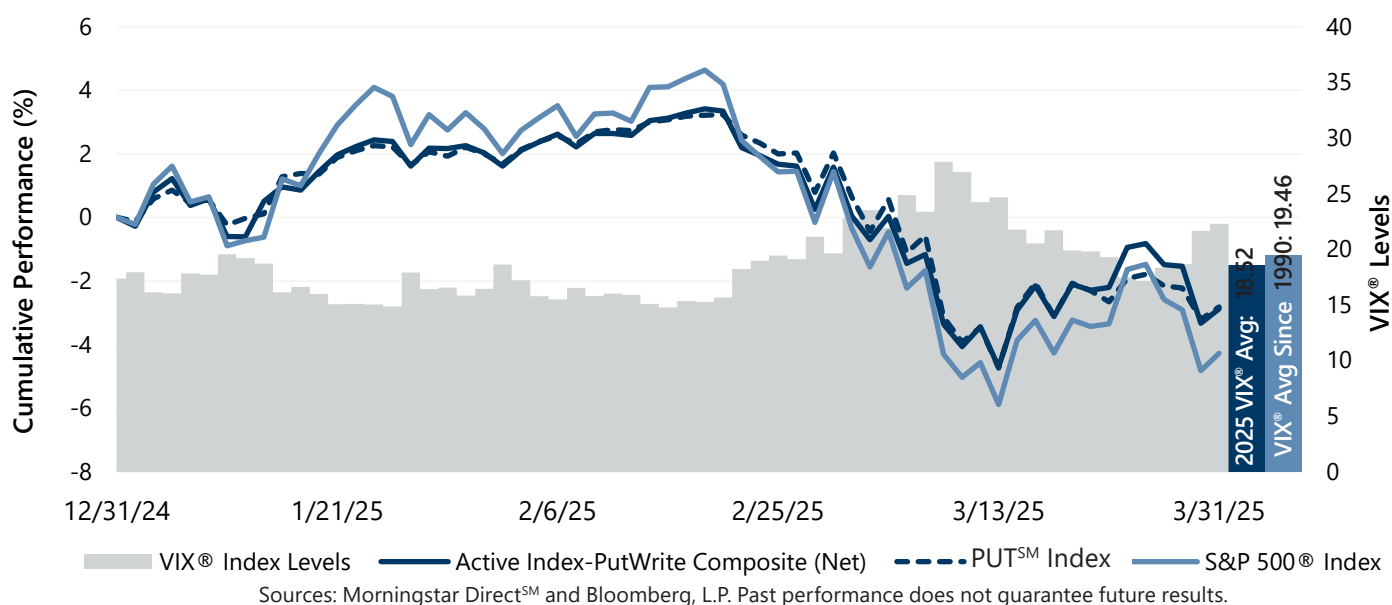


In Brief

- The Gateway Active Index-PutWrite Composite (the Composite) returned -2.92%, net of fees, in the first quarter compared to the -2.82% return of the Cboe® S&P 500 PutWriteSM Indexⁱ (the PUTSM). The Composite offered 135 basis points (bps) of downside protection relative to the S&P 500® Index return of -4.27%. A GIPS® Composite Report is included with this Commentary.
- After climbing 4.64% from the start of the year and reaching an all-time high on February 19, the S&P 500® Index was in correction territory in March. The equity market declined -10.04% from February 19 to March 13 as uncertainty around economic growth and trade policy increased. From March 13 to quarter-end, the S&P 500® advanced 1.70%.
- The Composite was able to capture most of the market's return from the start of the year to February 19 with a return of 3.42%. The Composite offered 218 bps of downside protection with a return of -7.86% during the market's drawdown from February 19 to March 13. Market dynamics helped the Composite return 1.93%, outpacing the S&P 500® Index, from March 13 to quarter-end.
- The S&P 500® Index, the PUTSM, and the Composite had an annualized standard deviation of daily returns of 16.39%, 11.94%, and 12.70% for the first quarter, respectively.
- Implied volatility, as measured by the Cboe® Volatility Index (the VIX®), averaged 18.52 in the first quarter. Average implied volatility exceeded realized volatility, as measured by the standard deviation of daily returns. The VIX® ended 2024 at 17.35 and reached an intra-quarter low of 14.77 on February 14 before climbing to its intra-quarter high of 27.86 on March 10. The VIX® closed the quarter at 22.28.
- During the quarter, the portfolio management team took advantage of market weakness and higher implied volatility levels. Adjustments to the index put option portfolio focused on managing weighted-average strike price and weighted-average time to expiration, aiming to monetize heightened volatility to enhance cash flow while maintaining typical market exposure and risk profile.
- The Trump Administration has its sights on restructuring the fiscal house and, in return, volatility has been robust in 2025. While fiscal policy change makes for great headlines, investors should not forget about the lagging effects of change in monetary policy – especially given the rapid increase in interest rates beginning in 2022 followed by cuts in 2024. Since 1990, data suggests an average equity market drawdown of approximately 19.5% following an interest rate reduction with duration ranging from two weeks to twelve months.

