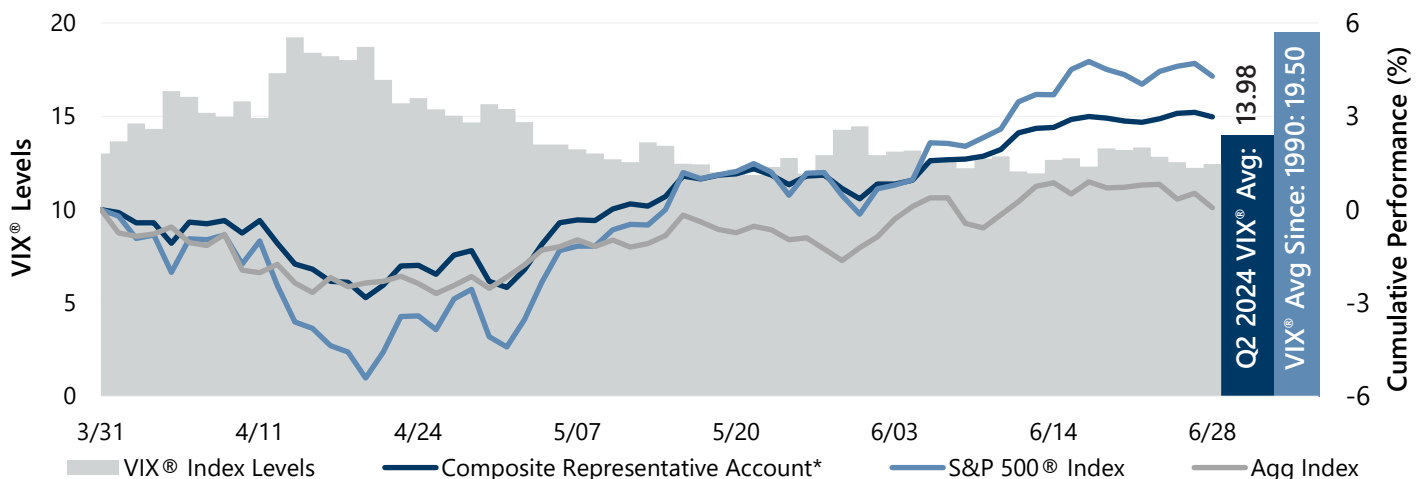


In Brief

- Gateway Index/RA Composite (the Composite) returned 3.08%, net of fees, in the second quarter with strong participation in the S&P 500® Index's 4.28% advance. The Bloomberg U.S. Aggregate Bond Index (the Agg) returned 0.07% for the quarter. Year-to-date through June 30, 2024, the Composite returned 8.60%, net of fees, compared to the S&P 500® Index and Agg returns of 15.29% and -0.71%, respectively. A GIPS® Composite Report is included with this Commentary.
- The second quarter started with a new year-to-date maximum drawdown for the S&P 500® Index of -5.40% from the end of the first quarter through April 19. The S&P 500® Index rallied 10.24% from April 19 through quarter-end and reached a new all-time high. Net of fees, the Composite* provided 258 basis points (bps) of loss mitigation during the intra-quarter decline and was able to capture a majority of the advance with a return of 5.97%.
- The S&P 500® Index and the Composite* had an annualized standard deviation of daily returns of 10.51% and 5.93% for the second quarter, respectively.
- Implied volatility, as measured by the Cboe® Volatility Index (the VIX®), averaged 13.98 in the second quarter and exceeded realized volatility, as measured by the standard deviation of daily returns. The VIX® ended March at 13.01 before climbing to an intra-quarter high of 19.23 on April 15. The VIX® drifted to a second quarter low of 11.86 on May 21 and ended the quarter at 12.44.
- Gateway's investment team was active in their management of the index call option portfolio during the second quarter. As the market moved during the quarter, the team incrementally adjusted the written index call option portfolio, managing the weighted-average strike price and time to expiration in an effort to enhance cash flow and maintain typical market exposure.
- The investment team was also active in making gradual adjustments to the index put option portfolio during the quarter to manage the weighted-average strike price and time to expiration in response to market direction. These adjustments were made in an effort to maintain a typical risk profile and take advantage of a relatively low-cost of protection.
- Volatility has been well above the ranges experienced during the quantitative easing era but relatively subdued given the seemingly abundant chaos in the world. Add to the mix the looming U.S. presidential election - bound to be entertaining, for better or worse. While elections are rarely the catalyst for volatility that they are marketed to be, as discussed in [Avoid Distraction](#), investors should constantly remain vigilant to unforeseeable risks.

