

Gateway Index/RA Composite

Objective

Seeks to deliver a majority of the long-term return of the domestic equity market with less than half the risk.

Composite Inception Date:

January 1, 1988

Composite Assets Under Management:

\$8.52 billion¹

Strategy

Low-volatility equity strategy that invests in a broadly diversified portfolio of common stocks with actively managed written index call and purchased put options.

Driver of Alpha Potential

Consistent cash flow from options strategy creates potential for returns in excess of those available from other investments comparable in volatility.

Portfolio Application

1. Lower-risk core equity strategy
2. Complement to fixed-income portfolio
3. Component of an alternative investment program

Firm Overview

Headquarters: Cincinnati, OH

Assets Under Management: \$11.56 billion¹

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.

Firm Philosophy

Gateway's investment philosophy holds that consistency is the key to long-term investment success and that generating cash flow, rather than seeking to predict fluctuations in the prices of securities, can be a lower-risk means to participate in equity markets. Gateway believes that market volatility can be converted into cash flow and risk can be managed effectively using the tools provided by the index options market.

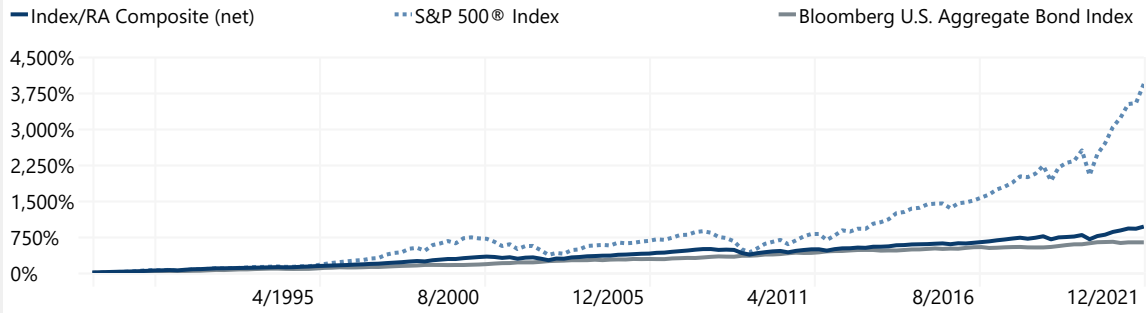
Performance Analysis ¹

	Q4	1 Year	3 Years	5 Years	10 Years	Since 1/1/1988
Gateway Index/RA Composite (net)	4.39%	11.71%	10.10%	7.11%	6.05%	7.19%
S&P 500® Index	11.03%	28.71%	26.07%	18.47%	16.55%	11.49%
Bloomberg U.S. Aggregate Bond Index	0.01%	-1.54%	4.79%	3.57%	2.90%	6.03%

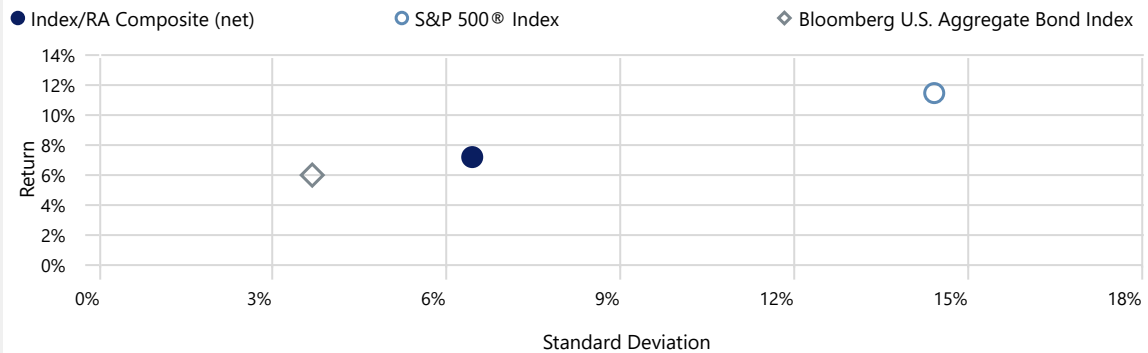
Standard Deviation: Less Risk Relative to S&P 500® Index ¹

	1 Year	3 Years	5 Years	10 Years	Since 1/1/1988
Gateway Index/RA Composite (net)	5.18%	7.89%	7.06%	5.73%	6.43%
S&P 500® Index	11.04%	17.41%	15.39%	13.08%	14.43%
Bloomberg U.S. Aggregate Bond Index	2.84%	3.40%	3.06%	2.98%	3.69%

Cumulative Return - Since January 1, 1988 ¹



Risk-Return Profile - Since January 1, 1988 ¹



Holding Characteristics: Options Portfolio ^{1, 2}

	Calls		Puts	
	9/30/2021	12/31/2021	9/30/2021	12/31/2021
Percent hedged with options	>95%	>95%	>95%	>95%
Weighted-average moneyness	>2.5% OTM	1.5% ITM - 1.5% OTM	5.0% - 7.5% OTM	>12.5% OTM
Weighted-average days to expiration	27	52	53	65
Weighted-average call premium to earn	2.5% - 5.0%	10.0% - 12.5%	N/A	N/A
Weighted-average put premium cost	N/A	N/A	7.5% - 10.0%	2.5% - 5.0%

Holding Characteristics: Equity Portfolio ^{1, 3}

	Representative Portfolio	S&P 500® Index
Total Holdings	257	505
Total S&P Holdings	156	505
Total Non-S&P Holdings	101	0
Total ADRs	1	0
Weighted-Avg Market Cap, \$B	653.19	628.04
Weighted-Avg P/E Ratio	26.35	26.20
Weighted-Avg P/B Ratio	4.84	4.90
Ex-ante tracking error	0.54	n/a
3-yr ex-post tracking error	0.66	n/a

^{*}Annualized.

