GE INVESTMENTS FUNDS, INC.

U.S. Equity Fund
S&P 500 Index Fund
Premier Growth Equity Fund
Core Value Equity Fund
Small-Cap Equity Fund
Income Fund
Total Return Fund
Real Estate Securities Fund
(each, a "Fund" and collectively, the "Funds")

Supplement dated October 3, 2016
To the Statutory Prospectus and Statement of Additional Information dated May 1, 2016, as supplemented on July 1, 2016, and the Summary Prospectuses dated May 1, 2016, as supplemented and amended on July 1, 2016

At a Board of Directors meeting held on June 9, 2016, the Board of Directors (the "Board") of the GE Investments Funds, Inc. (the "Company") approved the rebranding of the Company and each of its series portfolios in connection with the appointment of SSGA Funds Management, Inc. ("SSGA FM") as investment adviser to the Funds. Subject to the requisite approval by the Company's shareholders, effective on or about November 30, 2016, the Company will be rebranded the "**State Street Variable Insurance Series Funds, Inc.**" Effective on or about November 30, 2016, each individual Fund will change its respective name and ticker symbol as follows:

Old Name	Old Ticker Symbol	New Name	New Ticker Symbol
GE Investments Total Return Fund		State Street Total Return V.I.S. Fund	
Class 1	GETIX	Class 1	SSTIX
Class 3	GETTX	Class 3	SSTTX
GE Investments Real Estate Securities Fund	GEIRX	State Street Real Estate Securities V.I.S. Fund	SSRSX
GE Investments S&P 500 Index Fund	GESPX	State Street S&P 500 Index V.I.S. Fund	SSSPX
GE Investments Small-Cap Equity Fund	GESEX	State Street Small-Cap Equity V.I.S. Fund	SSSEX
GE Investments Core Value Equity Fund	GEVEX	State Street Core Value Equity V.I.S. Fund	SSVEX
GE Investments U.S. Equity Fund	GEUSX	State Street U.S. Equity V.I.S. Fund	SSUSX
GE Investments Premier Growth Equity Fund	GEPGX	State Street Premier Growth Equity V.I.S. Fund	SSPGX
GE Investments Income Fund	GEIMX	State Street Income V.I.S. Fund	SSIMX

Furthermore, at a Board meeting held on September 9, 2016, the Board approved the termination of BlackRock Investment Management, LLC ("BlackRock") as investment sub-adviser to the Total Return Fund. Effective on or about November 30, 2016, SSGA FM will directly manage the underlying passive strategies of the Total Return Fund, and BlackRock will no longer serve as investment sub-adviser to the Total Return Fund.

This Supplement should be retained with your
Summary Prospectuses, Prospectus and SAI for future reference.

GE INVESTMENTS FUNDS, INC.

U.S. Equity Fund
S&P 500 Index Fund
Premier Growth Equity Fund
Core Value Equity Fund
Small-Cap Equity Fund
Income Fund
Total Return Fund
Real Estate Securities Fund
(each, a "Fund" and collectively, the "Funds")

Supplement Dated July 1, 2016
To the Statement of Additional Information ("SAI") dated May 1, 2016

At a Special Meeting of Shareholders of the Funds held on June 22, 2016 (the "Meeting"), the shareholders entitled to vote at the Meeting approved: (1) a new investment advisory and administration agreement for each Fund with SSGA Funds Management, Inc. ("SSGA FM"), pursuant to which SSGA FM will replace GE Asset Management Incorporated ("GEAM") as investment adviser and administrator to the Funds upon consummation of the sale of the asset management and advisory services business conducted by GEAM and certain of its subsidiaries (the "Transaction"); (2) the election of each of John R. Costantino, Jeanne M. La Porta, R. Sheldon Johnson and Donna M. Rapaccioli as Directors to the Board of Directors of the Funds; (3) manager-of-managers authority with respect to each Fund for SSGA FM, whereby SSGA FM may, subject to approval of the Board of Directors of the Funds, enter into and materially amend investment sub-advisory agreements with unaffiliated sub-advisers for a Fund without obtaining shareholder approval in each case; (4) with respect to the Small-Cap Equity Fund, new investment sub-advisory agreements between SSGA FM and each of Palisade Capital Management, LLC, Champlain Investment Partners, LLC, GlobeFlex Capital, L.P., Kennedy Capital Management, Inc. and SouthernSun Asset Management LLC; (5) with respect to the Real Estate Securities Fund, a new investment sub-advisory agreement between SSGA FM and CenterSquare Investment Management, Inc.; and (6) with respect to the Total Return Fund, a new investment sub-advisory agreement between SSGA FM and BlackRock Investment Management, LLC.

The Transaction closed on July 1, 2016, at which time SSGA FM became the investment adviser and administrator to the Funds. Therefore, effective July 1, 2016: (1) all references to "GE Asset Management Incorporated" or "GEAM" as the current investment adviser or administrator to the Funds are replaced with "SSGA Funds Management, Inc." or "SSGA FM," as applicable; (2) all references to "SSGA Funds Management, Inc." or "SSGA FM" as the current investment sub-adviser to the S&P 500 Index Fund are removed; (3) all references to "GE Investment Distributors, Inc." or "GEID" as the current distributor to the Funds are replaced with "State Street Global Markets, LLC" or "SSGM," as applicable; and (4) Matthew J. Simpson will no longer serve as a Director of the Board of Directors of GE Investments Funds, Inc.

The SAI is further revised as follows:

On page 65 of the SAI, under the section entitled "**Management of the Trust - Trustees and Officers**," the following rows are added to the table entitled "**Interested Trustees and Executive Officers**" after the row for Robert Herlihy:

Brian Harris SSGA Funds Management, Inc. State Street Financial Center One Lincoln Street Boston, MA 02111-2900 YOB: 1973	Deputy Chief Compliance Officer	Until successor is elected and qualified – less than 1 year	Managing Director, State Street Global Advisors and SSGA Funds Management, Inc. (June 2013 - present)*; Senior Vice President and Global Head of Investment Compliance, BofA Global Capital Management (2010-2013); Director of Compliance, AARP Financial Inc. (2008-2010).	N/A	N/A
Bruce S. Rosenberg SSGA Funds Management, Inc. State Street Financial Center One Lincoln Street Boston, MA 02111-2900 YOB: 1961	Assistant Treasurer	Until successor is elected and qualified – less than 1 year	Managing Director, State Street Global Advisors and SSGA Funds Management, Inc. (July 2015 – present); Director, Credit Suisse (April 2008 – July 2015).	N/A	N/A
Ann M. Carpenter SSGA Funds Management, Inc. State Street Financial Center One Lincoln Street Boston, MA 02111-2900 YOB: 1966	Assistant Treasurer	Until successor is elected and qualified – less than 1 year	Chief Operating Officer, SSGA Funds Management, Inc. (April 2014 – present); Managing Director, State Street Global Advisors and SSGA Funds Management, Inc. (2005 – present).*	N/A	N/A
Chad C. Hallett SSGA Funds Management, Inc. State Street Financial Center One Lincoln Street Boston, MA 02111-2900 YOB: 1969	Assistant Treasurer	Until successor is elected and qualified – less than 1 year	Vice President, State Street Global Advisors and SSGA Funds Management, Inc. (November 2014 – present); Vice President, State Street Bank and Trust Company (2001 – November 2014).	N/A	N/A

* Served in various capacities and/or with various affiliated entities during noted time period.