Market Summary | Q2 2024



Past performance does not guarantee future results. Source: Bloomberg, L.P. *The portfolio performance and standard deviation reflected for the Composite are those measured by a representative account. This information represents supplemental information to the GIPS® Composite Report. This representative account was selected as it is the oldest account in the Composite.

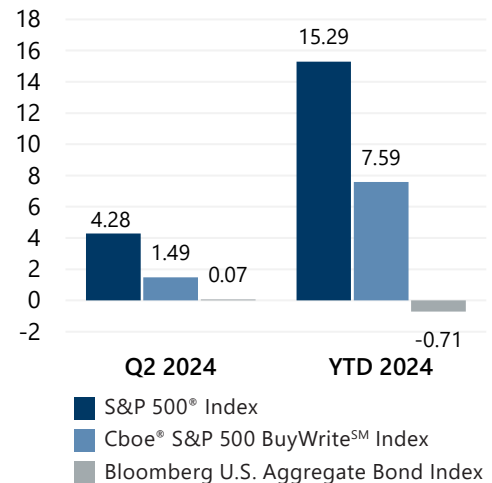
Market Recap

With returns of -4.08%, 4.96%, and 3.59% in April, May, and June, respectively, for the S&P 500® Index, the second quarter of 2024 started with a slump as the euphoria of an expected half dozen rate cuts fizzled out like soggy fireworks. April was the equity market's first monthly decline since October 2023 and included the new year-to-date 2024 maximum drawdown of -5.40% from the end of March through April 19. U.S. Federal Reserve (the Fed) activity weighed on investors' minds throughout the remainder of the quarter, but a slow acceptance of normalized interest rates, along with an artificial intelligence technology boom, fueled the 10.24% advance from April 19 through quarter-end and a new all-time high for the S&P 500® Index.

Data released in June showed a stable macroeconomic backdrop and stubborn inflation, supporting the Fed's case to hold steady with current rates. The third estimate of Gross Domestic Product for the first quarter of 2024 matched the consensus estimate, though a slight improvement from the prior estimate. The year-over-year May Consumer Price Index, released June 12, was slightly lower than the previous reading and consensus estimates although the quarter-over-quarter Personal Consumption Expenditures (PCE) Price Index, the Fed favorite, showed an increase from the prior reading and was above consensus expectations. Corporate earnings stayed positive with first quarter aggregate operating earnings climbing 1.0% quarter-over-quarter and 7.7% year-over-year. With now over 99% of S&P 500® Index companies reporting, 82% met or exceeded analyst estimates.

Total Return (%)

Source: Morningstar DirectSM



U.S. Macroeconomic Data | June Releases

	Period	Current	Estimate	Prior
U.S. Gross Domestic Product Growth	Q1 2024	1.40%	1.40%	1.30%
Unemployment Rate	May	4.00%	3.90%	3.90%
Participation Rate	May	62.50%	62.70%	62.70%
Average Hourly Earnings (YoY)	May	4.10%	3.90%	3.90%
Consumer Price Index (YoY)	May	3.30%	3.40%	3.40%
Core PCE Price Index (QoQ)	Q1 2024	3.70%	3.60%	3.60%

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

Implied volatility, as measured by the VIX®, averaged 13.98 in the second 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 10.51% for the quarter. The VIX® ended March at 13.01 and reached an intra-quarter high of 19.23 on April 15 – a level not seen since October 2023 – as the equity market shifted lower on declining prospects for softening monetary policy. As the market advanced through quarter-end, the VIX® closed at an intra-quarter low of 11.86 on May 21 before ending the quarter at 12.44.

The spread between implied and realized volatility, or the Volatility Risk Premium (VRP), was robust during the quarter. The VRP in June was 628 bps, well above the long-term average of 407 bps and the highest monthly spread since October 2021.

The Agg returned 0.07% in the second quarter with monthly returns of -2.53%, 1.70%, and 0.95%, respectively. Year-to-date through June 2024, the Agg has returned -0.71%. The yield on the 10-year U.S. Treasury Note (the 10-year) ended March at 4.20% and reached an intra-quarter high of 4.70% on April 25. The 10-year drifted to an intra-quarter low of 4.22% in June and closed the quarter at 4.40%. The [historical yield curve inversion](#) continued through the second quarter, with the yield on the 2-year U.S. Treasury Note exceeding that of the 10-year since July 5, 2022.

