Gateway Index/RA Composite Commentary

Q4 2015

EQUITY MARKETS

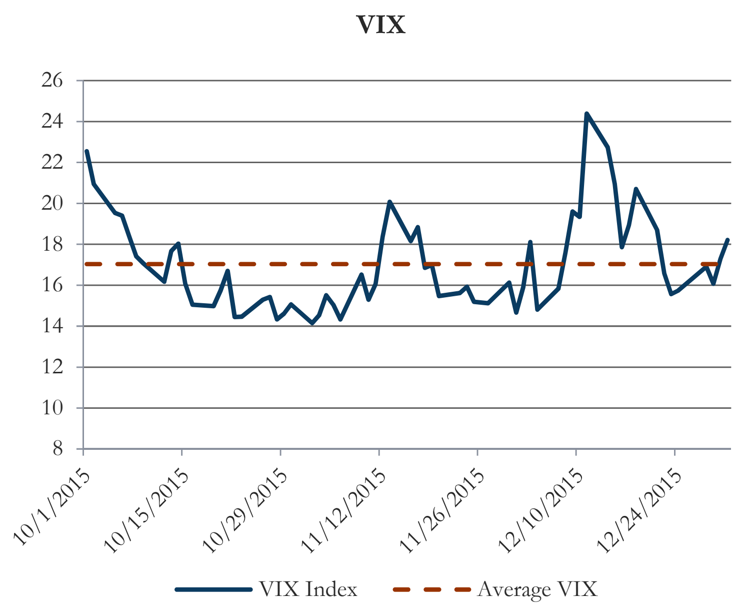
The S&P 500® Index had a return of 7.04% for the 2015 fourth quarter. Most of the market's return for the quarter came in October when the S&P 500® Index advanced 8.44%. October's rally was followed by a gain of just 0.30% in November and a 1.58% loss in December. Despite the strong fourth quarter return, the S&P 500® Index increased just 1.38% for 2015 and ended the year 2.99% below its July 20th high.

October's strong return contributed to the bulk of the market's recovery after the loss of more than 12% experienced from July 20th to August 25th. The third quarter loss was driven in part by a revaluation of the Chinese yuan in addition to concerns about a slowdown in Chinese economic growth and its potential impact on U.S. monetary policy. From August 25th through November 3rd, the S&P 500® Index advanced 13.36%. The recovery was tepid at first as market participants looked for indications that the Federal Reserve (the Fed) wouldn't raise interest rates too soon, while simultaneously looking to data for evidence that the economy was strong enough for the Fed to stand by its commitment to raise rates before year end. The recovery gained steam in October as many corporate earnings reports came in better than expected and both the European Central Bank and the People's Bank of China (PBOC) took actions to further their accommodative monetary policy stances.

The rally came to an end on November 3rd with the S&P 500® Index less than 1% from its year-to-date high. From that point to year end, the S&P 500® Index declined 2.71%. Despite ongoing background concerns about monetary policy, the market decline was largely driven by the continuation of a multi-month slide in energy prices, dropping below their August lows in early December. The equity market proceeded to stage a three-day rally culminating on December 16th, the day the Fed announced its first interest rate increase in nearly a decade. The rally was short lived, however, and the market ended the year lower than where it closed on December 16th.

Implied volatility, as measured by the Chicago Board Options Exchange (CBOE) Volatility Index (the VIX), averaged 17.03 for the fourth quarter. The measure began at 22.55, which was slightly below its high for the quarter, and steadily declined to its low of 14.15 as the market extended its rally into early November. It was the first time since 2012 that the VIX had a quarter without a daily close below 14. Over the course of the fourth quarter, average implied volatility exceeded S&P 500® Index realized volatility of 15.07% (as measured by its annualized standard deviation of daily returns).

Until mid-August the volatility environment in 2015 was very similar to the conditions that had existed since mid-2012, with the VIX rarely above 20 and most often below 15. As concerns about China intensified and the S&P 500® Index neared its low-point for the year on August 24th, the VIX spiked and reached an intra-day high for the year of 53.29, its highest point since January 2009. From late August to year-end, the VIX spent nearly half of its trading sessions above 20 and never closed below 14.



FIXED INCOME MARKET

The Barclays U.S. Aggregate Bond Index (the Aggregate) returned -0.57% for the fourth quarter, resulting in a return of 0.55% for 2015. The return of the Aggregate was slightly positive in October but negative for each of the final two months of the year. The yield on the 10-year U.S. Treasury Note rose from 2.04% on September 30th to 2.27% on December 31st, ending the year 10 basis points (bps) higher than the December 31st, 2014 level of 2.17%. The bellwether index yield reached a low for the year of 1.64% on January 30th and the Aggregate lost 1.52% from that date through year-end, bringing its three-year annualized return to just 1.44%.