On pages 69-70 of the SAI, the sub-section entitled "**Investment Adviser and Administrator**" within the section entitled "**Management of the Company**" is deleted in its entirety and replaced with the following:

On March 29, 2016, General Electric Company agreed to sell to State Street Corporation the asset management and advisory services business conducted by GE Asset Management ("GEAM") and certain of its subsidiaries (the "Transaction"). The Transaction closed on July 1, 2016, resulting in the automatic termination of each Fund's investment advisory contract and sub-advisory contract (for Funds with sub-advisers). Effective July 1, 2016, SSGA Funds Management, Inc. ("SSGA FM"), became the investment adviser to each Fund and, subject to the supervision of the Board, became responsible for the investment management of each Fund. SSGA FM provides an investment management program for each Fund and manages the investment of the Funds' assets. SSGA FM is a wholly-owned subsidiary of State Street Corporation ("State Street") and is registered with the SEC under the Investment Advisers Act of 1940, as amended. SSGA FM and certain other affiliates of State Street make up State Street Global Advisors ("SSGA"). SSGA is one of the world's largest institutional money managers and the investment management arm of State Street. As of December 31, 2015, SSGA FM managed approximately $384.95 billion in assets and SSGA managed approximately $2.24* trillion in assets. SSGA FM's principal business address is State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111.

*This AUM includes the assets of the SPDR Gold Trust (approximately $22 billion as of December 31, 2015), for which State Street Global Markets, LLC, an affiliate of SSGA, serves as the distribution agent. Please note that AUM totals are unaudited.

Personnel of each of the Funds, SSGA FM, SSGM and the sub-advisers are subject to a code of ethics pursuant to Rule 17j-1 under the 1940 Act (and also pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Advisers Act") with respect to SSGA FM and each sub-adviser), which establishes procedures for personal investing and restricts certain transactions by persons subject to the code. Personnel subject to the code of ethics are permitted to invest in securities, including securities that may be purchased or held by a Fund, if they follow procedures outlined in the code of ethics.

On pages 73-74 of the SAI, the sub-section entitled "**Manager of Managers Structure**" within the section entitled "**Management of the Company**" is deleted in its entirety and replaced with the following:

Manager of Managers Structure

In order for SSGA FM to delegate portfolio management duties to a sub-adviser with respect to a Fund as permitted by the advisory agreement between SSGA FM and that Fund, the 1940 Act requires that the sub-advisory agreement be approved by the shareholders of that Fund. Specifically, Section 15(a) of the 1940 Act makes it unlawful for any person to act as an investment adviser (including as a sub-adviser) to a mutual fund, such as the Funds, except pursuant to a written contract that has been approved by shareholders of the Fund.

SSGA FM has received an exemptive order (the "Order") from the SEC granting certain exemptions from Section 15(a) of the 1940 Act and certain rules thereunder and from certain disclosure obligations under various rules and forms. The exemptive relief granted by the Order, upon shareholder approval of the "manager of managers" structure, enables SSGA FM and the Board to operate with greater efficiency by allowing SSGA FM, subject to Board approval, including a majority of non-interested Directors, to retain and replace unaffiliated sub-advisers, and enter into and amend sub-advisory agreements with unaffiliated sub-advisers, without incurring the expense and delays of obtaining shareholder approval.

Shareholders of each Fund approved such "manager of managers" structure at a shareholder meeting held on June 22, 2016.

On page 74 of the SAI, under the sub-section entitled "***Current Sub-Advisers***" within the section entitled "**Management of the Company,**" the sub-section "***S&P 500 Index Fund***" is deleted in its entirety.

On pages 90-91 of the SAI, under the sub-section entitled "**Portfolio Managers – Potential Conflicts of Interest**" within the section entitled "**Management of the Company**," the sub-sections "**GEAM, Palisade and CenterSquare**" and "**SSGA FM**" are deleted in their entirety and replaced with the following:

SSGA FM

When a portfolio manager has responsibility for managing more than one account, potential conflicts of interest may arise. Those conflicts may arise out of: (a) the portfolio manager's execution of different investment strategies for various accounts; or (b) the allocation of resources or investment opportunities.

A potential conflict of interest may arise as a result of the portfolio managers' responsibility for multiple accounts with similar investment guidelines. Under these circumstances, a potential investment may be suitable for more than one of the portfolio manager's accounts, but the quantity of the investment available for purchase is less than the aggregate amount the accounts would ideally devote to the opportunity. Similar conflicts may arise when multiple accounts seek to dispose of the same investment. The portfolio manager may also manage accounts whose objectives and policies differ from the respective Fund. These differences may be such that under certain circumstances, trading activity appropriate for one account managed by the portfolio manager may have adverse consequences for another account managed by the portfolio manager. For example, an account may sell a significant position in a security, which could cause the market price of that security to decrease, while the Fund maintained its position in that security.

A potential conflict may arise when portfolio managers are responsible for accounts that have different advisory fees—the difference in fees could create an incentive for the portfolio manager to favor one account over another, for example, in terms of access to investment opportunities. This conflict may be heightened if an account is subject to a performance-based fee. Another potential conflict may arise when the portfolio manager has an investment in one or more accounts that participate in transactions with other accounts. His or her investment(s) may create an incentive for the portfolio manager to favor one account over another. SSGA FM has adopted policies and procedures reasonably designed to address these potential material conflicts. For instance, portfolio managers are normally responsible for all accounts within a certain investment discipline, and do not, absent special circumstances, differentiate among the various accounts when allocating resources. Additionally, SSGA FM and its advisory affiliates have processes and procedures for allocating investment opportunities among portfolios that are designed to be fair and equitable.

SSGA FM has a conflict of interest in its allocation of assets of the Small-Cap Equity Fund among the various Sub-Advisers. SSGA FM pays the management fees of the Sub-Advisers from its management fees and, therefore, may have an incentive to allocate more assets to Sub-Advisers with lower fees in order for SSGA FM to retain more of its management fee.

Palisade and CenterSquare

Compensation. The compensation paid to Palisade or CenterSquare for managing the Funds is based only on a percentage of assets under management. Although a small number of client accounts pay Palisade or CenterSquare a performance-based fee, that fee structure does not present a material conflict of interest for the portfolio managers because their compensation is not directly based on fee revenue earned by Palisade or CenterSquare on particular accounts.

Research. Execution and research services provided by brokers may not always be utilized in connection with the Funds or other client accounts that may have provided the commission or a portion of the commission paid to the broker providing the services. Each of Palisade and CenterSquare allocates brokerage commissions for these services in a manner that each believes is fair and equitable and consistent with each of its fiduciary obligations to each of its clients.

Initial Public Offering ("IPO") Allocation. If a portfolio manager identifies an IPO that may be suitable for more than one Fund or other client account, the Funds may not be able to take full advantage of that opportunity. To mitigate this conflict of interest, each of Palisade and CenterSquare has adopted procedures to ensure that each allocates shares of IPOs to the Funds each advises and other client accounts in a manner in which each believes is fair and equitable and consistent with each of its fiduciary obligations to each of its clients.