Market Summary | Q1 2025



Market Recap

The S&P 500® Index returned -4.27% in the first quarter of 2025, with monthly returns of 2.78%, -1.30%, and -5.63% in January, February, and March, respectively. The decline was the equity market's first quarterly decline since the third quarter of 2023. After climbing to an all-time high on February 19, the S&P 500® Index fell into correction territory in March. The S&P 500® Index climbed 4.64% from the start of the year to February 19 before declining -10.04% from February 19 to March 13 as uncertainty around the outlook for economic growth and trade policy increased. The equity market returned 1.70% from March 13 through quarter-end.

Despite increasing concerns, data released in March showed an economy that continues to grow with steady inflation and a steady labor market. The Gross Domestic Product for the fourth quarter of 2024 was better than the consensus estimates and the prior month figure. The year-over-year February Consumer Price Index released March 12 was less than consensus estimates and the prior period. The quarter-over-quarter Personal Consumption Expenditures (PCE) Price Index ticked lower than the prior period and the consensus estimates. With over 99% of S&P 500® Index companies reporting, corporate earnings are on track to be positive for the fourth quarter of 2024. Aggregate operating earnings climbed 3.2% quarter-over-quarter and 9.3% year-over-year. More than 80% of reporting companies either met or exceeded analyst estimates.

U.S. Macroeconomic Data | March Releases

	Period	Current	Estimate	Prior
U.S. Gross Domestic Product Growth	Q4 2024	2.4%	2.3%	2.3%
Unemployment Rate	February	4.1%	4.0%	4.0%
Participation Rate	February	62.4%	62.6%	62.6%
Average Hourly Earnings (YoY)	February	4.0%	4.1%	4.1%
Consumer Price Index (YoY)	February	2.8%	2.9%	3.0%
Core PCE Price Index (QoQ)	Q4 2024	2.6%	2.7%	2.7%

Past performance does not guarantee future results. Data Source: Bloomberg, L.P.

Implied volatility, as measured by the VIX®, averaged 18.52 in the first quarter. Consistent with its typical relationship, average implied volatility exceeded realized volatility, as measured by the standard deviation of daily returns for the S&P 500® Index, which was 16.39% for the quarter. The VIX® ended 2024 at 17.35 before reaching an intra-quarter low of 14.77 on February 14. The VIX® climbed to an intra-quarter high of 27.86 on March 10 before ending the quarter at 22.28.

The PUTSM returned -2.82% in the first quarter of 2025. The premiums the PUTSM collected as a percentage of its underlying value provided loss mitigation and are an important component of performance. The PUTSM returned 2.00%, 0.03%, and -4.75% in January, February, and March, respectively. The premiums the PUTSM collected as a percentage of the PUTSM's underlying value were 1.32%, 1.22%, and 1.95% in January, February, and March, respectively. The rules-based timing of the PUTSM's option writing and the level of premiums collected as a percentage of its underlying value provided significant loss mitigation during periods of market decline and contributed to participation in periods of advancement. From the start of the year to February 19, the PUTSM returned 3.21%. During the equity market drawdown from February 19 to March 13, the PUTSM returned -7.71% before outpacing the S&P 500® Index from March 13 to quarter-end with a return of 2.02%.