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GATEWAY INDEX/RA COMPOSITE PERFORMANCE

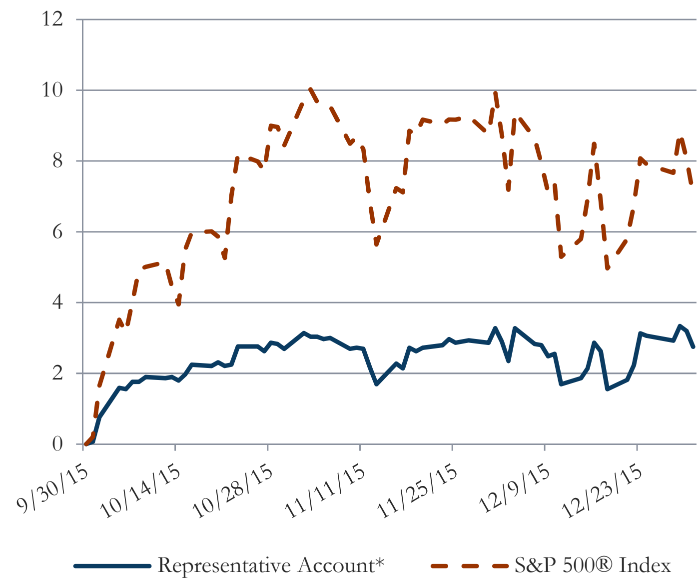
The Gateway Index/RA Composite (net of fees) (the Composite) returned 2.79% in the fourth quarter, underperforming the S&P 500® Index by 425 bps and bringing its year-to-date performance to 2.54%. The Composite's lower rate of return as compared to the S&P 500® Index for the quarter was mostly due to October's strong market rally when the Composite lagged the S&P 500® Index by 574 bps. The Composite's return in October was consistent with an environment defined by a steadily advancing equity market after a period of elevated implied volatility. In absolute terms, the Composite's October return was its highest monthly return since October 2011 and, similar to the result four years ago, was aided by attractive cashflow received from index call options written in September and early October when implied volatility was relatively high. The Composite underperformed by 11 bps in November, due mainly to the Composite's expected lag during the market recovery in the second half of the month. The Composite delivered 148 bps of downside protection during December's market decline with a monthly return of -0.10% as compared to -1.58% for the S&P 500® Index.

The partial period 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.*

For the fourth quarter, the Composite's underlying equity portfolio contributed a total return of 6.64%, resulting in a negative performance differential of 40 bps relative to the S&P 500® Index. The Composite's index call option portfolio detracted from return for the quarter due to the losses generated during October's strong advance, while in November and December, index call options contributed positively to the Composite's return. Index put options detracted modestly from the Composite's return in each month of the quarter. The Composite's annualized standard deviation of daily returns for the quarter was 5.98% as compared to 15.07% for the S&P 500® Index. The Composite exhibited a beta to the Index of 0.35 for the quarter.

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

Cumulative Performance (%)



As the market swiftly advanced during October, the focus of Gateway's index call option management decisions was to replace expiring contracts with higher strike price contracts while being patient enough to protect the portfolio from the potentially adverse effects of a market pullback. On October 15th, the investment team restored the Composite to nearly full index put option coverage, replacing that portion of coverage removed on August 24th. Below average implied volatility, and the characteristics of the call and put option portfolios, created the opportunity to add index put option coverage at a reasonable cost while maintaining the Composite's typical relative risk profile.

With October's market advance continuing into early November, Gateway's index call option management decisions were focused on exchanging select in-the-money contracts with higher strike price contracts to restore market exposure. As the market softened mid-month, care was taken to avoid the potential negative impact of a sharp market reversal. Select index put options with low strike prices were traded well in advance of their expiration dates and replaced with higher strike price contracts that offered an attractive level of potential protection relative to their cost. The Composite benefited from the elevated levels of implied volatility that existed from mid-August through year-end. From the beginning of the year to the 2015 market high on July 20th, the S&P 500® Index returned 4.51%, a modest rate of advance relative to recent years. Despite the relatively low cash flows available in a low implied volatility environment, the Composite generally kept pace with a return of 3.54% during this period. During the market's 12.04% decline from July 20th to August 25th, the Composite delivered 635 bps of downside protection and declined 5.69%.

From August 25th through December 31st, the S&P 500® Index advanced 10.29% while the Composite returned 4.80%. Though it lagged during the market's partial recovery over the remainder of the year, the Composite produced more return in this higher volatility environment that lasted just over four months than it generated during the nearly eight-month period featuring an advancing market with low volatility.

As of December 31st, 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 22 days and annualized premium to earn of 15% to 20%. 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 35 days and annualized cost between 2.5% and 5%. Relative to the beginning of the quarter, this positioning represented slightly less market exposure and lower net cashflow potential.