Trade Allocation. If a portfolio manager identifies a limited investment opportunity that may be suitable for more than one Fund or other client account, the Funds may not be able to take full advantage of that opportunity. To mitigate this conflict of interest, each of Palisade and CenterSquare aggregates orders of the Funds it advises with orders from each of its other client accounts in order to ensure that all clients are treated fairly and equitably over time and consistent with each of its fiduciary obligations to each of its clients.

On pages 96-98 of the SAI, under the sub-section entitled "**Portfolio Managers – Compensation"** within the section entitled "**Management of the Company,**" the sub-section entitled "**GEAM**" is deleted in its entirety.

On pages 104-105 of the SAI, under the sub-section entitled "**Proxy Voting Policies and Procedures**" within the section entitled "**Management of the Company,**" the first four paragraphs and the sub-section entitled "**Summary of GEAM's Proxy Voting Policies and Procedures**" are deleted in their entirety and replaced with the following:

Proxy Voting Policies and Procedures

The Company's Board has delegated the responsibility for voting proxies to SSGA FM for all Funds other than the Small-Cap Equity Fund, which is managed by Palisade, Champlain, GlobeFlex, Kennedy and SouthernSun; the Real Estate Securities Fund, which is managed by CenterSquare; and the Total Return Fund, which is managed by BlackRock, in accordance with SSGA FM's proxy voting policies and procedures ("Proxy Policy").

Subject to SSGA FM's recommendation and review of the proxy voting policies of each Sub-Adviser, the Board has delegated the responsibility for voting proxies to Palisade, Champlain, GlobeFlex, Kennedy and SouthernSun for the Small-Cap Equity Fund, CenterSquare for the Real Estate Securities Fund and BlackRock for the Total Return Fund.

At least annually, SSGA FM and each Sub-Adviser will present to the Board its proxy voting policy. In addition, SSGA FM and each Sub-Adviser will notify the Board of any material change to its policy promptly and no later than the next regular Board meeting after the material change occurs.

Summarized below are the proxy voting policies and procedures of SSGA FM and each Sub-Adviser.

Summary of SSGA FM's Proxy Voting Policies and Procedures

SSGA FM has undertaken to vote proxies with respect to each Fund's underlying securities holdings and retains the final authority and responsibility for such voting. SSGA FM, at the direction of SSGA FM's Investment Committee, retains Institutional Shareholder Services, Inc. ("ISS"), a firm with expertise in proxy voting and corporate governance, to support SSGA's voting process. SSGA FM uses ISS's services in three ways: (1) as SSGA FM's proxy voting agent (providing SSGA FM with vote execution and administration services); (2) applying SSGA FM's Proxy Voting Guidelines; and (3) providing research and analysis relating to general corporate governance issues and specific proxy items. SSGA FM has instructed the voting agent to follow the voting guidelines as set by SSGA FM's Investment Committee. The implementation of SSGA FM's Proxy Voting Guidelines is overseen by SSGA FM's Global Proxy Review Committee ("SSGA FM PRC"). The SSGA FM PRC reports to SSGA's Investment Committee and may refer certain significant proxy items to that Committee. Oversight of the proxy voting process is ultimately the responsibility of SSGA's Investment Committee.

The following represents a summary of SSGA FM's Proxy Voting Policy and Proxy Voting Guidelines, and is qualified in its entirety by reference to the full Proxy Voting Policy and Proxy Voting Guidelines.

SSGA FM generally supports management on routine corporate governance matters such as election of independent directors who do not appear to have been remiss in the performance of their oversight responsibilities, who do not simultaneously serve on an unreasonable (as determined by SSGA FM) (other than those affiliated with the issuers) number of other boards, who have attended at least 75% of board meetings, and who have not served exceedingly long tenure terms on the board, approval of auditors, directors' and auditors' compensation, directors' liability and indemnification, discharge of board members' duties, discharge of auditors, approval of financial statements and allocation of income, dividend payouts that are greater than or equal to country and industry standards, authorization of share repurchase programs, general updating of or corrective amendments to charter, change in corporation name, exclusive forum provisions and elimination of cumulative voting.

SSGA FM generally votes in support of management on the following items, which have potentially substantial financial or best-interest impact: capitalization changes that eliminate other classes of stock and/or unequal voting rights, changes in capitalization authorization for stock splits, stock dividends, and other specified needs which are no more than 50% of the existing authorization for U.S. companies and no more than 100% of existing authorization for non-U.S. companies; elimination of pre-emptive rights for a share issuance of less than a given percentage (country specific—ranging from 5% to 20%) of the outstanding shares; elimination of "poison pill" rights; stock purchase plans with an exercise price of not less than 85% of fair market value, stock option plans that are incentive based and not excessively dilutive; other stock-based plans that are appropriately structured; reductions in super-majority vote requirements; and the adoption of anti- "greenmail" provisions. SSGA FM generally supports management proposals on executive compensation where there is a strong relationship between executive pay and performance over a five-year period. In addition, SSGA FM supports an annual advisory vote on executive compensation.

SSGA FM generally votes against management on matters such as capitalization changes that add "blank check" classes of stock or classes that dilute the voting interests of existing shareholders, changes in capitalization authorization where management does not offer an appropriate rationale or that are contrary to the best interest of existing shareholders, anti-takeover and related provisions that serve to prevent the majority of shareholders from exercising their rights or effectively deter appropriate tender offers and other offers, amendments to bylaws that would require super-majority shareholder votes to pass or repeal certain provisions; elimination of shareholders' right to call special meetings; establishment of classified boards of directors; quorum requirement reductions below a majority of outstanding shares absent compelling reasons; proposals that reduce shareholders' rights or have the effect of entrenching incumbent management; adjournment of meeting to solicit additional votes in connection with a merger or transaction; "other business as properly comes before the meeting," proposals which extend "blank check" powers to those acting as proxy; and proposals requesting re-election of insiders or affiliated directors who serve on audit, compensation, and nominating committees.

SSGA FM evaluates mergers and acquisitions on a case-by-case basis in order to seek the best value for each Fund. SSGA FM generally votes against offers with potentially damaging consequences for minority shareholders because of illiquid stock, especially in some non-US markets and offers where SSGA FM believes there is a reasonable prospect for an enhanced bid or other bidders and offers where, at the time of voting, the current market price of the security exceeds the bid price. SSGA FM generally votes in favor of transactions that maximize shareholder value. Some of the considerations include, but are not limited to, the offer premium, strategic rationale, board oversight of the process for the recommended transaction, and, offers in which the secondary market price is substantially lower than the NAV.

SSGA FM generally supports shareholder proposals on issues such as establishing the annual election of directors unless the board is comprised of a supermajority of independent directors, the board's key committees (auditing, nominating and compensation) are comprised of independent directors, as well as considering other governance factors such as antitakeover devices; requiring majority vote for director election; and mandating that changes to the bylaws or charter have shareholder approval. SSGA also supports special meeting and written consent proposals if certain criteria are met; proposals requiring the disclosure of executive retirement benefits in the absence of an independent compensation committee, the disclosure of auditor and consulting relationships when the same or related entities are conducting both activities; the establishment of a selection committee responsible for the final approval of significant management consultant contract awards where existing firms are already acting in an auditing function are also generally supported.