The PUTSM represents an index put writing approach. The PUTSM 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 put options.

The Bloomberg® U.S. Aggregate Bond Index (the Agg) returned 2.78% in the first quarter of 2025. The Agg returned 0.53%, 2.20%, and 0.04% in January, February, and March, respectively. The yield on the 10-year U.S. Treasury Note (the 10-year) ended 2024 at 4.57% and reached an intra-quarter high of 4.79% on January 14 before drifting to an intra-quarter low of 4.16% on March 3. The 10-year ended the quarter at 4.21%.

Gateway Active Index-PutWrite Composite Performance

The Composite returned -2.92%, net of fees, in the first quarter relative to the S&P 500® Index return of -4.27%. The PUTSM returned -2.82% during the period. The Composite returned 2.00%, -0.43%, and -4.41% in January, February, and March, respectively, outperforming the PUTSM in March. The Composite's active and diversified approach resulted in a typical amount of market exposure throughout the quarter while the passive, rules-based timing of the PUTSM's replacement of its single written index put option contract resulted in the PUTSM having varied and unpredictable levels of market exposure.

The Composite returned 3.42% and captured over 73% of the S&P 500® Index advance from the start of the year to February 19, outpacing the PUTSM's return of 3.21%. During the first quarter drawdown from February 19 to March 13, the Composite returned -7.86%, offering 218 bps of downside protection relative to the S&P 500® Index, while the PUTSM

Past performance does not guarantee future results. Data Source: Morningstar DirectSM and Bloomberg® Index Services Limited. Please see Important Information section for the full disclosure.

returned -7.71%. From March 13 to quarter-end, the Composite's 1.93% advance outpaced the S&P 500® Index. The PUTSM returned 2.02%.

Index put option writing generated risk-reducing cash flow throughout the quarter. The Composite's index put option positions contributed to returns in January but detracted from returns in February and March. In achieving its low-volatility objective, the Composite's annualized standard deviation of daily returns for the quarter was 12.70% compared to 16.39% and 11.94% for the S&P 500® Index and the PUTSM, respectively. The Composite exhibited a beta to the S&P 500® Index of 0.74 for the quarter.

Gateway's portfolio management team was active in managing the index put option portfolio. During the quarter, the team focused on taking advantage of equity market weakness and higher implied volatility levels by adjusting the written index put option portfolio to enhance cash flow and maintain typical market exposure. The Composite's diversified and active index put option writing approach generated risk-reducing cash flow throughout the quarter, and relative to the broad equity market, delivered loss mitigation during market declines while supporting participation during periods of advance.

At the end of the quarter, the full value of the Composite's maximum potential loss on written index put options was secured with Treasury bills and cash. The Composite's diversified portfolio of written index put options had a weighted-average strike price greater than 2.5% out-of-the-money, weighted-average time to expiration of 36 days, and annualized premium to earn of 7.5% to 10%. Relative to the beginning of the quarter, this positioning represented similar market exposure and higher cash flow potential.

Performance & Risk (%)	Q1 2025	1 Year	3 Years	5 Years	Inception Return ¹	Inception Risk ^{1,2}
The Composite (Net)	-2.92	6.00	5.72	11.72	7.32	9.62
PUT SM Index	-2.82	9.06	5.93	13.65	7.35	9.93
S&P 500® Index	-4.27	8.25	9.06	18.59	12.50	15.38

Periods less than one year are not annualized. Past performance does not guarantee future results. Data as of March 31, 2025. Source: Morningstar DirectSM. 1: Composite inception date of April 1, 2015. 2: Based on standard deviation of monthly returns.

Market Perspective – Navigating Potential Stagflation

Word of the Day

Stagflation, and maybe Tariff.

