Gateway Quality Income Composite

### Objective

Seeks to deliver current income while maintaining prospects for capital appreciation.

### Composite Inception Date

May 1, 2023

### Composite Assets Under Management

\$81.0 million

### Strategy

Income-oriented equity strategy seeking attractive distribution and market exposure by combining an actively managed, proprietary factor-based equity portfolio with an option selling overlay program.

### Drivers of Alpha Potential

High-quality stocks exhibiting factors such as profitability, return-on-equity and assets, cash flow generation, and strong balance sheets provide broad equity market exposure.

Cash flow from options writing strategy provides consistent income with monthly distributions.

### Portfolio Application

1. Income Model Component
2. Conservative Equity Allocation
3. Complement to Credit

### Firm Overview

Since 1977, Gateway has provided low-volatility equity strategies to risk-conscious investors. The firm specializes in using index options to generate cash flow, reduce risk and potentially enhance risk-adjusted return.

### Headquarters

Cincinnati, OH

### Assets Under Management

\$9.1 billion

### High-Quality Equity Strategy, Robust Monthly Income

Gateway's Quality Income strategy combines the firm's distinct expertise in quantitatively driven equity portfolio management and index option-based investing to provide a strategy seeking consistent long-term growth and regular income driven by equity market volatility.

- Constructs a diversified portfolio of high-quality companies through a proprietary factor-based approach
- Generates a consistent stream of monthly income from a combination of dividends and index option exposure

### Cumulative Net Return (%) - Since May 1, 2023<sup>1</sup>



### Total Return Since Inception (%)<sup>1</sup>

	January	February	March	Q1	Since Inception <sup>1</sup>
Quality Income (Net)	1.77	3.48	1.85	7.26	22.13
S&P 500® Index	1.68	5.34	3.22	10.56	27.89

### Characteristics Since Inception (%)<sup>2</sup>

	Risk	Beta	Sharpe	Indicated Yield <sup>2</sup>
Quality Income (Net)	8.36	0.70	0.55	7.83
S&P 500® Index	10.97	1.00	0.46	1.22

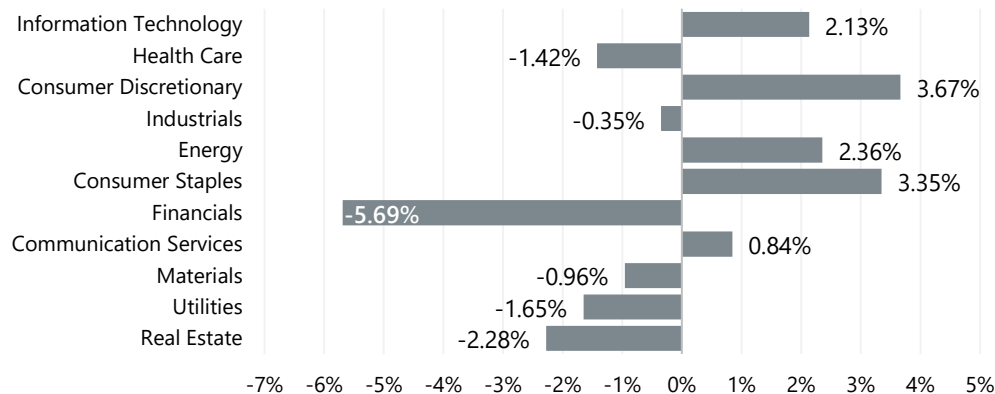
### Equity Portfolio Characteristics

	Quality Income <sup>3</sup>	S&P 500® Index
Price-to-Earnings Ratio	22.78	25.50
Price-to-Sales Ratio	1.48	2.83
Price-to-Book Ratio	6.36	4.80
Debt/EBITDA	1.74	3.02
Debt/Equity	0.76	1.22
Debt/Assets	0.17	0.26
Return on Equity	25.05%	17.65%
Return on Assets	5.84%	3.94%
Return on Capital	17.19%	9.97%
Number of Holdings	90	503

### Top 10 Equity Portfolio Holdings (%)

	Quality Income <sup>3</sup>	S&P 500® Index
Apple Inc	7.10	5.65
NVIDIA Corp	6.74	5.06
Alphabet Inc	5.14	3.72
Microsoft Corp	4.77	7.09
Amazon.com Inc	4.42	3.74
Meta Platforms Inc	3.55	2.42
Visa Inc	2.46	1.00
Mastercard Inc	2.37	0.90
Costco Wholesale Corp	2.15	0.74
Salesforce Inc	2.13	0.66

### Sector Exposure Relative to S&P 500® Index



Past performance does not guarantee future results. All data as of March 31, 2024 unless noted otherwise. Data source: Morningstar Direct<sup>SM</sup>. Side one - not valid without side two. 1: Returns less than one-year are not annualized. Risk is defined as standard deviation and is based on daily returns. Composite inception date is May 1, 2023. 2: Indicated yield is defined as annualized yield based on accrued option cash flow and dividends. 3: This information represents supplemental information to the GIPS® Composite Report. This representative account was selected as it is the oldest account in the Composite.