SSGA FM generally votes against shareholder proposals on issues such as limits to tenure of directors; requirements that candidates for directorships own large amounts of stock before being eligible to be elected; restoration of cumulative voting in the election of directors; and proposals asking companies to adopt full tenure holding periods for their executives. SSGA FM will typically vote against or abstain from voting on environmental or social proposals absent a compelling economic impact on shareholder value.

From time to time, SSGA FM will review a proxy which may present a potential conflict of interest. SSGA has a standalone conflicts policy that is designed to prevent undue influence on SSGA's voting activities that may arise from relationships between proxy issuers or companies and State Street Corporation, SSGA, SSGA affiliates, SSGA funds or SSGA fund affiliates. In general, SSGA FM does not believe matters that fall within its Proxy Voting Guidelines and are voted consistently with the Proxy Voting Guidelines present any potential conflicts, since the vote on the matter has effectively been determined without reference to any soliciting entity; however, where matters do not fall within SSGA FM's Proxy Voting Guidelines or where SSGA FM believes that voting in accordance with the Proxy Voting Guidelines is unwarranted, SSGA FM conducts an additional review to determine whether there is a conflict of interest as defined by our policy.

In circumstances where either (i) the matter does not fall clearly within the Proxy Voting Guidelines or (ii) SSGA FM determines that voting in accordance with such policies or guidance is not in the best interests of its clients, the Head of SSGA FM's Corporate Governance Team will determine whether a material relationship exists. If so the matter is referred to the SSGA FM PRC. The SSGA FM PRC then reviews the matter and determines whether a conflict of interest exists, and if so, how to best resolve such conflict. For example, the SSGA FM PRC may (i) determine that the proxy vote does not give rise to a conflict due to the issues presented, (ii) refer the matter to SSGA's Investment Committee for further evaluation or (iii) retain an independent fiduciary to determine the appropriate vote.

On pages 122-124 of the SAI, under the sub-section entitled “**Proxy Voting Policies and Procedures**” within the section entitled “**Management of the Company**,” the sub-section entitled “**Summary of SSGA FM’s Proxy Voting Policies and Procedures**” is deleted in its entirety.

This Supplement should be retained with your SAI for future reference.

STATEMENT OF ADDITIONAL INFORMATION

May 1, 2016

GE INVESTMENTS FUNDS, INC.

For information, call 1-800-242-0134

	Class 1	
Equity Funds		
U.S. Equity Fund	GEUSX	
S&P 500 Index Fund	GESPX	
Premier Growth Equity Fund	GEPGX	
Core Value Equity Fund	GEVEX	
Small-Cap Equity Fund	GESEX	
	Class 1	
Income Fund		
Income Fund	GEIMX	
	Class 1	**Class 3**
Asset Allocation Fund		
Total Return Fund	GETIX	GETTX
Other Funds	**Class 1**	
Real Estate Securities Fund	GEIRX	

This Statement of Additional Information ("SAI") supplements the information contained in the statutory prospectus of GE Investments Funds, Inc. (the "Company") dated May 1, 2016, as it may be revised from time to time (the "Prospectus"), and should be read in conjunction with the Prospectus. This SAI, although not a prospectus, is incorporated in its entirety by reference into the Prospectus. Copies of the Prospectus describing each series of the Company listed above (each, a "Fund" and collectively, the "Funds") may be obtained without charge by calling the Company at the toll-free telephone number listed above.

The Company's financial statements for the fiscal year ended December 31, 2015, and the Independent Registered Public Accounting Firm's Report thereon, are incorporated herein by reference to the Company's Annual Report dated December 31, 2015. Copies of the Annual Report may be obtained without charge by calling the Company at the toll-free telephone number listed above. Terms that are defined in the Prospectus shall have the same meanings in this SAI.

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INVESTMENT STRATEGIES AND RISKS AND PORTFOLIO HOLDINGS

This section supplements the information contained in the Prospectus concerning the investment objectives and principal investment strategies and risks of the following Funds:

1. **U.S. Equity Fund**, a diversified open-end fund
2. **S&P 500 Index Fund**, a diversified open-end fund
3. **Premier Growth Equity Fund**, a diversified open-end fund
4. **Core Value Equity Fund**, a diversified open-end fund
5. **Small-Cap Equity Fund**, a diversified open-end fund
6. **Income Fund**, a diversified open-end fund
7. **Total Return Fund**, a diversified open-end fund
8. **Real Estate Securities Fund**, a diversified open-end fund

In addition to the Funds identified above, the Company is also comprised of the following series: the Europe Equity Fund, Emerging Markets Equity Fund and High Yield Fund. These series had not commenced operations as of the date of this SAI and are not currently being offered to investors.

The investment objective or objectives of a Fund are fundamental and cannot be changed without the approval of a majority of the outstanding voting shares of capital stock related to that Fund. Certain investment restrictions also are fundamental and cannot be changed without shareholder approval. In contrast, certain other investment restrictions, as well as the investment policies of each Fund, are not fundamental and may be changed by the Company's Board of Directors (the "Board") without shareholder approval.

There can be no assurance that any Fund will achieve its investment objective or objectives. Investors should not consider any one Fund alone to be a complete investment program. All of the Funds are subject to the risk of changing economic conditions, as well as the risk inherent in the ability of the portfolio manager to make changes in the composition of a Fund in anticipation of changes in economic, business, and financial conditions. As with any security, a risk of loss is inherent in an investment in the shares of any of the Funds. The different types of securities, investments, and investment practices used by each Fund all have attendant risks of varying degrees. For example, with respect to equity securities, there can be no assurance of capital appreciation and there is a substantial risk of decline in the value of the securities. With respect to debt securities, there exists the risk that the issuer of a security may not be able to meet its obligations on interest or principal payments at the time required by the instrument. In addition, the value of debt instruments generally rises and falls inversely with prevailing current interest rates. As described below, an investment in certain of the Funds entails special additional risks as a result of their ability to invest a substantial portion of their assets in foreign securities or real estate securities.

The stock and bond markets in the United States and internationally have experienced unprecedented volatility in recent years. Some countries, sectors and industries also have seen periods of greater declines than the broader securities markets. For example, the financial crisis in 2008-2009 caused a significant decline in the value and liquidity of many securities. More recently, the stocks of many energy companies

suffered severe declines in 2015 when oil prices declined. Despite gains that can occur in some markets after steep declines, negative conditions and price declines may return unexpectedly and dramatically. In these types of situations, it may not be possible to identify all significant risks and opportunities using past investment strategies or models.