Gateway Index/RA Composite Performance

The Composite returned 3.08%, net of fees, in the second quarter, capturing a majority of the 4.28% advance of the S&P 500® Index. The Composite returned -2.27%, 3.24%, and 2.16%, net of fees, while the S&P 500® Index returned -4.08%, 4.96%, and 3.59% in April, May, and June, respectively. Year-to-date through June 30, 2024, the Composite and S&P 500® Index returned 8.60%, net of fees, and 15.29%, respectively.

The portfolio performance, contributions, annualized standard deviation, and portfolio statistics quoted for the Composite in the following paragraphs are those measured by the net-of-fee returns of a representative account (the Account)¹.

After a strong start to 2024, the S&P 500® Index took a breather in April with its first monthly decline since October 2023 and a new 2024 year-to-date drawdown of -5.40% from March 31 to April 19 before rallying through quarter-end. The S&P 500® Index climbed 10.24% from April 19 through June 30. The Account provided 258 bps of loss mitigation with a return of -2.82% during the drawdown period, while climbing 5.97% during the April 19 to quarter-end market advance. A market backdrop of double-digit volatility and positive interest rates continue to support option pricing dynamics and contributed to the Account's strong participation in the market's advance from April 19 through quarter-end.

The Account's index call option writing generated risk-reducing cash flow throughout the quarter. Index call and put options positively contributed to returns during April's decline but detracted from returns during the rapid equity market advance over the remainder of the quarter, as expected, and ultimately detracted from returns overall.

In achieving its low-volatility objective, the Account's annualized standard deviation of daily returns for the second quarter was 5.93% compared to 10.51% of the S&P 500® Index. The Account exhibited a beta to the S&P 500® Index of 0.56 for the quarter.

Gateway's investment team was active in their management of the index option portfolios during the second quarter. During April's equity market decline, the investment team took advantage of equity market weakness and higher implied volatility by incrementally adjusting the written index call option portfolio. The team decreased the weighted-average strike price and managed time to expiration. As the market advanced through the remainder of the quarter, the investment team focused on extending time to expiration of the written index call option portfolio and gradually increased the weighted-average strike price. These adjustments were made in an effort to enhance cash flow and maintain typical market exposure.

The team also made gradual adjustments to the index put option portfolio during April's market decline to manage the weighted-average strike price and weighted-average time to expiration. The team extended time to expiration and increased the weighted-average strike price of the written index put option portfolio during the market's advance. These adjustments were made in an effort to maintain a typical risk profile and take advantage of a relatively low cost of protection.

At the end of the quarter, index call options were sold against over 95% of the equity portfolio's value and had a weighted-average strike price between 1.5% and 2.5% out-of-the-money, 63 days to expiration, and an annualized premium to earn between 7.5% and 10.0%. Index put options covered more than 95% of the portfolio and had a weighted-average strike price between 7.5% and 10.0% out-of-the-money, 86 days to expiration, and an annualized cost of less than 2.5%. Relative to the beginning of the quarter, this positioning represented higher net cash flow potential and similar market exposure.

Performance & Risk (%)	Q2 2024	YTD 2024	1 Year	3 Year	5 Year	10 Year	Inception Return ¹	Inception Risk ^{1,2}
The Composite (Net)	3.08	8.60	12.02	4.60	6.74	5.43	6.97	6.70
S&P 500® Index	4.28	15.29	24.56	10.01	15.05	12.86	11.20	14.73
Agg Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	5.34	4.18

Past performance does not guarantee future results. Periods greater than one year are annualized. Data as of June 30, 2024. Source: Morningstar DirectSM.
1: Composite inception date is January 1, 1988. 2: Based on standard deviation of monthly returns. See disclosure and GIPS® Composite Report.

Market Perspective – The Election Episode

Uncertain Certainty

In recent [Perspectives](#), stock market volatility trends and impact on options market pricing has been reviewed. [Summertime Volatility](#) highlighted the seasonality of implied and realized volatility – showing that, on average, levels are lower during the summer months of June, July, and August compared to the remainder of the year. Given the U.S. presidential election on the horizon in 2024, along with numerous other potential drivers of volatility, investors may now want to consider options-based strategies which can benefit from an increase in volatility.

When considering presidential election year volatility, it was found that, since 1990, both realized and implied volatility were higher compared to non-presidential election years. What was interesting to note in [Avoid Distraction](#) was that there were numerous factors driving volatility during these political showdown years – some of which easily eclipsed any importance of the nameplate swap at the Oval Office. For instance, the 2000, 2008, and 2020 presidential elections likely took a back

seat to the bursting of the “Dot-Com Bubble,” a global financial crisis, and a worldwide pandemic, respectively. Whether the election is truly impactful to volatility or not, summer is quickly melting away and uncertainty around this most certain event is beginning to build.