"The whole plan is not to have stagflation, so we don't have to deal with it." – Jerome Powell, November 2024¹

Uncertainty around the economic impacts of the Trump Administration's tariff policy has caused concerns of a potential environment where inflation reaccelerates while growth slows. Proponents of this type of trade approach suggest tariffs can be an effective negotiating tool for balancing trade and/or a strong and underutilized source of revenue. Opponents have voiced concerns that tariffs could be inflationary and/or have a negative impact on domestic economic growth by slowing down global trade or causing the U.S Dollar to become too strong. Given such an outlook and lacking the ability to predict the future, investors may benefit from an examination of the past.

Stagnant + Inflation

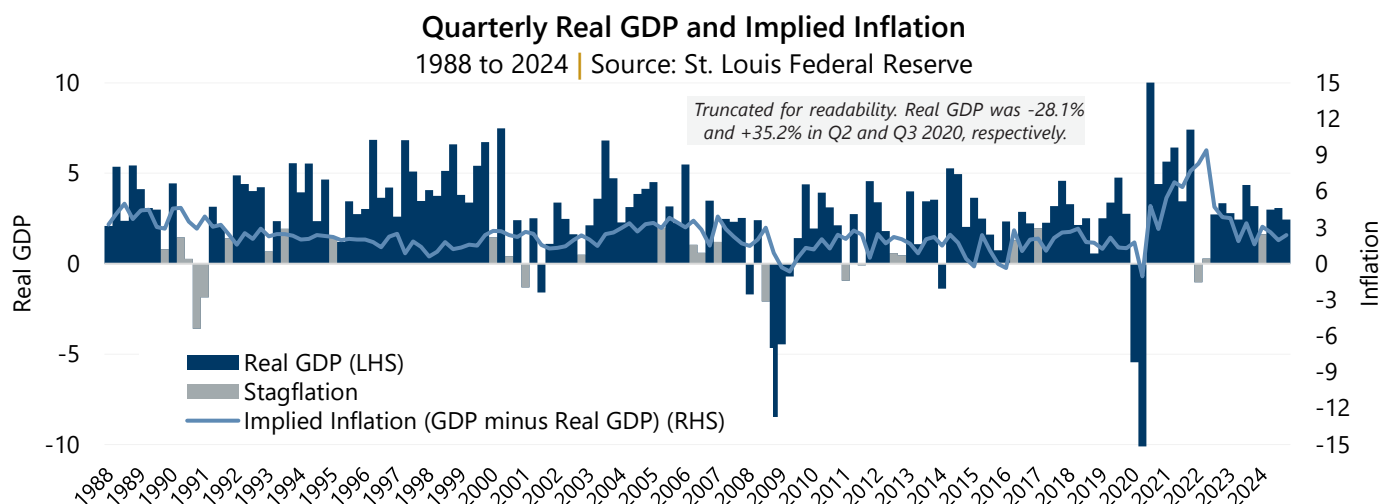
Stagflation is generally understood to be an economic environment with high inflation, low or declining economic growth, and elevated or rising unemployment. Possibly the most common measure referenced when considering the economic growth component of stagflation is Gross Domestic Product (GDP), or the market value of the goods and services produced by labor and property located in the country. Real GDP is simply the same information, adjusted for inflation. For our purposes here, and to keep the measurement simplified, a stagflationary environment is one with quarterly inflation greater than 2% *plus* quarterly and year-over-year Real GDP less than 2%.

Limiting data to 1988, to celebrate the launch of Gateway's Flagship Strategy, shows inflation levels were low (less than 2%) approximately 39% of the time, moderate (ranging 2-4%) during 52% of the period, and high (greater than 4%) just 9% of the time. The same data shows that Real GDP was more evenly distributed during the period – coming in low 30%, moderate 43%, and high 27% of the time.

Shifting trade policy is not the only thing that can trigger stagflation however. Most recently, in 2022, as supply chains recovered from a global pandemic and war broke between Russia and Ukraine, inflationary pressures were reintroduced and global growth slowed. This backdrop resulted in actual stagflation during the first half of 2022.² To find the next period of more than two consecutive quarters of stagflation, investors need to travel back to the early 1990s from Q2 1990 through Q1 1991. For some investors, however, thoughts of stagflation trigger memories of the 1970s where, by the final quarter in 1982, stagflation existed in the U.S. at a peak 50% over the trailing 10-year period.