Overview of Dodd-Frank Act

On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") into law. The Dodd-Frank Act significantly impacts the financial services industry and includes provisions that regulate the operation of depository institutions and their holding companies. Among other things, the Dodd-Frank Act: 1) created the Consumer Financial Protection Bureau, an independent consumer watchdog agency housed within the Federal Reserve Board ("FRB") with broad rulemaking authority to implement the consumer protection laws that apply to financial services providers and to prohibit "unfair, deceptive or abusive" acts or practices, 2) granted to the U.S. Department of the Treasury, Federal Deposit Insurance Corporation and the FRB broad new powers to seize, close and wind down "too big to fail" financial (including non-bank) institutions in an orderly fashion, 3) established the Financial Stability Oversight Council, charged with identifying and responding to emerging risks throughout the financial system, composed primarily of federal financial services regulators and chaired by the Secretary of the Treasury Department, 4) restructured the federal regulatory jurisdiction over depository institutions and their holding companies, and abolished the Office of Thrift Supervision, 5) adopted new federal oversight of the insurance industry, 6) adopted new standards and rules for the mortgage industry, 7) adopted new bank, thrift and holding company regulation, 8) adopted new federal regulation of the derivative instruments market, 9) adopted the so-called "Volcker Rule," substantially restricting proprietary trading by depository institutions and their holding companies, 10) imposed requirements for "funeral plans" by large, complex financial companies, 11) established new regulation of the securitization market through "skin in the game" and enhanced disclosure requirements, 12) established new regulation of interchange fees, 13) established new and enhanced compensation and corporate governance oversight for the financial services industry, 14) provided enhanced oversight of municipal securities, 15) provided a specific framework for payment, clearing and settlement of swap agreements, 16) adopted new federal hedge fund regulation, 17) adopted new fiduciary duties and regulation of broker dealers, investment companies and investment advisers, 18) tasked the federal banking agencies with adopting new and enhanced capital standards for all depository institutions, and 19) significantly narrowed the scope of federal preemption for national banks and federal thrifts.

Since the enactment of the Dodd-Frank Act, the Securities and Exchange Commission (the "SEC"), the Commodity Futures Trading Commission (the "CFTC") and other federal regulators have adopted rules and regulations implementing provisions of the Dodd-Frank Act. While many rules have been adopted, a few are yet to be finalized. Although some of those rules may have increased the complexity or expense of managing the Funds or their investments or reduced the liquidity of certain types of investments, it is not possible at this time to develop a complete picture of the long-term impact of the Dodd-Frank Act on the Funds.

Investment Objectives and Principal Strategies and Risks

U.S. Equity Fund. The investment objective of the U.S. Equity Fund is long-term growth of capital. The Fund seeks to achieve its objective by investing at least 80% (measured at the time of investment) of its net assets plus borrowings for investment purposes, under normal circumstances, in equity securities of U.S. companies, such as common and preferred stocks. A U.S. company is a company that generates at least 50% of its revenues or profits from business activities in the U.S., has at least 50% of its assets situated in the U.S., or has the principal trading market for its securities in the U.S.

S&P 500 Index Fund. [1] The investment objectives of the S&P 500 Index Fund are growth of capital and accumulation of income that corresponds to the investment return of the Standard & Poor's 500® Composite Stock Index (the "S&P 500® Index"). The Fund seeks to replicate the return of the S&P 500® Index while holding transaction costs low and minimizing portfolio turnover. The portfolio managers attempt to achieve a correlation between the Fund's total return and that of the S&P 500® Index of at least 0.95, without taking expenses into account.

Premier Growth Equity Fund. The investment objectives of the Premier Growth Equity Fund are long-term growth of capital and future income rather than current income.

[1]The S&P 500 Index Fund is not sponsored, endorsed, sold or promoted by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"). S&P makes no representation or warranty, express or implied, to the investors of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the S&P 500® Index to track general stock market performance. S&P's only relationship to the Fund is the licensing of certain trademarks and trade names of S&P and of the S&P 500® Index which is determined, composed and calculated by S&P without regard to the Fund. S&P has no obligation to take the needs of the Fund or the investors in the Fund into consideration in determining, composing or calculating the S&P 500® Index. S&P is not responsible for and has not participated in the determination of the prices or composition of the Fund or the timing of the issuance or sale of the shares of that Fund. S&P has no obligation or liability in connection with the administration, marketing or trading of the Fund.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY THE FUND, INVESTORS IN THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The Fund seeks to achieve its objectives by investing at least 80% (measured at the time of investment) of its net assets plus borrowings for investment purposes, under normal circumstances, in equity securities, such as common and preferred stocks. The Fund invests primarily in a limited number of large and medium-sized companies (meaning companies with market capitalizations of $2 billion or more) that the portfolio manager believes have above-average growth histories and/or growth potential.

Core Value Equity Fund. The investment objectives of the Core Value Equity Fund are long-term growth of capital and future income. The Fund seeks to achieve its objectives by investing at least 80% (measured at the time of investment) of its net assets plus borrowings for investment purposes, under normal circumstances, in equity securities, such as common and preferred stocks. The Fund invests primarily in U.S. companies that the portfolio managers believe are undervalued by the market but have solid growth prospects. Undervalued securities are those securities that are undervalued relative to the market, their peers, their historical valuations or their growth rate potential.

Small-Cap Equity Fund. The investment objective of the Small-Cap Equity Fund is long-term growth of capital. The Fund seeks to achieve its objective by investing at least 80% (measured at the time of investment) of its net assets plus borrowings for investment purposes, under normal circumstances, in equity securities of small-cap companies, such as common and preferred stocks. The Fund defines a small-cap company as one with a market capitalization that, at the time of investment, falls between (a) the bottom range of the Russell 2000® Index and (b) the greater of either the top range of the Russell 2000® Index or $3.0 billion. The Fund uses a multi sub-adviser investment strategy that combines growth, value and core investment management styles. GE Asset Management Incorporated ("GEAM") will allocate the Fund's assets among the sub-advisers to maintain exposure to a combination of investment styles, but may have larger allocations to certain sub-advisers based on its assessment of the potential for better performance or to address capacity constraints of a particular sub-adviser, among other reasons. As a result, this orientation will typically produce a portfolio that does not materially favor value or growth style investing and allows the Fund the potential to benefit from both value and growth cycles in the marketplace.

Income Fund. The investment objective of the Income Fund is maximum income consistent with prudent investment management and the preservation of capital. The Fund seeks to achieve its objective by investing at least 80% (measured at the time of investment) of its net assets plus borrowings for investment purposes, under normal circumstances, in debt securities. The Fund invests primarily in a variety of investment-grade debt securities, such as mortgage-backed securities, corporate bonds, U.S. Government securities and money market instruments. The Fund normally has a weighted average effective maturity of approximately five to ten years, but is subject to no limitation with respect to the maturities of the instruments in which it may invest.

Total Return Fund. The investment objective of the Total Return Fund is the highest total return, composed of current income and capital appreciation, as is consistent with prudent investment risk. The Fund seeks to achieve its objective by investing primarily in a combination of U.S. and foreign (non-U.S.) equity and debt securities, and cash. The investment adviser utilizes information from its Asset Allocation Committee to allocate the

Fund's assets across various asset classes in order to diversify the Fund's holdings and to adjust the asset class weightings based on market and economic conditions. The Fund also seeks to provide attractive risk adjusted returns relative to the Fund's three broad-based benchmarks by tactically adjusting its asset allocation among the underlying indexed strategies. Based on GEAM's asset allocation decisions, the Fund's assets are managed by a sub-adviser that employs an indexing investment approach designed to track the performance of the desired broad-based indexes. The Fund may hold cash or invest in money market instruments, principally for the preservation of capital, income potential or maintenance of liquidity.

