

EQUITY MARKETS

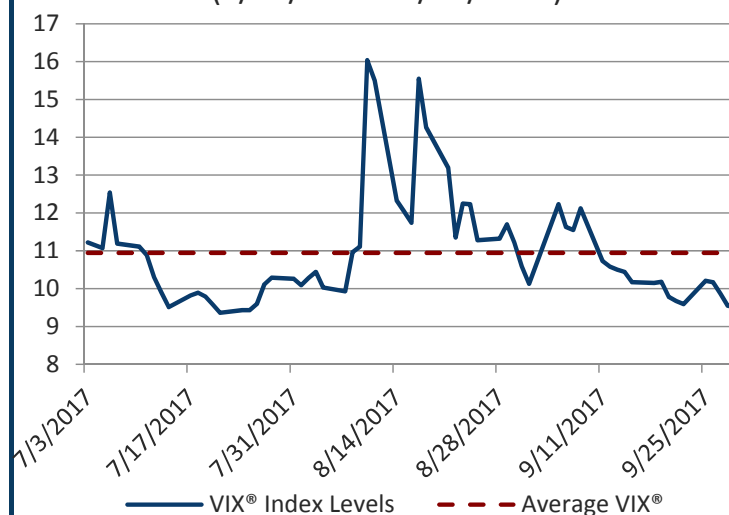
The S&P 500® Index gained 4.48% for the third quarter of 2017, bringing its year-to-date return to 14.24%. The equity market posted positive returns each month of the quarter with the S&P 500® Index returning 2.06%, 0.31% and 2.06% for July, August and September, respectively.

The third quarter began with an advance of 2.54% through August 7th as key trends present in the first half of the year continued. Specifically, data releases indicated economic growth with low inflation and strong corporate profitability, while volatility continued to be very low. Equity market volatility experienced a mild increase in mid-August. After reaching a new year-to-date high on August 7th, the S&P 500® Index underwent its second-largest decline of 2017, a 2.10% downswing that ended on August 18th. The slide included a 1.54% drop on August 17th when concern grew that President Trump could lose several key advisers over his response to protests in Charlottesville, VA that ended in violence. The drop on August 17th was just the fourth time this year that the S&P 500® Index had a one-day loss of over 1%. From its close on August 18th through quarter-end, the S&P 500® Index gained 4.08% as the equity market resumed its steady, low volatility advance. During this time, the market shrugged off three major hurricanes, escalating rhetoric between the Trump Administration and North Korea, and talk from the Federal Reserve (the Fed) signaling that it remained committed to shrinking its balance sheet and ratcheting up interest rates. Contributors to the market's upward momentum included generally positive economic data releases and a tax reform proposal from the Trump Administration that included a significant reduction in the corporate tax rate.

Broad measures of economic growth and corporate profitability were quite strong during the second quarter. Nearly 80% of S&P 500® Index companies reported second quarter earnings that met or exceeded analyst estimates, and aggregate operating earnings grew 4.33% from their March 31st level. Year-over-year earnings grew at a rate of 18.08%, the fastest measure since the third quarter of 2011. The final estimate of second quarter 2017 GDP growth came in at 3.1% which was a slight increase from the initial estimate and in-line with economist expectations. Despite fairly robust growth, measures of inflation remained below the Fed's 2% target, a phenomenon which Fed Chairman Yellen described as a "mystery." Nonetheless, the Fed announced plans to start shrinking its balance sheet in October and signaled the likelihood of a third interest rate hike before the end of the year.

Implied volatility, as measured by the Chicago Board Options Exchange Volatility Index® (the VIX®), averaged 10.94 for the third quarter, the lowest quarterly average over the 111-quarter history of the VIX®, which began in 1990. Implied volatility exceeded S&P 500® Index realized volatility (as measured by its annualized standard deviation of daily returns) of 7.18% for the quarter. The VIX® closed below 10 seventeen times in the third quarter, bringing the year-to-date total for sub-10 closes to 24. Prior to 2017, the VIX® closed below 10 just nine times since its 1990 inception. The closing high for the VIX® during the quarter was 16.04 on August 10th.

VIX® Levels
(6/30/2017 - 9/30/2017)



Datasource: Bloomberg, L.P.