Vote for Volatility

The VIX® futures curve provides an estimate of future implied volatility and is typically upward sloping, suggesting higher levels of volatility and stock market return dispersion as you look further into the future. Only in times of market turbulence, such as the Great Financial Crisis, the 2018 “Volmageddon” episode, or the recent pandemic, does the curve invert – suggesting short-term volatility is higher than long-term.

At the start of the third quarter, the futures curve for the VIX® suggests levels may increase significantly in October, sharply higher than the prior month of September and the following months of November and December.

Consider the current regression line where the slope suggests an average increase in implied volatility of approximately 1.32 points per month. However, October’s jump was 2.40 points over September, nearly twice as much as the average increase, and the upward slope in volatility does not resume for three months post-election. Compare this to the average slope of the VIX® futures curve from one year ago, which was slightly higher at an average of 1.45 points per month but showed no jump higher in October - typical of a non-election year.

Exceptional Candidates

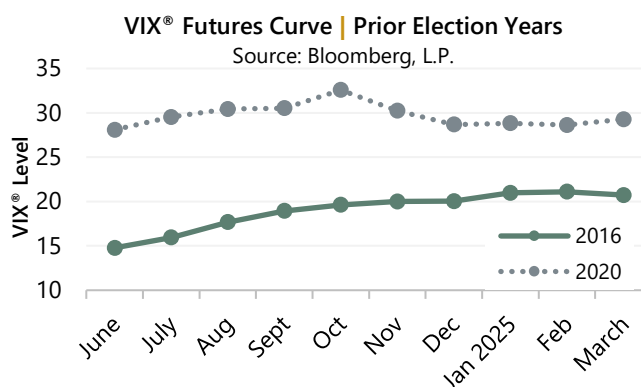
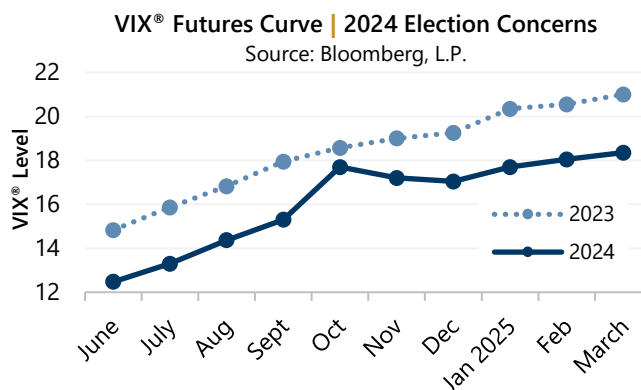
As often reminded, past performance is not indicative of future results and every election year is different. Dialing back to the same time in recent election years shows divergent stories.

2020 was exceptional and the declaration of a pandemic shifted volatility higher for the year, leading to a slightly negative sloping VIX® futures curve. However, the election bump remained in October.

In 2016, the VIX® curve was positively sloping – as is typical in the absence of significant volatility events. However, there was a complete absence of a bump in volatility preceding the election just four months prior to the event.

Avoid Distraction

Regardless of the election outcome, lurking drivers of volatility, or the shape of its futures curve, investors should remain vigilant to the unexpected. Since 1977, Gateway has focused on stability, risk-adjusted performance and long-term growth, and generating cash flow through the use of options. The firm’s index option-based strategies have consistent risk profiles and are uniquely positioned to benefit from the current market environment of interest rates away from zero, a robust volatility risk premium, and implied volatility persistently in the double-digits.



Important Information

i: Represents supplemental information to the GIPS® Composite Report. This representative account was selected as it is the oldest account in the Composite.

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 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 (the 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.

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.

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.

Past performance does not guarantee future results. A more detailed description of Gateway's standardized fees is included in Form ADV, Part 2.

The GIPS® Composite Report for the Gateway Index/RA 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. and Morningstar DirectSM

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Gateway Index/RA Composite Disclosure