Real Estate Securities Fund. The investment objective of the Real Estate Securities Fund is maximum total return through current income and capital appreciation. The Fund seeks to achieve its objective by investing at least 80% (measured at the time of investment) of its net assets plus borrowings for investment purposes, under normal circumstances, in equity securities (such as common and preferred stocks) and debt securities of U.S. issuers that are principally engaged in or related to the real estate industry, including those that own significant real estate assets. The Fund does not invest directly in real estate.

The Real Estate Securities Fund is intended for investors who can accept the risks, described below, entailed by indirect investments in real estate.

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Supplemental information concerning certain of the securities and other instruments in which the Funds may invest, the investment policies and strategies that the Funds may utilize and certain risks attendant to those investments, policies and strategies is provided below. Unless otherwise indicated, all Funds are permitted to engage in the following investment strategies or techniques. The Funds are not obligated to pursue the following strategies or techniques and do not represent that these strategies or techniques are available now or will be available at any time in the future. A Fund will not purchase all of the following types of securities or employ all of the following strategies unless doing so is consistent with its investment objective(s).

The following tables summarize the investment techniques that may be employed by the Funds. Certain techniques and limitations may be changed at the discretion of GEAM and in some cases subject to the approval by the Board. Percentage figures refer to the percentage of a Fund's total assets (including any borrowings) that may be invested in accordance with the indicated techniques.

	Borrowing Limit	Repurchase Agreements	Reverse Repurchase Agreements	Restricted Securities and Illiquid Investments	Structured and Indexed Securities	Options	Securities Index Options
U.S. Equity Fund	33 1/3 %	Yes	Yes	Yes	No	Yes	Yes
S&P 500 Index Fund	33 1/3%	Yes	Yes	Yes	No	Yes	Yes
Premier Growth Equity	33 1/3%	Yes	Yes	Yes	No	Yes	Yes

Fund							
Core Value Equity Fund	33 1/3%	Yes	Yes	Yes	No	Yes	Yes
Small-Cap Equity Fund	33 1/3%	Yes	Yes	Yes	No	Yes	Yes
Income Fund	33 1/3%	Yes	Yes	Yes	Yes	Yes	Yes
Total Return Fund	33 1/3%	Yes	Yes	Yes	Yes	Yes	Yes
Real Estate Securities Fund	33 1/3%	Yes	Yes	Yes	Yes	Yes	Yes

	Futures Contracts and Options on Futures Contracts	Forward Contracts	Interest-Only Swaps, Interest Rate Swaps, Index Swaps and Credit Default Swaps	Options on Foreign Currencies	Maximum Investment in Debt Securities	Maximum Investment in Below-Investment Grade Debt Securities (High Yield Securities)	Maximum Investment in Foreign Securities	When-Issued and Delayed Delivery Securities
U.S. Equity Fund	Yes	Yes	No	Yes	20%	5%	15%*	Yes
S&P 500 Index Fund	Yes	No	No	No	20%	None	35%*	Yes
Premier Growth Equity Fund	Yes	Yes	No	No	20%	5%	25%*	Yes
Core Value Equity Fund	Yes	Yes	No	Yes	20%	5%	25%*	Yes
Small-Cap Equity Fund	Yes	Yes	No	Yes	20%	10%	10%*	Yes
Income Fund	Yes	Yes	Yes	Yes	100% (maximum of 25% in BBB by S&P or Baa by Moody's Investor Services, Inc. ("Moody's") or equivalent)	20% in BB or B by S&P or Ba or B by Moody's or below or of similar quality	35%*	Yes
Total Return Fund	Yes	Yes	Yes	Yes	100%	30%	70%*	Yes
Real Estate Securities Fund	Yes	No	No	No	100%	35%	20%*	Yes

*This limitation excludes: American Depositary Receipts ("ADRs"); securities of a foreign issuer with a class of securities registered with the SEC and listed on a U.S. national securities exchange; and dollar-denominated securities publicly offered in the U.S. by a foreign issuer.

	Lending Portfolio Securities	Rule 144A Securities	Debt Obligations of Supranational Agencies	Depositary Receipts	Securities of Other Investment Funds	Municipal Leases	Floating and Variable Rate Instruments	Participation Interests in Municipal Obligations
U.S. Equity Fund	Yes	Yes	Yes	Yes	Yes	No	No*	No
S&P 500 Index Fund	Yes	Yes	No	Yes	Yes	No	Yes	No
Premier Growth Equity Fund	Yes	Yes	Yes	Yes	Yes	No	No*	No
Core Value Equity Fund	Yes	Yes	Yes	Yes	Yes	No	No*	No
Small-Cap Equity Fund	Yes	Yes	Yes	Yes	Yes	No	No*	No
Income Fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total Return Fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Real Estate Securities Fund	Yes	Yes	Yes	Yes	Yes	No	Yes	No

* Excludes commercial paper and notes with variable and floating rates of interest.

	Zero Coupon Obligations	Municipal Obligation Components	Custodial Receipts on Municipal Obligations	Mortgage Related Securities, including Collateralized Mortgage Obligations ("CMOs")	Government Stripped Mortgage Related Securities	Asset-Backed Securities and Receivable-Backed Securities	Mortgage Dollar Rolls	Short Sales Against the Box
U.S. Equity Fund	Yes	No	No	Yes	No	No	No	Yes
S&P 500 Index Fund	No	No	No	Yes	No	No	No	Yes
Premier Growth Equity Fund	No	No	No	Yes	No	No	No	Yes
Core Value Equity Fund	No	No	No	Yes	No	No	No	Yes
Small-Cap Equity Fund	No	No	No	Yes	No	No	Yes	Yes
Income Fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total Return Fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Real Estate Securities Fund	No	No	No	Yes	Yes	Yes	Yes	Yes

Money Market Instruments. Money market instruments are short-term debt securities of the U.S. Government, banks, corporations and other entities with maturities of one year or less. The types of money market instruments in which each Fund may invest either directly or indirectly are as follows: (i) U.S. Government securities, (ii) debt obligations of banks, savings and loan institutions, insurance companies and mortgage bankers, (iii) commercial paper and notes, including those with variable and floating rates of interest, (iv) debt obligations of foreign branches of U.S. banks, U.S. branches of foreign banks and foreign branches of foreign banks, (v) debt obligations issued or guaranteed by one or more foreign governments or any of their political subdivisions, agencies or instrumentalities, including obligations of supranational entities, (vi) debt securities issued by foreign issuers and (vii) repurchase agreements

Each Fund may also invest indirectly in money market instruments through investments in the State Street Institutional U.S. Government Money Market Fund (the "State Street Money Market Fund"), which generally would be used to invest a Fund's cash balance, as well as the cash balances of other non-money market investment companies managed by GEAM. The investment objective of the State Street Money Market Fund is to seek to maximize current income, to the extent consistent with the preservation of capital and liquidity and the maintenance of a stable $1.00 per share net asset value ("NAV"). The State Street Money Market Fund seeks to achieve this objective by investing substantially all of its assets in obligations issued or guaranteed as to principal or interest, by the U.S. government or its agencies and instrumentalities, as well as repurchase agreements secured by such instruments. Each Fund may invest up to 25% of its assets in the State Street Money Market Fund.