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results.

FIXED INCOME MARKET

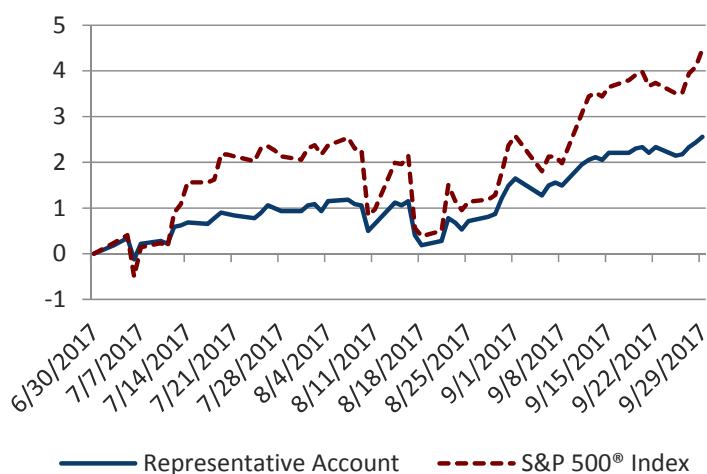
The Bloomberg Barclays U.S. Aggregate Bond Index returned 0.85% for the third quarter, bringing its year-to-date return to 3.14%. The yield on the 10-year U.S. Treasury Note ended the second quarter at 2.31% and fell to a third quarter low of 2.04% on September 7th before climbing to end the quarter at 2.33%.

COMPOSITE PERFORMANCE

The Gateway Index/RA Composite, net of fees (the Composite) returned 2.56% for the third quarter, underperforming the S&P 500® Index by 192 basis points (bps) and bringing its year-to-date return to 7.84%. With monthly returns of 0.93%, 0.56% and 1.05% for July, August and September, respectively, the Composite captured approximately half the return of the S&P 500® Index in July and September and outperformed the S&P 500® Index in August by 25 bps. The returns, portfolio performance contributions, annualized standard deviation and portfolio statistics quoted for the Composite in the following paragraphs are those measured by a representative account.*

The Composite participated in the equity market advances at the beginning and end of the quarter while delivering meaningful downside protection during the market's mild downturn in mid-August. From the beginning of the quarter through August 7th, the Composite returned 1.18%, underperforming the S&P 500® Index by 136 bps. From its closing value on August 7th through the market bottom on August 18th, the Composite returned -0.98%, delivering 112 bps of downside protection. During the market advance over the remainder of the quarter, the Composite returned 2.37%, underperforming the S&P 500® Index by 171 bps. Both the relative and absolute performance of the Composite throughout the quarter were consistent with expectations in a period of an equity market advance with extremely low volatility.

Cumulative Performance (%)
(6/30/2017 - 9/30/2017)



Datasource: Bloomberg, L.P.

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results.

*Represents supplemental information to the GIPS-compliant presentation. This representative account was selected as it is the largest account in the Composite.

For the third quarter, the Composite's underlying equity portfolio contributed a total return of 4.65%, resulting in a positive performance differential of 17 bps relative to the S&P 500® Index. Although the Composite's index call option portfolio generated risk-reducing cash flow throughout the quarter, it detracted from returns in July and September primarily due to call premiums earned during those periods being insufficient to keep pace with the equity market's advance. Index call options contributed positively to returns in August. Index put options detracted modestly from the Composite's return in each month of the quarter, but detracted less in August than in July and September. Index put option positions are expected to detract from returns during market advances; however, the mid-August market decline created opportunities to recover a portion of these losses through trading select put option contracts after the market decline caused their prices to increase. The Composite's annualized standard deviation of daily returns for the quarter was 3.47% as compared to 7.18% for the S&P 500® Index. The Composite exhibited a beta to the S&P 500® Index of 0.46 for the quarter.

During the market advances at the beginning and end of the quarter, Gateway's index call option activity focused on increasing the weighted-average strike price of the portfolio while maintaining a typical level of market exposure. The investment team took advantage of the increase in implied volatility in mid-August by writing new index call options with relatively higher premiums.