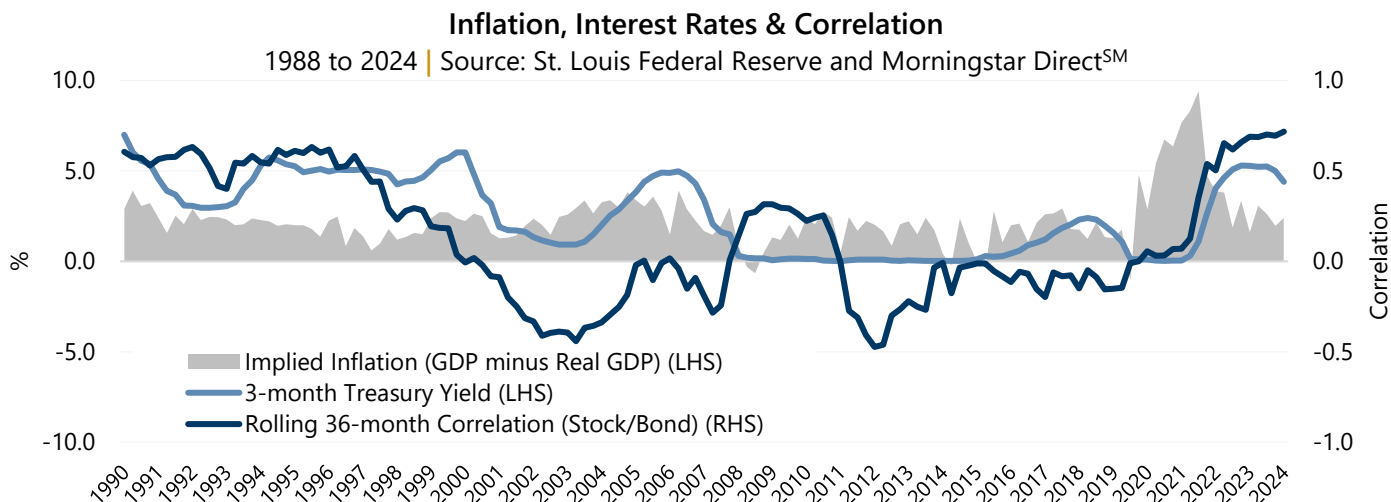
¹ Mace News. (n.d.). Transcript: Fed's Powell says 'no,' wouldn't leave if Trump asked. Retrieved April 21, 2025, from <https://macenews.com/transcript-fed-powell-says-no-wouldnt-leave-if-trump-asked/>

² World Bank. (2022, June 6). Global economic prospects: Slowing growth, risk stagflation - Expert answers [Video]. <https://www.worldbank.org/en/news/video/2022/06/06/global-economic-prospects-slowing-growth-risk-stagflation-expert-answers>



Diversification Can Help

Typically, investors look for diversification in returns between fixed income and equity allocations, but both inflation and the level of interest rates can influence correlation. Consider rolling 36-month correlation between bonds, represented by the Agg Index, and stocks, represented by the S&P 500® Index. By these measures, the two asset classes have been positively correlated over rolling three-year periods 54% of the time since 1988, and it can get more complicated during periods of stagflation.



As inflation increases, the correlation between stocks and bonds tends to increase and diversification benefits wane. Rising inflation can also trigger tightening monetary policy, which often results in rising interest rates that have the potential to negatively impact bonds (as rates rise, bond prices decline). Inflation averaged 3.21% during periods of positive correlation, whereas inflation averaged just 2.26% during periods of negative correlation.

Impacts of Inflation Level	Low (<2%)	Moderate (2-4%)	High (>4%)
S&P 500® Index Total Return	1.34%	0.92%	0.49%
Agg Index Total Return	0.44%	0.48%	0.36%
T-Bill Yield	1.18%	3.35%	4.70%

Past performance does not guarantee future results. Source: Bloomberg® Index Services Limited. Please see Important Information section for full disclosure.