U.S. Government Securities. Each of the Funds may invest in the following types of U.S. Government securities: debt obligations of varying maturities issued by the U.S. Treasury or issued or guaranteed by an entity controlled by or supervised by, and acting as an instrumentality of, the Government of the United States pursuant to authority granted by the United States Congress, such as the following: the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, Government National Mortgage Association ("Ginnie Mae"), General Services Administration, Central Bank for Cooperatives, Federal Farm Credit Banks Funding Corporation, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association ("Fannie Mae"), Federal Deposit Insurance Corporation ("FDIC"), Maritime Administration, Tennessee Valley Authority, District of Columbia Armory Board, Student Loan Marketing Association and Resolution Trust Corporation. Direct obligations of the U.S. Treasury include a variety of securities that differ in their interest rates, maturities and dates of issuance. Certain of the U.S. Government securities that may be held by the Funds are instruments that are backed by the full faith and credit of the United States (*i.e.,* U.S. Treasury bills and notes and obligations of Ginnie Mae). Other U.S. Government securities are neither issued by nor guaranteed by the full faith and credit of the U.S. Government, including those issued by Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac have been operating under a conservatorship since 2008, with the Federal Housing Finance Agency ("FHFA") acting as their conservator, and receive certain financing support from and have access to certain borrowing arrangements with the U.S. Treasury. The status of these entities and the value of their securities and the securities which they guarantee could be affected to the extent the entities no longer receive such support. Other securities issued by a Government agency or related entity also may be considered U.S. Government securities even though they are considered derivative instruments or use complex structures, such as stripped mortgage-backed securities, or interest-only or principal-only securities. Because the U.S. Government is not obligated by law to provide support to an instrumentality that it sponsors, a Fund will invest in obligations issued by an instrumentality of the U.S. Government only if the portfolio manager determines that the instrumentality's credit risk does not make its securities unsuitable for investment by the Fund. For purposes of a repurchase agreement entered into by a Fund, however, U.S. Government securities serving as collateral for that repurchase agreement means only those types of U.S. Government securities that permit the Fund to look-through the repurchase agreement to that collateral for the purposes permitted by the Investment Company Act of 1940, as amended (the "1940 Act"), to the extent it is necessary or appropriate for the Fund to look through to that collateral.

Cash and Temporary Defensive Positions. During periods when the portfolio manager believes there are adverse market, economic, political or currency conditions domestically or abroad, the portfolio manager may assume, on behalf of a Fund, other than the S&P 500 Index Fund, a temporary defensive posture and (i) without limitation hold cash or (ii) restrict the securities markets in which the Fund's assets are invested by investing those assets in securities markets deemed by the portfolio manager to be conservative in light of the Fund's investment objective and policies. Under normal circumstances, each Fund may invest a portion of its total assets in cash: (i) pending investment; (ii) for investment purposes; (iii) for cash management purposes, such as to meet redemptions, or pay operating expenses; and (iv) during a Fund restructuring. A Fund may also hold cash under circumstances where the liquidation of a Fund has been approved by the Board and therefore, investments in accordance with the Fund's investment objective and policies would no longer be appropriate. To the extent that a Fund holds cash, it may not achieve its investment objective(s).

Cash includes bank deposits and highly rated, liquid short-term instruments, such as money market instruments. Certain of these instruments may be referred to as cash equivalents.

Bank Obligations. Domestic commercial banks organized under federal law are supervised and examined by the U.S. Comptroller of the Currency and are required to be members of the Federal Reserve System and to be insured by the FDIC. Foreign branches of U.S. banks and foreign banks are not regulated by U.S. banking authorities and generally are not bound by mandatory reserve requirements, loan limitations, accounting, auditing and financial reporting standards comparable to U.S. banks. Obligations of foreign branches of U.S. banks and foreign banks are subject to the risks associated with investing in foreign securities generally. These obligations entail risks that are different from those of investments in obligations in domestic banks, including foreign economic and political developments outside the United States, foreign governmental restrictions that may adversely affect payment of principal and interest on the obligations, foreign exchange controls and foreign withholding or other taxes on income.

A U.S. branch of a foreign bank may or may not be subject to reserve requirements imposed by the Federal Reserve System or by the state in which the branch is located if the branch is licensed in that state. In addition, branches licensed by the Comptroller of the Currency and branches licensed by certain states ("State Branches") may or may not be required to: (i) pledge to the regulator by depositing assets with a designated bank within the state, an amount of its assets equal to 5% of its total liabilities; and (ii) maintain assets within the state in an amount equal to a specified percentage of the aggregate amount of liabilities of the foreign bank payable at or through all of its agencies or branches within the state. The deposits of State Branches may not necessarily be insured by the FDIC. In addition, less information may be available to the public about a U.S. branch of a foreign bank than about a U.S. bank.

Debt Instruments. A debt instrument held by a Fund will be affected by general changes in interest rates that will in turn result in increases or decreases in the market value of those obligations. The market value of debt instruments in a Fund's portfolio can be expected to vary inversely to changes in prevailing interest rates. In periods of declining interest rates, the yield of a Fund holding a significant amount of debt instruments will tend to be somewhat higher than prevailing market rates, and in periods of rising interest rates, the Fund's yield will tend to be somewhat lower. In addition, when interest rates are falling, money received by such a Fund from the continuous sale of its shares will likely be invested in portfolio instruments producing lower yields than the balance of its portfolio, thereby reducing the Fund's current yield. In periods of rising interest rates, the opposite result can be expected to occur.

Ratings as Investment Criteria. The ratings of nationally recognized statistical rating organizations ("NRSROs") such as S&P or Moody's represent the opinions of those organizations as to the quality of securities that they rate. Although these ratings, which are relative and subjective and are not absolute standards of quality, are used by the portfolio manager as initial criteria for the selection of portfolio securities on behalf of the Funds, the portfolio manager also relies upon its own analysis to evaluate potential investments.

Subsequent to its purchase by a Fund, an issue of securities may cease to be rated or its rating may be reduced below the minimum required for purchase by the Fund. Although neither event will require the sale of the securities by a Fund, the portfolio manager will consider the event in its determination of whether the Fund should continue to hold the securities. To the extent that a NRSRO's ratings change as a result of a change in the NRSRO or its rating system, the Funds will attempt to use comparable ratings as standards for their investments in accordance with their investment objectives and policies.

Certain Investment-Grade Debt Obligations. Although obligations rated BBB by S&P or Baa by Moody's are considered investment grade, they may be viewed as being subject to greater risks than other investment grade obligations. Obligations rated BBB by S&P are regarded as having only an adequate capacity to pay principal and interest and those rated Baa by Moody's are considered medium-grade obligations that lack outstanding investment characteristics and have speculative characteristics as well.

Below Investment-Grade Debt Securities. Certain Funds are authorized to invest in securities rated lower than investment grade (sometimes referred to as "junk bonds"). Below investment-grade and comparable unrated securities (collectively referred to as "below investment-grade" securities) likely have quality and protective characteristics that, in the judgment of a rating organization, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. Securities in the lowest rating categories may be in default or may present substantial risks of default.

