

Gateway Quality Income Composite

Objective

Seeks to deliver current income while maintaining prospects for capital appreciation.

Composite Inception Date

May 1, 2023

Composite Assets Under Management

\$134.7 million

Strategy

Income-oriented equity strategy seeking attractive distribution and market exposure by combining an actively managed, proprietary factor-based equity portfolio with an option selling overlay program.

Drivers of Alpha Potential

High-quality stocks exhibiting factors such as profitability, return-on-equity and assets, cash flow generation, and strong balance sheets provide broad equity market exposure.

Cash flow from options writing strategy provides consistent income with monthly distributions.

Portfolio Application

1. Income Model Component
2. Conservative Equity Allocation
3. Complement to Credit

Firm Overview

Since 1977, Gateway has provided low-volatility equity strategies to risk-conscious investors. The firm specializes in using index options to generate cash flow, reduce risk and potentially enhance risk-adjusted return.

Headquarters

Cincinnati, OH

Assets Under Management

\$9.4 billion

High-Quality Equity Strategy, Robust Monthly Income

Gateway's Quality Income strategy combines the firm's distinct expertise in quantitatively driven equity portfolio management and index option-based investing to provide a strategy seeking consistent long-term growth and regular income driven by equity market volatility.

- Constructs a diversified portfolio of high-quality companies through a proprietary factor-based approach
- Generates a consistent stream of monthly income from a combination of dividends and index option exposure

Quality Income Cumulative Net Return (%) - Since May 1, 2023¹



Total Return Since Inception (%)¹

	October	November	December	Q4	2024	Since Inception ¹
Quality Income (Net)	-1.24	5.36	-0.89	3.13	16.12	18.17
S&P 500® Index	-0.91	5.87	-2.38	2.41	25.02	24.67

Characteristics Since Inception (%)¹

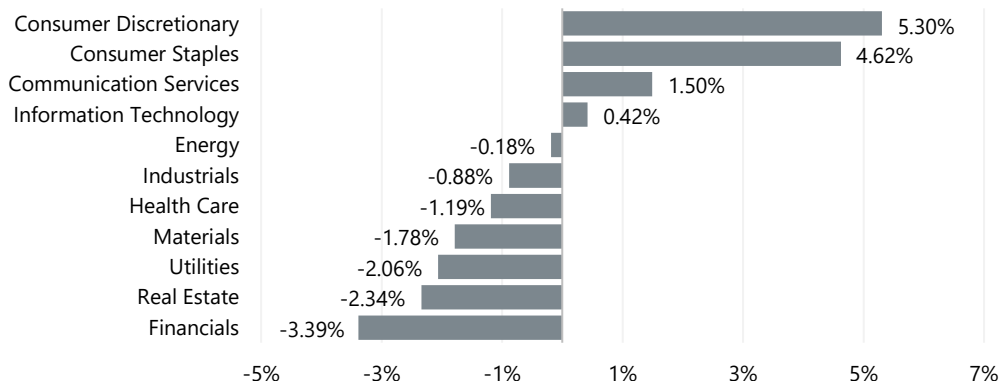
	Risk	Beta	Sharpe	Yield ^{2,3}
Quality Income (Net)	10.28	0.78	1.29	9.05
S&P 500® Index	12.27	1.00	1.39	1.27

Equity Portfolio Characteristics

	Quality Income ²		S&P 500® Index		
	Quality Income ²	S&P 500® Index	Quality Income ²	S&P 500® Index	
Price-to-Earnings Ratio	25.66	26.81	Apple Inc	8.33	7.28
Price-to-Sales Ratio	1.41	3.04	NVIDIA Corp	7.23	6.14
Price-to-Book Ratio	7.67	5.11	Microsoft Corp	6.69	6.57
Debt/EBITDA	1.65	2.92	Alphabet Inc	4.87	3.64
Debt/Equity	1.01	1.22	Amazon.com Inc	4.58	3.57
Debt/Assets	0.19	0.27	Meta Platforms Inc	3.67	2.57
Return on Equity	27.16%	17.45%	Mastercard Inc	2.84	0.84
Return on Assets	5.39%	3.94%	Tesla Inc	2.12	1.49
Return on Capital	15.80%	9.89%	McKesson Corp	1.93	0.13
Number of Holdings	104	503	Walmart Inc	1.85	0.72

Top 10 Equity Portfolio Holdings (%)

Sector Exposure Relative to S&P 500® Index



Past performance does not guarantee future results. All data as of December 31, 2024 unless noted otherwise. Data source: Morningstar DirectSM. Side one - not valid without side two. 1: Returns less than one-year are not annualized. Risk is defined as standard deviation and is based on monthly returns. Composite inception date is May 1, 2023. 2: This information represents supplemental information to the GIPS® Composite Report. This representative account was selected as it is the oldest account in the Composite. 3: Annualized yield based on most recent distribution and is not reflective of the performance of the Composite or its investments.

Michael T. Buckius, CFA®
CEO, CIO, & Portfolio Manager

Industry Start: 1992
Joined Gateway: 1999

Kenneth H. Toft, CFA®
Senior Vice President & Portfolio Manager

Industry Start: 1992
Joined Gateway: 1992

Daniel M. Ashcraft, CFA®
Vice President & Portfolio Manager

Industry Start: 2007
Joined Gateway: 2009

Mitchell J. Trotta, CFA®
Portfolio Manager

Industry Start: 2015
Joined Gateway: 2016

Mathew D. Evans
Associate Portfolio Manager

Industry Start: 2023
Joined Gateway: 2023

Twinkle T. Singh
Quantitative Research Analyst

Industry Start: 2012
Joined Gateway: 2024

A focus on stable, high-quality companies with strong fundamentals

The strategy's equity portfolio invests in companies exhibiting consistent quality factors. Specifically:

- High profitability and cash flow generation
- Efficient use of capital
- Strong balance sheets with low-leverage

Option overlay enhances yield

The strategy pairs high-quality equities with an options overlay on 50% of the equity portfolio to provide investors **consistent income** with monthly payouts.

- Option cash flow, driven by market volatility, harvested monthly
- Remaining 50% of equity portfolio uncovered to provide unhedged market exposure

Versatile, customizable and portable

The strategy can be employed in a variety of portfolio applications:

- Income Model Component
- Conservative Equity Allocation
- Complement to Credit

The Gateway Quality Income strategy is portable and customizable to meet investor needs in today's challenging market environment.

IMPORTANT INFORMATION

Past performance does not guarantee future results.

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 Quality Income 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.

Gateway Quality Income Composite (the Composite) contains fully discretionary accounts that hold an actively managed portfolio of high-quality large cap stocks and short index call options on approximately 50% notional portfolio value. Indexes utilized for call option activity are U.S. domestic equity indexes that include all sectors of the economy. The same level of exposures as the listed options market may also be achieved using equity-linked notes (ELNs). The index-option and/or ELN activity provides income and reduces volatility.

The Composite net of fee performance results reflect the reinvestment of dividends and other earnings and was calculated using actual advisory fees, if any, or the Composite's highest tier of the current fee schedule of 0.34%. Fees may be less or more than fees that other accounts would pay for this strategy in the future. Performance results are expressed in U.S. dollars. 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. A more detailed description of Gateway's standardized fees is included in Form ADV, Part 2. Yield represents net investment income earned by the Composite over a 30-day period, expressed as an annual percentage rate based on the Composite's share price at the end of the 30-day period. The yield should be regarded as an estimate of investment income and may not equal the Composite's actual income distribution rate and is not reflective of the performance of the Composite or its investments.

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