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Year End	Annual Performance Results				3-Year Standard Deviation			Number of Composite Accounts	Composite Dispersion	Composite Assets (millions)	Firm Assets (millions)
	Composite		S&P 500® Index	Bloomberg U.S. Aggregate Bond Index	Composite	S&P 500® Index	Bloomberg U.S. Aggregate Bond Index				
	Gross	Net									
1993	8.44%	7.75%	10.08%	9.75%	N/A	N/A	N/A	15	0.7	\$348	\$408
1994	6.27	5.62	1.32	-2.92	N/A	N/A	N/A	14	0.5	303	660
1995	12.52	11.75	37.58	18.47	4.07%	8.34%	4.30%	12	1.6	283	473
1996	11.83	11.11	22.96	3.63	4.44	9.72	4.65	27	0.9	329	360
1997	13.34	12.58	33.36	9.65	3.83	11.30	4.06	27	1.1	399	476
1998	13.21	12.49	28.58	8.69	5.53	16.24	3.58	44	1.2	686	805
1999	12.94	12.27	21.04	-0.82	5.39	16.76	3.25	76	1.4	1,348	1,470
2000	6.55	6.08	-9.10	11.63	5.30	17.67	3.06	107	1.2	2,052	2,206
2001	-2.69	-3.28	-11.89	8.44	6.29	16.94	3.40	85	0.5	1,853	1,944
2002	-3.87	-4.45	-22.10	10.25	9.41	18.81	3.40	67	0.4	1,651	1,744
2003	12.53	11.84	28.68	4.10	9.70	18.32	4.26	59	0.4	2,029	2,160
2004	7.84	7.22	10.88	4.34	8.35	15.07	4.34	53	0.5	3,350	3,636
2005	5.86	5.17	4.91	2.43	4.09	9.17	4.12	35	0.5	3,879	6,134
2006	11.06	10.35	15.79	4.33	2.64	6.92	3.25	29	0.5	4,569	6,946
2007	8.67	7.99	5.49	6.97	3.10	7.79	2.80	25	0.5	4,780	7,892
2008	-13.39	-13.95	-37.00	5.24	8.41	15.29	4.03	22	1.0	5,073	7,071
2009	7.37	6.70	26.46	5.93	10.36	19.91	4.17	15	0.4	5,054	7,188
2010	5.76	5.11	15.06	6.54	11.01	22.16	4.22	12	0.1	5,552	7,699
2011	3.82	3.16	2.11	7.84	8.27	18.97	2.82	11	0.3	5,729	8,081
2012	5.41	4.74	16.00	4.22	5.84	15.30	2.42	10	0.2	7,424	10,517
2013	9.35	8.64	32.39	-2.02	4.23	12.11	2.75	11	0.2	8,899	12,475
2014	4.23	3.59	13.69	5.97	3.45	9.10	2.67	10	0.3	8,997	12,239
2015	3.20	2.54	1.38	0.55	3.97	10.62	2.92	11	0.2	8,783	12,210
2016	6.23	5.57	11.96	2.65	4.30	10.74	3.02	10	0.3	8,159	11,601
2017	10.73	10.07	21.83	3.54	4.01	10.07	2.81	10	0.2	9,028	12,559
2018	-3.43	-4.04	-4.38	0.01	5.11	10.95	2.88	10	0.1	8,534	11,641
2019	11.97	11.29	31.49	8.72	5.57	12.10	2.91	9	0.2	8,545	10,950
2020	8.03	7.34	18.40	7.51	8.62	18.80	3.40	9	0.1	7,486	9,963
2021	12.35	11.71	28.71	-1.54	7.89	17.41	3.40	8	0.1	8,523	11,556
2022	-11.19	-11.73	-18.11	-13.01	10.37	21.16	5.85	6	0.0	6,586	8,593
2023	15.50	14.85	26.29	5.53	8.97	17.54	7.24	5	0.2	6,583	8,828
2024	16.16	15.48	25.02	1.25	9.31	17.4	7.83	5	0.1	6,935	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.

Gateway Index/RA 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 creation and inception date of the Gateway Index/RA Composite was January 1, 1993. As of June 1, 2009, the Composite definition was refined to more accurately reflect the criteria used to determine membership. No membership changes resulted from the revision.

For comparison purposes the Gateway Index/RA Composite is measured against two indexes, the S&P 500® Index (a popular indicator of the performance of the large capitalization sector of the U. S. stock market) and the Bloomberg U. S. Aggregate Bond Index (an unmanaged index of investment-grade bonds with one- to ten-year maturities issued by the U. S. government, its agencies and U. S. corporations).

Performance results are based on fully discretionary accounts under management, including accounts that may no longer be with the firm, and are expressed in U.S. dollars.

Performance returns are presented gross and net of management fees and include the reinvestment of all income. Past performance is not indicative of future results. The annual Composite dispersion presented is an asset-weighted standard deviation calculated using gross returns for the accounts in the Composite the entire year. The 3-year standard deviation is calculated using gross returns. Net of fee performance was calculated using actual management fees. The current investment management fee schedule is as follows: 0.425% on the first \$5 million; 0.325% on the next \$5 million; 0.25% on the next \$40 million; and 0.225% on assets in excess of \$50 million. 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 procedures 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 Index/RA Composite has had a performance examination for the periods January 1, 1993 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.