Gateway's investment team took advantage of historically low volatility throughout the quarter by trading select index put options in advance of their expiration dates and keeping weighted-average time to expiration extended in an effort to maintain downside protection at attractive prices.

As of September 30th, the Composite's diversified equity portfolio was over 95% hedged with index call options with average strike prices between 1.5% in-the-money and 1.5% out-of-the-money, average time to expiration of 34 days and annualized premium to earn of less than 5%. The Composite ended the quarter hedged with index put options on over 95% of the notional value of its portfolio with average strike prices between 7.5% and 10% out-of-the-money, average time to expiration of 65 days and annualized cost of less than 2.5%. Relative to the beginning of the quarter, this positioning represented less market exposure and lower net cashflow potential.

MARKET PERSPECTIVE

Despite hazards posed by geopolitics, monetary policy and Mother Nature, the low volatility trend in the U.S. market continued unabated in the third quarter. Nearly as remarkable is how quickly volatility has collapsed after the small number of intense spikes in recent years. The Brexit vote on June 23, 2016 was a three-day event in volatility terms. The surprise outcome of the 2016 U.S. presidential election was almost a non-event in terms of volatility. Specifically, the VIX® closed just below 20 on the day of the election and reached a high of only 21.5 the day after the election before collapsing to end the day at 14.4. Even the very intense volatility spike in August of 2015, when the VIX® shot above 50, was persistently below 20 within a record time span (see table below).

Days from VIX® peak until 20-day moving average is below 20			
Year	Event	VIX® high	Days
1997	Asian Financial Crisis	48.6	82
1998	Long-Term Capital Management Collapse	49.5	451
2001	9/11	49.4	123
2002	Tech Bust Market Bottom	48.5	239
2008	Great Financial Crisis	89.5	305
2010	Flash Crash	48.2	116
2011	S&P Downgrades US Government Debt	48.0	122
2015	Chinese Yuan Devaluation	53.3	39

As was noted in Gateway's second quarter Market Perspective, steady economic expansion and strong corporate profit growth, along with low correlation across individual stocks, have been important factors driving low realized equity market volatility (standard deviation) and, in turn, low implied volatility. In addition to these relatively recent low volatility drivers, the propensity for volatility to quickly collapse after spikes and unexpected developments suggests that there are higher-level, longer-term phenomenon keeping a damper on volatility. We have identified three long-term drivers that may be contributing to the low volatility phenomenon: the post-crisis financial regulation regime, a decrease in competitive forces and a low rate of corporate investment.

Financial Regulation

Key aspects of post-crisis financial reform include reducing leverage, improving capital quality at systemically important financial institutions and improving transparency. Compliance with the new regulatory regime has resulted in less uncertainty about the 'follow on effects' of negative developments that would otherwise bring a shock to the financial system. Thinking about what John Maynard Keynes called the 'paradox of thrift' can help illustrate why this may be. The paradox of thrift is the idea that when people fall on hard financial times, they rationally become thrifter. When a lot of people fall on hard times and everyone becomes thrifter, a recession can become a depression as economic activity winds down. Something similar can potentially happen in banking which one could label the 'paradox of prudence'. When a bank falls on hard times, the prudent thing to do is reduce leverage, raise credit standards and put less capital at risk. When one bank does this, it results in only a marginal decrease in economic activity. When a negative event occurs - with the potential to broadly impact the entire financial system - there is uncertainty as investors try to determine the degree to which banks will retrench and increase their prudence. In the pre-reform world, with high leverage, low capital quality and little transparency, not only is the degree of uncertainty high, but it can take a considerable amount of time for a clear picture to emerge as to how banks are actually responding. In such a scenario, volatility in capital markets may persist until the picture is clear. In the current post-crisis regulation regime, a high degree of prudence at financial institutions is required at all times. In this new environment, banks don't need to become 'more prudent' in response to negative developments. Furthermore, increased transparency allows for a clearer picture of how banks are responding. One could argue this results in less uncertainty and less volatility.

