

WHILE SMOOTHING EQUITY'S BUMPY RIDE, GATEWAY INDEX/RA FINISHES THE FOURTH QUARTER AT 3.28%, NET OF FEES

MARKET BACKGROUND

Fueled by massive stimulus from both domestic and world governments, the gathering momentum of the economic recovery flowed decisively into global equity markets in the fourth quarter. After a shaky October start, the S&P 500 Index rallied to gain 6.04% in the final quarter of 2009. After a disappointing beginning, the S&P 500 Index finished the year with a healthy return of 26.46%.

Fixed income markets also continued their upward momentum, albeit at a slower pace. The Barclays Capital U. S. Aggregate Bond Index advanced by a mere 0.20% in the fourth quarter. This return reflected improvement in business conditions potentially reducing the likelihood of defaults, but was restrained by simultaneous upward pressure on interest rates. For 2009, the Barclays Capital U. S. Aggregate Bond Index ended the year up 5.94%.

As the financial markets continued to recover, the Chicago Board Options Exchange Volatility Index (the "VIX") continued to reflect less financial anxiety. In the fourth quarter, the VIX declined from 25.61 on September 30 to 21.68 on December 31. At year-end, the VIX was trading near its long-term historical average.

GATEWAY INDEX/RA REVIEW

In the fourth quarter, option premium helped Gateway Index/RA preserve capital in October and accumulate positive returns in November and December as the markets recovered. Gateway Index/RA delivered a total return of 3.28%, net of fees, in the fourth quarter, and ended the year up 6.70%. This 2009 return was a function of two market cycles — Gateway Index/RA fell 6.46%, net of fees, in the first quarter (while the S&P 500 Index declined 11.01%) before returning 14.08% over the last nine months of the year. Although the nine-month return for Gateway Index/RA trailed the S&P 500 Index return of 42.11%, its strong premium cash flow still generated above-average performance.

MARKET PERSPECTIVE

On December 31, 2009, we witnessed the close of the worst decade for equities in stock market history, eclipsing even the Great Depression of the 1930s. The S&P 500 Index fell 24.91% from its

all-time high on October 9, 2007 through December 31, 2009, to end the decade down 9.12% (an average annualized return of -0.95%). Looking back, the decade included major terrorist attacks in numerous countries around the world including the United States, a burst housing bubble, an unprecedented increase in the national debt and two major bear markets, each declining by 50% or more from peak to trough.

The extraordinary volatility that accompanied these events showcased the value of the Gateway hedging strategy. From September 30, 2007 to December 31, 2009, Gateway Index/RA declined only 8.07%, net of fees, while the total return of the S&P 500 Index was down 22.98%. For the ten-year period ended December 31, 2009, Gateway Index/RA, net of fees, delivered a positive cumulative return of 35.28%, or an average annualized return of 3.07% as compared to a negative cumulative total return of 9.12%, or -0.95% annualized, for the S&P 500 Index. While the S&P 500 Index eroded investor capital during this ten-year period, Gateway preserved and grew capital.

Fixed income markets turned in strong performance as interest rates declined over the course of the decade. With short-term interest rates falling to near zero, the Barclays Capital U. S. Aggregate Bond Index delivered a ten-year cumulative total return of 84.75% as of December 31, 2009, or 6.33% annualized.

A NEW DECADE

As both foreign and domestic economies continue to show signs of recovery, the likely prospects for stocks seem to surpass those for bonds, but the risks associated with both have not diminished. The 2009 rally in the S&P 500 Index from the March 9 low through year-end was an impressive 67.80%, a torrid pace which may be difficult to sustain. Given the rapidity of the recovery from the March 9 low and on-going economic and financial risks, caution remains the prudent course. Gateway will continue to utilize its index option-based investment strategy in an attempt to deliver relatively consistent returns while seeking to maintain a comparatively low-risk profile. We look forward to the new decade with enthusiasm.

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WHILE SMOOTHING EQUITY'S BUMPY RIDE, GATEWAY INDEX/RA FINISHES THE FOURTH QUARTER AT 3.28%, NET OF FEES (CONTINUED)

Gateway Investment Advisers, LLC ("Gateway") is an independent registered investment adviser and a successor in interest to Gateway Investment Advisers, L.P. as of February 15, 2008. Gateway Index/RA performance in this document is an asset-weighted composite of discretionary accounts under Gateway's management which share the same investment objectives and hedging strategies.

Gateway Investment Advisers, LLC claims compliance with the Global Investment Performance Standards (GIPS®). The composite was created in January 1993. Prior to January 1, 1993, not all fully discretionary portfolios were represented in composites. Results shown for 1988 through 1992 are those of one representative account.

Gateway Index/RA performance results reflect the deduction of investment advisory fees and the reinvestment of dividends and other earnings. Past performance is no guarantee of future results. A more detailed description of Gateway's fees is included in Form ADV, Part II.

The Annual Disclosure Presentation for Gateway Index/RA is available on the "Literature" page of this website or by calling 513.719.1100 extension 443.

The S&P 500 Index is a widely recognized measure of performance for the U. S. stock market. The S&P 500 Index figures represent the prices of a capitalization-weighted index of 500 common stocks and assume reinvestment of all dividends paid on the stocks in the index.

The Barclays Capital U. S. Aggregate Bond Index is an index comprised of approximately 6,000 publicly traded bonds including U. S. government, mortgage-backed, corporate and Yankee bonds with an average maturity of approximately 10 years. The index is weighted by the market value of the bonds included in the index. This index represents asset types which are subject to risk, including loss of principal.

Data Source: Gateway Investment Advisers, LLC and Thomson Reuters

	AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2009		
	GATEWAY INDEX/RA (NET OF FEES)	Barclays Capital U. S. Aggregate Bond Index	S&P 500 Index
One Year	6.70%	5.94%	26.46%
Three Years	-0.28	6.04	-5.63
Five Years	2.85	4.97	0.41
Ten Years	3.07	6.33	-0.95
Since 1/1/88	8.01	7.38	9.55