**Michael T. Buckius, CFA®**  
*CEO, CIO, President & Portfolio Manager*

Industry Start: 1992  
Joined Gateway: 1999

**Kenneth H. Toft, CFA®**  
*Senior Vice President & Portfolio Manager*

Industry Start: 1992  
Joined Gateway: 1992

**Daniel M. Ashcraft, CFA®**  
*Vice President & Portfolio Manager*

Industry Start: 2007  
Joined Gateway: 2009

**Mitchell J. Trotta, CFA®**  
*Portfolio Manager*

Industry Start: 2015  
Joined Gateway: 2016

**Mathew D. Evans**  
*Associate Portfolio Manager*

Industry Start: 2023  
Joined Gateway: 2023

## A focus on stable, high-quality companies with strong fundamentals

The strategy's equity portfolio invests in companies exhibiting consistent quality factors. Specifically:

- High profitability and cash flow generation
- Efficient use of capital
- Strong balance sheets with low-leverage

## Option overlay enhances yield

The strategy pairs high-quality equities with an options overlay on 50% of the equity portfolio to provide investors **consistent income** with monthly payouts.

- Option cash flow, driven by market volatility, harvested monthly
- Remaining 50% of equity portfolio uncovered to provide unhedged market exposure

## Versatile, customizable and portable

The strategy can be employed in a variety of portfolio applications:

- Income Model Component
- Conservative Equity Allocation
- Complement to Credit

The Gateway Quality Income strategy is portable and customizable to meet investor needs in today's challenging market environment.

### IMPORTANT INFORMATION

Past performance does not guarantee future results.

Gateway Investment Advisers, LLC (Gateway) is an independent registered adviser and a successor in interest to Gateway Investment Advisers, L.P. as of February 15, 2008. Performance information for the Gateway Quality Income Composite shown in this illustration is an asset-weighted composite of discretionary accounts under Gateway's management which share the same investment objectives and hedging strategies.

Gateway Quality Income Composite (the Composite) contains fully discretionary accounts that hold an actively managed portfolio of high-quality large cap stocks and short index call options on approximately 50% notional portfolio value. Indexes utilized for call option activity are U.S. domestic equity indexes that include all sectors of the economy. The same level of exposures as the listed options market may also be achieved using equity-linked notes (ELNs). The index-option and/or ELN activity provides income and reduces volatility.

The Composite net of fee performance results reflect the reinvestment of dividends and other earnings and was calculated using actual advisory fees, if any, or the Composite's highest tier of the current fee schedule of 0.34%. Fees may be less or more than fees that other accounts would pay for this strategy in the future. Performance results are expressed in U.S. dollars. Rebalancing of a portfolio may involve tax consequences. Selling index call options can reduce the risk of owning stocks, but limits the opportunity to profit from an increase in the market value of stocks in exchange for up-front cash at the time of selling the call option. Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of the Composite's option strategy. A more detailed description of Gateway's standardized fees is included in Form ADV, Part 2.

Gateway claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To obtain a GIPS report for the firm's strategies and products, please contact Gateway's office at (513) 719-1100 or by visiting Gateway at 312 Walnut Street, Suite 3500, Cincinnati, Ohio 45202.

The "S&P 500" is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI"), and has been licensed for use by Gateway Investment Advisers, LLC (Gateway). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by Gateway. Gateway Quality Income Composite is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none such parties make any representation regarding the advisability of investing in such product nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

© 2023 Morningstar, Inc. All Rights Reserved. The Information contained herein: 1) is proprietary to Morningstar and/or its content providers; 2) may not be copied or distributed; and 3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Side two - not valid without side one.**

312 Walnut Street, Suite 3500  
Cincinnati, Ohio 45202



[www.gia.com](http://www.gia.com) | (513) 719-1100  
[info@gia.com](mailto:info@gia.com)

888 Boylston Street  
Boston, Massachusetts 02199