Consider interest rates over the same period. Since 1988, the rate on U.S. 3-Month Treasury Bills (T-Bills) averaged 2.94%. Interest rates averaged 4.01% during periods of positive correlation between stocks and bonds whereas the average rate was 1.54% during periods of negative correlation. The current market environment is facing robust inflation and above-average interest rates, while correlation climbed to its highest level since 1988 at the end of 2024.

So Now What?

Volatility remains on the horizon with ongoing global conflict, shifting geopolitics, and potential large-scale transformation to global trade – not to mention unclear monetary policy. Given the uncertainty and recent market turmoil, investors may be hesitant to increase equity exposure and unable to find the typical diversification benefits they seek in bonds. Higher interest rates and volatility are tailwinds for option-based strategies Gateway's strategies can fill the void to help reduce portfolio risk, offer equity market loss mitigation, or increase income through cash flow generation and tax-aware investing while avoiding interest rate sensitive or illiquid investments.

Important Information

¹The PUTSM is a passive total return index designed to track the performance of a hypothetical portfolio that sells S&P 500[®] Index put options against collateralized cash reserves held in a money market account. The PUTSM strategy is designed to sell a monthly sequence of S&P 500[®] Index puts and invest cash at one- and three-month Treasury Bill rates. The monthly sequence entails writing one-month S&P 500[®] Index put options 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. The number of put contracts with identical strike prices and expiration dates sold varies from month to month but is limited so that the amount held in Treasury Bills can finance the maximum possible loss from final settlement of the S&P 500[®] Index puts.

For more information and access to additional insights from Gateway Investment Advisers, LLC, please visit www.gia.com/insights.

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. Performance information for Gateway Active Index-PutWrite Composite (the Composite) shown in this illustration is an asset-weighted composite of a portfolio sleeve of certain discretionary accounts under Gateway's management which share the same investment objectives and hedging strategies.

The Composite contains fully discretionary option writing accounts that sell (write) index put options on the S&P 500[®] Index. The written put options are exchange-traded and fully cash-secured. Indexes utilized for put option activity are liquid U.S. equity indexes that include all sectors of the U.S. economy. Put writing activity provides cash flow and equity market correlation. The Composite was created on April 1, 2015. The Composite net of fee performance results reflect the reinvestment of dividends and any other earnings, and was calculated using the Composite's highest tier of the current fee schedule of 0.35%. Fees may be less or more than fees that other accounts would pay for this strategy in the future. A more detailed description of Gateway's standardized fees is included in Form ADV, Part 2.

For comparison purposes, the Composite may be measured against the following indexes:

Cboe[®] S&P 500 PutWriteSM Index, a passive total return index designed to track the performance of a hypothetical put-write strategy on the S&P 500[®] Index;

S&P 500[®] Index, a popular indicator of the performance of the large capitalization sector of the U.S. stock market. Performance results are expressed in U.S. dollars;

Selling index put options can reduce the risk of equity market volatility, 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 put 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.

The GIPS[®] Composite Report for the Gateway Active Index-PutWrite Composite is included with this document. Additional copies are available upon request by calling 513.719.1100.

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Data sources: Gateway Investment Advisers, LLC, Bloomberg, L.P., Federal Reserve Bank of St. Louis and Morningstar DirectSM

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Gateway Active Index-PutWrite Composite Disclosure

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. Performance information for Gateway Active Index-PutWrite Composite (the Composite) shown in this illustration is an asset-weighted composite of a portfolio sleeve of certain discretionary accounts under Gateway's management which share the same investment objectives and hedging strategies.

The Composite contains fully discretionary option writing accounts that sell (write) index put options on the S&P 500® Index. The written put options are exchange-traded and fully cash-secured. Indexes utilized for put option activity are liquid U.S. equity indexes that include all sectors of the U.S. economy. Put writing activity provides cash flow and equity market correlation. The Composite was created on April 1, 2015. The Composite net of fee performance results reflect the reinvestment of dividends and any other earnings, and was calculated using the Composite's highest tier of the current fee schedule of 0.35%, applied monthly. Fees may be less or more than fees that other accounts would pay for this strategy in the future. A more detailed description of Gateway's standardized fees is included in Form ADV, Part 2.