Decrease in Competitive Forces

Increasing consolidation of existing businesses and low rates of new business formation during much of the current economic expansion may have resulted in less competition for existing businesses. Mergers of competing firms in industries like airlines, hotels and telecommunications can reduce the impact of competitive dynamics in these now highly-consolidated industries, potentially lowering their volatility. Acquisitions that increase the vertical integration of companies like Amazon and certain industries such as biotech and pharmaceuticals can have a similar impact. At the same time these consolidations have been occurring, the collapse in new business formation after the financial crisis of 2008 has potentially resulted in less competitive disruption from new entrants in many industries. In fact, the annual number of startups was near a 40-year low as recently as 2014.*

*CNN Money

Startup activity increased sharply in 2015, but it is too early to know if that trend will persist or if recently formed businesses will become a competitive threat to incumbent companies that are now very large in many cases.

Low Rates of Corporate Investment

The overall rate of corporate investment during the post-crisis economic recovery and expansion has been among the lowest of all expansions since 1961.** The investment rates for software and information processing equipment have been lower than during any other expansion while growth-oriented investments in research and development and intellectual property have also been growing at very low rates relative to other expansions. Low investment for future growth in combination with profit margins persistently at the high end of their historical range suggest that many companies are prioritizing current profitability over future growth. Without large changes in revenue and profitability that can result as growth-oriented spending succeeds or fails, corporate cash flows may be more stable – thus possibly reducing uncertainty and price volatility.

These three forces could help explain the low volatility environment that has persisted in recent years. However, even if the actual drivers of low volatility are accurately identified, it would not be prudent to conclude that market volatility is a thing of the past. Although these drivers may be entrenched and the circumstances that brought them about are unlikely to change quickly, these forces could be overwhelmed at any time by events that drive volatility up.

Volatility is a cyclical phenomenon and the current low phase of the cycle will come to an end at some point. A return to persistently elevated volatility may happen gradually as the forces keeping volatility low erode, or it could happen suddenly through an external shock to the system. As always, Gateway will avoid incorporating forecasts into its investment approach, nor will it attempt to anticipate how events will unfold. Gateway will continue to apply the market agnostic, risk-averse approach that has served its investors well for nearly 40 years.

**Yardeni Research, Inc.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC (“SPDJ”), and has been licensed for use by Gateway Investment Advisers, LLC (Gateway). Standard & Poor’s®, S&P® and S&P 500® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Gateway. Gateway’s Active Index Option Overwrite Composite is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Standard Performance

Average Annual Performance							Risk** Since Inception*
As of September 30, 2017							
	1 Year	3 Years	5 Years	10 Years	20 Years	Return Since Inception*	
Index/RA (Net)	10.02%	5.46%	5.44%	3.21%	4.96%	7.29%	6.25%
S&P 500 [®] Index	18.61%	10.81%	14.22%	7.44%	7.00%	10.55%	14.19%
Bloomberg Barclays U.S. Aggregate Bond Index	0.07%	2.71%	2.06%	4.27%	5.12%	6.41%	3.74%

*Inception of Gateway Index/RA Composite is January 1, 1988

** Standard deviation is based on monthly performance

Periods over one year are annualized.

Datasource: Morningstar DirectSM and Gateway Investment Advisers, LLC

Past performance is no guarantee of future results. For important disclosures, please refer to page 6.

GATEWAY INVESTMENT ADVISERS, LLC
GATEWAY INDEX/RA COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

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®	Bloomberg Barclays U.S. Aggregate Bond Index	Composite	S&P 500®	Bloomberg Barclays 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

N/A: The 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 Gateway Index/RA Composite was created 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 Barclays U. S. Aggregate Bond Index, previously the Barclays 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). Prior to April 2008, the Lehman Brothers U. S. Intermediate Government/Credit Bond Index was utilized for comparison. The bond index change was made as the Bloomberg Barclays U. S. Aggregate Bond Index is widely viewed as more broadly representative of the fixed income markets and was considered to be more in line with the historical volatility associated with the Composite's investment strategy.

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 for the accounts in the Composite the entire year.

Net of fee performance was calculated using actual management fees. The current investment management fee schedule is as follows: 0.85% on the first \$5 million; 0.65% on the next \$5 million; 0.50% on the next \$40 million; and 0.45% 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 June 30, 2017.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Gateway Index/RA Composite has been examined for the periods January 1, 1993 through June 30, 2017. The verification and performance examination reports are available upon request.

Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. A list of composite descriptions is also available upon request.