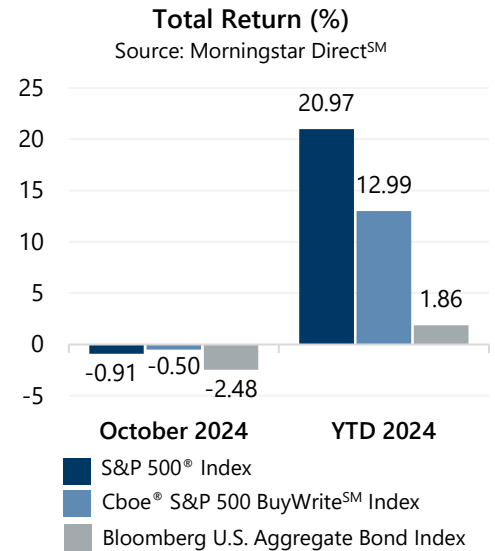


The S&P 500® Index returned -0.91% during October. With the looming U.S. Presidential Election, a mixed bag of macroeconomic data, and a fresh interest rate cut, the equity market incrementally marched to a new all-time high with a 1.84% return from the start of October to October 18. The S&P 500® Index then meandered from October 18 through month-end with a decline of -2.70%. From the start of 2024 through October 31, the S&P 500® Index has climbed 20.97%.

Data released in October revealed a steady-but-softer growth, a slight uptick in inflation, and a stable labor market. The first estimate of Gross Domestic Product for the third quarter of 2024 was lower than the consensus estimates and the prior figure. The year-over-year September Consumer Price Index, released October 10, was above the consensus estimates but lower than the prior reading. The quarter-over-quarter Personal Consumption Expenditures (PCE) Price Index was also higher than estimates but a decline from the prior period. 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 just over 67% of S&P 500® Index companies reporting, 79% have met or exceeded analyst estimates.



### U.S. Macroeconomic Data | October Releases

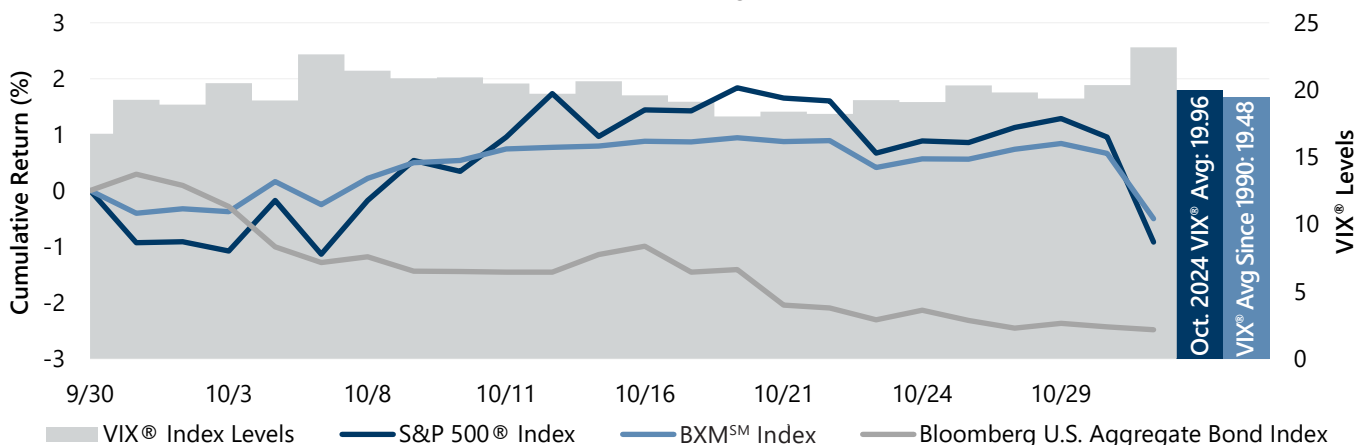
	Period	Current	Estimate	Prior
U.S. Gross Domestic Product Growth	Q3 2024	2.8%	2.9%	3.0%
Unemployment Rate	September	4.1%	4.2%	4.2%
Participation Rate	September	62.7%	62.7%	62.7%
Average Hourly Earnings (YoY)	September	4.0%	3.8%	3.8%
Consumer Price Index (YoY)	September	2.4%	2.3%	2.5%
Core PCE Price Index (QoQ)	Q3 2024	2.2%	2.1%	2.8%

Source: Bloomberg, L.P.

Implied volatility, as measured by the Cboe® Volatility Index (the VIX®), averaged 19.96 in October, which is above its long-term average of 19.48, and a monthly average that has not been seen since March 2023 during the brief regional banking crisis in the U.S. Realized volatility, as measured by the standard deviation of daily returns for the S&P 500® Index, was 11.00% for the month. The spread between the S&P 500® Index implied and realized volatility, or the Volatility Risk Premium (VRP), shifted significantly higher to 8.92% in October. The VRP was above its long-term average of 4.06%, and October's spread was the largest since August 2021. The VIX® ended September at 16.73 and reached an intra-month closing low of 18.03 on October 18. As the market declined, the VIX® climbed to close the month at an intra-month high of 23.16.

### Market Summary | October 2024

Source: Bloomberg, L.P.



The Cboe® S&P 500 BuyWrite<sup>SM</sup> Index<sup>1</sup> (the BXM<sup>SM</sup>) returned -0.50% in October, bringing its year-to-date return to 12.99%. The premiums the BXM<sup>SM</sup> 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 October 18, the BXM<sup>SM</sup> returned 0.94% compared to the S&P 500® Index's return of 1.84%. The passive approach of the BXM<sup>SM</sup> resulted in increased market exposure as the market declined in the second half of October. The BXM<sup>SM</sup> wrote its new index call option with a November expiration on October 18 and collected a premium of 1.84%. The premium collected contributed to 127 basis points of downside protection with the BXM<sup>SM</sup> returning -1.43% from October 18 to month-end, compared to the S&P 500® Index decline of -2.70%.

*The BXM<sup>SM</sup> represents a covered call writing approach. The BXM<sup>SM</sup> 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 -2.48% in October, bringing its year-to-date return to 1.86%. The yield on the 10-year U.S. Treasury Note (the 10-year) ended September at 3.78% and closed at its intra-month low of 3.73% on October 1, before climbing to an intra-month high of 4.30% on October 30. The 10-year closed October at 4.28%.

#### IMPORTANT INFORMATION

Past performance does not guarantee future results. Sources: Morningstar Direct<sup>SM</sup> and Bloomberg, L.P. For more information and access to additional insights from Gateway Investment Advisers, LLC, please visit [www.gia.com](http://www.gia.com). **1:** The BXM<sup>SM</sup> 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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