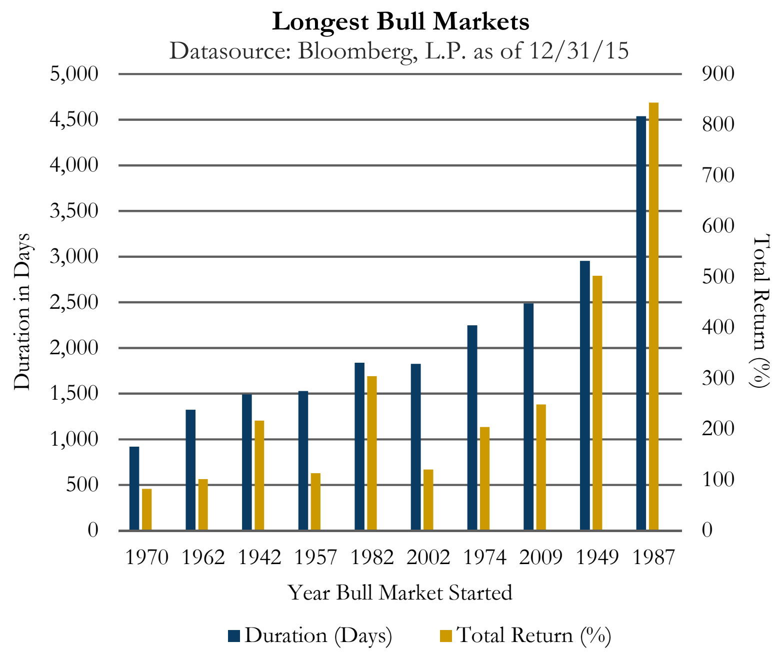
MARKET PERSPECTIVE

2015 was a challenging year for many investors. Many major broad-based equity indexes generated low to slightly negative returns and investment grade bonds failed to deliver attractive returns while some riskier assets slipped, potentially limiting the help that diversification can provide. High yield bond indexes had negative returns and key commodity classes, like energy and precious metals, had large losses.

	2015 Total Return
U.S. Equities (S&P 500® Index)	1.38%
Non-U.S. Equities (MSCI EAFE Index)	-0.81%
Investment Grade Bonds (Barclays U.S. Aggregate Bond Index)	0.55%
High Yield Bonds (Barclays U.S. Corporate High Yield Index)	-4.47%
Crude Oil (West Texas Intermediate)	-30.47%
Gold	-10.77%
Silver	-12.53%

Looking forward, there appears to be good reason for investors to temper their optimism. Volatility is on the rise in equity markets and the bull market in domestic equities is getting long in the tooth.

The current bull market is already a year longer than the average in the post-World War II era, though the longest bull market (starting in 1987) extended more than five years longer than this one.



The Aggregate returned just 0.55% in 2015 and generated a trailing three-year annualized return of 1.44%. As the Fed recently initiated its plan to tighten monetary policy by increasing short-term interest rates, the environment for investment grade bonds doesn't seem likely to get less challenging any time soon. With the Fed tightening monetary policy while other key central banks remain accommodative, U.S. Dollar strength could be a headwind for the returns of non-U.S. Dollar denominated assets and a possible impediment to a recovery in commodity prices as well. Gateway's investment philosophy maintains that the U.S. equity market is the most reliable source of attractive long-term returns, despite its high volatility and tendency to periodically deliver significant losses over shorter periods of time.

Gateway's investment philosophy also holds that consistency is the key to long-term investment success and that generating cashflow, rather than seeking to forecast the rise and fall of the market, can be a lower-risk means to participate in equity markets. By staying true to its philosophy and continuing to manage the Composite consistently with the firm's historical approach, Gateway will continue to assist investors in managing risk while pursuing long-term return in this challenging and uncertain environment.

Standard Performance

Average Annual Performance As of December 31, 2015	1 Year	3 Years	5 Years	10 Years	20 Years	Return Since Inception*	Risk** Since Inception*
Index/RA (Net)	2.54%	4.89%	4.51%	3.67%	5.28%	7.27%	6.39%
S&P 500® Index	1.38%	15.13%	12.57%	7.31%	8.19%	10.28%	14.39%
Barclays U.S. Aggregate Bond Index	0.55%	1.44%	3.25%	4.51%	5.34%	6.60%	3.78%

*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 Direct℠ and Gateway Investment Advisers, LLC
Past performance is no guarantee of future results.

Gateway Investment Advisers, LLC
Gateway Index/RA Composite
Annual Disclosure Presentation

Year End	Annual Performance Results: Composite Gross	Composite Net	S&P 500®	Barclays Aggregate	Composite 3-Year Std. Dev	S&P 500® 3-Year Std. Dev	Barclays 3-Year Std. Dev	Number of Composite Accounts	Composite Dispersion	Composite Assets (millions)	Firm Assets (millions)
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

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 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 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 December 31, 2015.

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 December 31, 2015. 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.