For comparison purposes, the Composite may be measured against the following indexes:

Cboe® S&P 500 PutWriteSM Index, a passive total return index designed to track the performance of a hypothetical put-write strategy on the S&P 500® Index;

S&P 500® Index, a popular indicator of the performance of the large capitalization sector of the U.S. stock market. Performance results are expressed in U. S. dollars;

Selling index put options exposes the strategy to equity market volatility. Selling index put options can be a lower-risk strategy than owning stocks, but potentially adds volatility and risk of loss to the underlying portfolio of short-term, high quality cash securities. 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.

The GIPS® Composite Report for the Gateway Active Index-PutWrite Composite is included with this document. Additional copies are available upon request by calling 513.719.1100.

Year End	Annual Performance Results					3-Year Standard Deviation			Number of Composite Accounts	Composite Assets (millions)	Firm Assets (millions)
	Composite Gross	Composite Net	% of Non-Fee Paying	PUT SM Index	S&P 500® Index	Composite	PUT SM Index	S&P 500® Index			
9 Months Ended 12/31/2015	4.34%	4.07%	100%	5.94%	0.45%	N/A	N/A	N/A	1	\$ 5	\$12,210
2016	8.76	8.37	100	7.77	11.96	N/A	N/A	N/A	1	6	11,601
2017	12.15	11.75	100	10.85	21.83	N/A	N/A	N/A	1	5	12,559
2018	-5.61	-5.96	100	-5.93	-4.38	6.89%	7.50%	10.95%	1	4	11,641
2019	17.15	16.73	100	13.51	31.49	7.52	7.92	12.10	1	5	10,950
2020	8.26	7.87	100	2.13	18.40	12.29	14.03	18.80	1	5	9,963
2021	18.93	18.51	100	21.79	28.71	11.22	13.06	17.41	1	4	11,556
2022	-12.11	-12.43	100	-7.66	-18.11	13.77	14.45	21.16	1	2	8,593
2023	17.53	17.12	100	14.32	26.29	10.74	9.35	17.54	1	2	8,828
2024	15.54	15.13	100	17.84	25.02	10.53	8.89	17.40	1	1	9,416

N/A: The gross three-year annualized ex-post standard deviation of the Composite and benchmarks is not presented as 36-month returns are not available. For all periods shown, the Composite has less than six accounts for the full year. As such, the Composite dispersion of portfolio returns is not applicable.

Gateway Active Index-PutWrite Composite contains fully discretionary option writing accounts that sell (write) index put options. The written put options are fully cash-secured. Indexes utilized for put option activity are U.S. domestic equity indexes that include all sectors of the economy. This put writing activity provides cash flow and equity market correlation. The creation and inception date of the Gateway Active Index-PutWrite Composite was April 1, 2015.

For comparison purposes, the Composite is measured against two indexes: the Cboe® S&P 500 PutWriteSM Index (PUTSM Index), a passive total return index designed to track the performance of a hypothetical put-write strategy on the S&P 500® Index and the S&P 500® Index, a popular indicator of the performance of the large capitalization sector of the U.S. stock market.

Performance results are expressed in U.S. dollars. Performance returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the Composite's highest tier of the current fee schedule of 0.35%. Past performance is not indicative of future results. The 3-year standard deviation is calculated using gross returns.

The investment management fee for the Composite is 0.35%. Actual investment management fees incurred by Composite accounts may vary.

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 claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Gateway has been independently verified for the periods January 1, 1993 through December 31, 2024. A firm that claims compliance with the GIPS® standards must establish policies and procedure for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. The Gateway Active Index-PutWrite Composite has had a performance examination for the periods April 1, 2015 through December 31, 2024. The verification and performance examination reports are available upon request.

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Policies for valuing investments, calculating performance and preparing GIPS® reports are available upon request. Gateway's lists of composite descriptions and broad distribution pooled funds are also available upon request.