¹ All data as of December 31, 2021 unless otherwise noted. Periods over one year are annualized. Standard deviation calculated using monthly returns. 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.

² Weighted-average moneyness: how much an option contract's strike price is in-the-money (ITM) or out-of-the-money (OTM) expressed as a percentage of the price of the option contract's underlying asset. Weighted-average days to expiration: weighted-average time until the expiration date of the options. Weighted-average call premium to earn: Annualized weighted-average potential cash flow to be earned from written call options, calculated as weighted-average price of written call options divided by the index price on the dates indicated in the table headings. Weighted-average put premium cost: Annualized weighted-average price of put options owned measured as a percentage of the index price on the dates indicated in the table headings.

³ Represents supplemental information. This representative account was selected as it is the largest account in the Composite.

Past performance does not guarantee or indicate future results. **Side one. Not valid without side two.** Data source: Morningstar Direct

Paul R. Stewart, CFA®
Began investment career in 1995
Joined Gateway in 1995
BBA Ohio University

Michael T. Buckius, CFA®
Began investment career in 1992
Joined Gateway in 1999
MBA Loyola University Maryland
BBA Loyola University Maryland

Kenneth H. Toft, CFA®
Began investment career in 1992
Joined Gateway in 1992
MBA University of Cincinnati
BA University of Cincinnati

Daniel M. Ashcraft, CFA®
Began investment career in 2007
Joined Gateway in 2009
BS Miami University

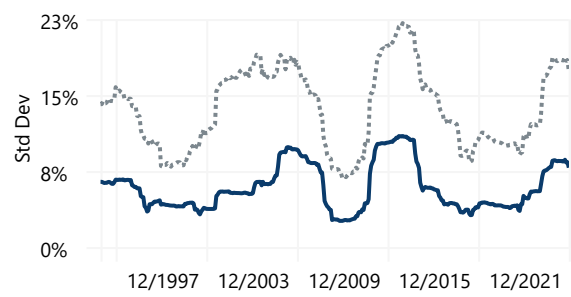
Mitchell J. Trotta, CFA®
Began investment career in 2015
Joined Gateway in 2016
BBA University of Cincinnati

Low, Positive Beta



— Index/RA Composite (net)

Consistently Reduced Standard Deviation

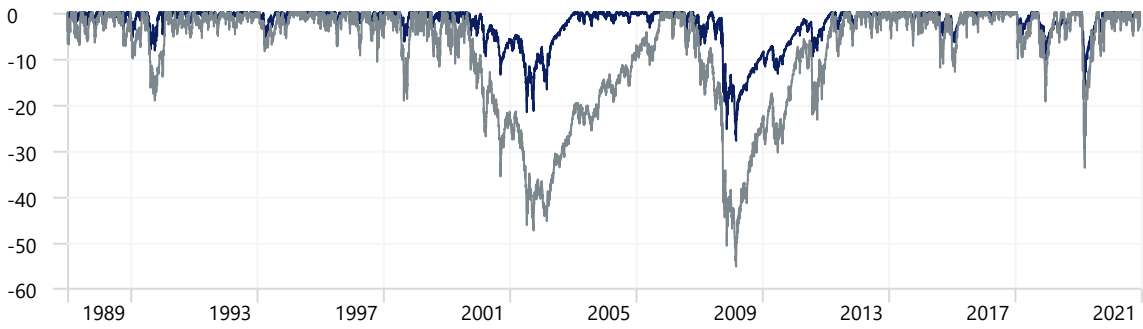


— Index/RA Composite (net) * S&P 500® Index

Consistent Downside Protection Relative to the S&P 500® Index

January 1, 1988 - December 31, 2021

Cumulative Drawdowns (%)



— S&P 500® Index

— Index/RA Composite Representative Account*

*This representative account was selected as it is the largest account in the Composite.

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 Index/RA 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 Index/RA Composite (the Composite) contains fully discretionary hedged equity accounts which hold common stock and sell index call options on at least 95% of the underlying stock value. This call activity reduces volatility and provides cash flow. The accounts typically buy index put options that can protect the Composite from a significant market decline that may occur over a short period of time. Indexes utilized for call and put option activity are U. S. domestic equity indexes that include all sectors of the economy.

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. The Composite net of fee performance results reflect the reinvestment of dividends and other earnings, and reflect the deduction of investment advisory fees. Performance results are expressed in U.S. dollars. The effectiveness of Gateway’s strategy might be reduced if the portfolio doesn’t correlate to the performance of the index underlying its option positions. 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, and for these and other reasons the Composite’s option strategy may not reduce the volatility to the extent desired. Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. A more detailed description of Gateway’s standardized fees is included in Form ADV, Part 2.

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Side two. Not valid without side one.

312 Walnut Street
Cincinnati, OH 45202
(513) 719-1100



888 Boylston Street
Boston, MA 02199
www.gia.com | info@gia.com