

Investors seemed thankful that election uncertainty had been cleared from the table with the S&P 500® Index climbing 5.87% during November. The equity market climbed 2.53% the day after the U.S. presidential election, its highest daily return since November 2022 and its first daily return of +2% or more since August 2024. November was the equity market's highest monthly return of 2024 and ranked as the 10th highest monthly return since January 2020. From the start of the month through November 11, the S&P 500® Index jumped 5.22% before a -2.14% decline from November 11 to 15. From November 15 to month-end, the S&P 500® Index advanced 2.82% to a new all-time high.

Data released in November revealed an economy that is seemingly in a holding pattern, with a slight uptick in inflation and stable labor market. The second estimate of Gross Domestic Product for the third quarter of 2024 matched the consensus estimates and the prior figure. The year-over-year October Consumer Price Index released November 13, matched consensus estimates but was higher than the prior. The quarter-over-quarter Personal Consumption Expenditures (PCE) Price Index ticked lower than the prior period and the consensus estimates. Corporate earnings were positive in the third quarter with aggregate operating earnings on track to climb 3.3% quarter-over-quarter and 7.8% year-over-year. With more than 96% of S&P 500® Index companies reporting, over 79% have met or exceeded analyst estimates.



U.S. Macroeconomic Data | November Releases

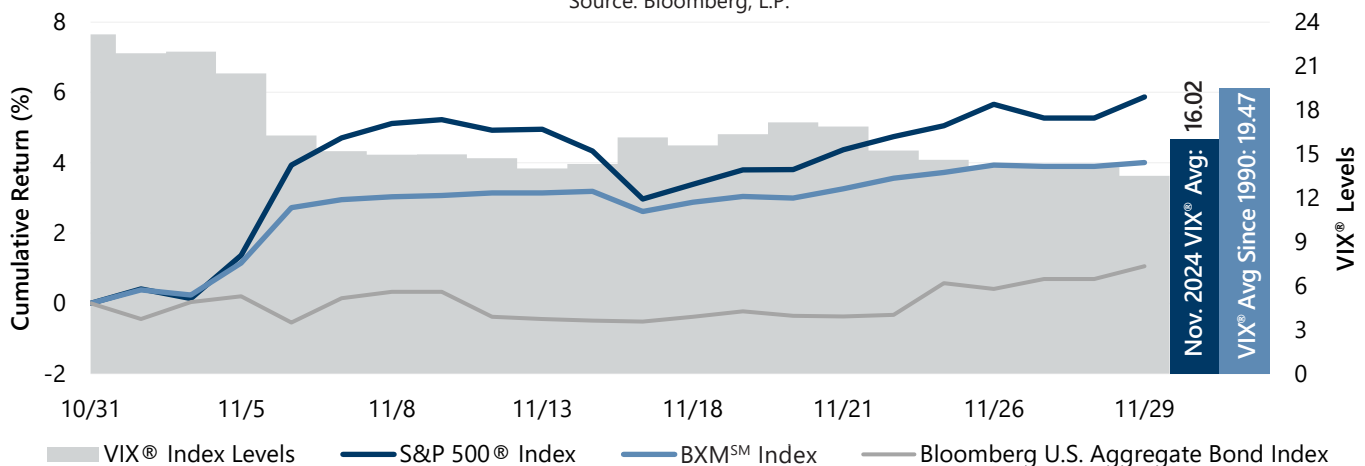
	Period	Current	Estimate	Prior
U.S. Gross Domestic Product Growth	Q3 2024	2.8%	2.8%	2.8%
Unemployment Rate	October	4.1%	4.1%	4.1%
Participation Rate	October	62.6%	62.7%	62.7%
Average Hourly Earnings (YoY)	October	4.0%	4.0%	4.0%
Consumer Price Index (YoY)	October	2.6%	2.6%	2.4%
Core PCE Price Index (QoQ)	Q3 2024	2.1%	2.2%	2.2%

Source: Bloomberg, L.P.

Implied volatility, as measured by the Cboe® Volatility Index (the VIX®), averaged 16.02 in November. Realized volatility, as measured by the standard deviation of daily returns for the S&P 500® Index, was 12.08% for the month. The spread between S&P 500® Index implied and realized volatility, or the Volatility Risk Premium, remained robust during November at 3.94%, near its long-term average of 4.06%. The VIX® ended October at 23.16, reached an intra-month high of 21.98 on November 4 – the day before the election – then closed the month at a November low of 13.51.

Market Summary | November 2024

Source: Bloomberg, L.P.



The Cboe® S&P 500 BuyWriteSM Index¹ (the BXMSM) returned 4.00% in November, bringing its year-to-date return to 17.51%. The premiums the BXMSM collected as a percentage of its underlying value provided loss mitigation and are an important component of performance. During the market's advance from the start of the month to November 11, the BXMSM returned 3.07% compared to the S&P 500® Index's return of 5.22%. The passive approach of the BXMSM resulted in reduced market exposure as the market advanced, which proved beneficial during the brief decline during the month. From November 11 to November 15, the BXMSM offset 169 basis points of the -2.14% decline in the S&P 500® Index with a return of -0.45%. The BXMSM wrote its new index call option with a December expiration on November 15 and collected a premium of 1.75%. From November 15 to month-end, the BXMSM returned 1.36% compared to the S&P 500® Index's return of 2.82%.

The BXMSM represents a covered call writing approach. The BXMSM is passive and rules-based, not active, which results in potential returns that are significantly influenced by the path of the equity market and the premiums collected on its written index call option.

The Bloomberg U.S. Aggregate Bond Index returned 1.06% in November, bringing its year-to-date return to 2.93%. The yield on the 10-year U.S. Treasury Note (the 10-year) ended October at 4.28% and reached its intra-month high of 4.45% on November 13, before falling to close the month at an intra-month low of 4.17%. The yield curve remained inverted with rates on maturities of 12-months or less exceeding that of the 10-year at the end of November.

IMPORTANT INFORMATION

Past performance does not guarantee future results. Sources: Morningstar DirectSM and Bloomberg, L.P. For more information and access to additional insights from Gateway Investment Advisers, LLC, please visit www.gia.com. **1:** The BXMSM is a passive total return index designed to track the performance of a hypothetical buy-write strategy on the S&P 500® Index. The construction methodology of the index includes buying an equity portfolio replicating the holdings of the S&P 500® Index and selling a single one-month S&P 500® Index call option with a strike price approximately at-the-money each month on the third Friday of the standard index-option expiration cycle and holding that position until the next expiration.

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