

**The Gateway Trust**  
**3805 Edwards Road, Suite 600**  
**Cincinnati, Ohio 45209**

May 24, 2005

Mr. Jonathan G. Katz  
Secretary  
U.S. Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0609

Re: Mutual Fund Redemption Fees;  
File No. S7-11-04

Dear Mr. Katz:

I am writing to express my concerns with the recently-adopted mutual fund redemption fee rule. The Gateway Fund, established in 1977, is an open-end mutual fund with approximately \$2.4 billion in assets and 40,000 shareholders. The fund's adviser, Gateway Investment Advisers, L.P. provides the fund with investment management, administration, fund accounting, transfer agency, and shareholder services.

I generally agree with and support the views expressed by the Investment Company Institute in its letter to the Commission dated May 9, 2005.<sup>1</sup> I am writing to emphasize the disproportionate impact that rule 22c-2 will have on small fund complexes.

There will be substantial costs and burdens associated with obtaining contracts as required by the rule. The term "financial intermediary" is broadly defined under the rule to include, among other things, *any* entity that holds shares in nominee name or maintains records for a participant-directed retirement plan. As a result, any account not registered specifically for a natural person potentially could be held by an intermediary for purposes of the rule. Identifying our universe of intermediaries, modifying existing agreements, and entering into new agreements containing the terms required by the rule will be a significant task. Moreover, the trustees of the Gateway Trust have determined that the costs of imposing redemption fees would outweigh the benefits to the fund's shareholders. Therefore, in the case of Gateway Fund, the substantial resources devoted to complying with this requirement would be entirely wasted.

The time and money that is spent in fulfilling the contract requirements of this rule can be better spent on other compliance efforts that more directly protect Gateway shareholders. We urge the Commission to consider whether a less burdensome alternative to the contract requirement in new rule 22c-2 is available.

Sincerely,

Geoffrey Keenan  
Vice President

---

<sup>1</sup> See Letter from Elizabeth Krentzman, General Counsel, Investment Company Institute, May 9, 2005 (File name: ekrentzman050905.pdf).