The market values of certain below investment-grade securities tend to be more sensitive to individual corporate developments and changes in economic conditions than higher-rated securities. In addition, below investment-grade securities generally present a higher degree of credit risk. Issuers of below investment-grade securities are often highly leveraged and may not have more traditional methods of financing available to them, so that their ability to service their debt obligations during an economic downturn or during sustained periods of rising interest rates may be impaired. The risk of loss due to default by these issuers is significantly greater because below investment-grade securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. A Fund may incur additional expenses to the extent that it is required to seek recovery upon a default in the payment of principal or interest on its portfolio holdings. The existence of limited markets for below investment-grade securities may diminish the Company's ability to obtain accurate market quotations for purposes of valuing the securities held by a Fund and calculating the Fund's NAV.

Zero Coupon Obligations. Certain Funds may invest in zero coupon obligations. Zero coupon obligations generally pay no cash interest (or dividends in the case of preferred stock) to their holders prior to maturity. Accordingly, such securities usually are issued and traded at a deep discount from their face or par value and generally are subject to greater fluctuations of market value in response to changing interest rates than securities of comparable maturities and credit quality that pay cash interest (or dividends in the case of preferred stock) on a current basis. Although each of these Funds will receive no payments on its zero coupon obligations prior to their maturity or disposition, it will be required for Federal income tax purposes generally to include in its dividends each year an amount equal to the annual income that accrues on its zero coupon obligations. Such dividends will be paid from the cash assets of the Fund, from borrowings or by liquidation of portfolio securities, if necessary, at a time that the Fund otherwise would not have done so. To the extent these Funds are required to liquidate thinly traded securities, the Funds may be able to sell such securities only at prices lower than if such securities were more widely traded. The risks associated with holding securities that are not readily marketable may be accentuated at such time. To the extent the proceeds from any such dispositions are used by these Funds to pay distributions, each of those Funds will not be able to purchase additional income-producing securities with such proceeds, and as a result its current income ultimately may be reduced.

Zero coupon obligations are generally divided into two categories: "Pure Zero Obligations," which are those that pay no interest for their entire life, and "Zero/Fixed Obligations," which pay no interest for some initial period and thereafter pay interest currently. In the case of a Pure Zero Obligation, the failure to pay interest currently may result from the obligation's having no stated interest rate, in which case the obligation pays only principal at maturity and is sold at a discount from its stated principal. A Pure Zero Obligation may, in the alternative, provide for a stated interest rate, but provide that no interest is payable until maturity, in which case accrued, unpaid interest on the obligation may be capitalized as incremental principal. The value to the investor of a zero coupon obligation consists of the economic accretion either of the difference between the purchase price and the nominal principal amount (if no interest is stated to accrue) or of accrued, unpaid interest during the life or payment deferral period of the obligation.

Structured and Indexed Securities. Certain Funds may also invest in structured and indexed securities, the value of which is linked to currencies, interest rates, commodities, indexes or other financial indicators ("reference instruments"). The interest rate or the principal amount payable at maturity or redemption may be increased or decreased depending on changes in the value of the reference instrument. Structured or indexed securities may be positively or negatively indexed, so that appreciation of the reference instrument may produce an increase or a decrease in interest rate or value at maturity of the security. In addition, the change in the interest rate or value at maturity of the security may be some multiple of the change in value of the reference instrument. Thus, in addition to the credit risk of the security's issuer, the Funds will bear the market risk of the reference instrument.

Asset-Backed and Receivable-Backed Securities. Certain Funds may invest in securities issued by trusts and special purpose corporations with principal and interest payouts backed by, or supported by, any of various types of assets. These assets typically include receivables related to the purchase of automobiles, credit card loans, and home equity loans. These securities generally take the form of a structured type of security, including pass-through, pay-through, and stripped interest payout structures similar to a CMO or CMO structure. Investments in these and other types of asset-backed securities must be consistent with the investment objectives and policies of the Funds.

The yield characteristics of asset-backed securities differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying assets generally may be prepaid at any time. As a result, if a Fund purchases such a security at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing yield to maturity. Alternatively, if a Fund purchases these securities at a discount, faster than expected prepayments will increase, while slower than expected prepayments will reduce, yield to maturity. The portfolio manager will seek to manage these risks (and potential benefits) by diversifying its investments in such securities and through hedging techniques.

Asset-backed securities involve certain risks that are not posed by other types of CMO securities, resulting mainly from the fact that asset-backed securities do not usually contain the complete benefit of a security interest in the related collateral. For example, credit card receivables generally are unsecured and the debtors are entitled to the protection of a number of state and Federal consumer credit laws, some of which may reduce the ability to obtain full payment. In the case of automobile receivables, due to various legal and economic factors, proceeds from repossessed collateral may not always be sufficient to support payments on these securities.

Further, if a Fund purchases asset-backed securities that are "subordinated" to other interests in the same mortgage pool, the Fund as a holder of those securities may only receive payments after the pool's obligations to other investors have been satisfied. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include so-called "subprime" mortgages. An unexpectedly high or low rate of prepayments on a pool's underlying mortgages may have a similar effect on subordinated securities. A mortgage pool may issue securities to various levels of subordination; the risk of non-payment affects securities at each level, although the risk is greater in the case of more highly subordinated securities.

Collateralized Bond Obligations ("CBOs"), Collateralized Loan Obligations ("CLOs") and Other Collateralized Debt Obligations ("CDOs"). Certain Funds may invest in CBOs, CLOs and other CDOs, which are debt instruments backed solely by a pool of other debt securities. The risks of an investment in a CBO, CLO or other CDO depend largely on the type of the collateral securities (which would have the risks described elsewhere in this document for that type of security) and the class of the CBO, CLO or other CDO in which a Fund invests. Some CBOs, CLOs and other CDOs have credit ratings, but are typically issued in various classes with various priorities. Normally, CBOs, CLOs and other CDOs are privately offered and sold (that is, not registered under the securities laws) and may be characterized by the Funds as illiquid securities, but an active dealer market may exist for CBOs, CLOs and other CDOs that qualify for Rule 144A transactions. In addition to the normal interest rate, default and other risks of fixed income securities discussed elsewhere in this document, CBOs, CLOs and other CDOs carry additional risks, including the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, the Funds may invest in CBOs, CLOs or other CDOs that are subordinate to other classes, volatility in values, and the complex structure of the security may not be fully understood at the time of investment and produce disputes with the issuer or unexpected investment results.

Mortgage Related Securities. Each Fund may invest in mortgage related securities, which represent pools of mortgage loans assembled for sale to investors by various governmental agencies, such as Ginnie Mae, by government related organizations, such as Fannie Mae and Freddie Mac, as well as by private issuers, such as commercial banks, savings and loan institutions, mortgage bankers and private mortgage insurance companies.

The average maturity of pass-through pools of mortgage related securities in which certain of the Funds may invest varies with the maturities of the underlying mortgage instruments. In addition, a pool's stated maturity may be shortened by unscheduled payments on the underlying mortgages. Factors affecting mortgage prepayments include the level of interest rates, general economic and social conditions, the location of the mortgaged property and age of the mortgage. Because prepayment rates of individual mortgage pools vary widely, the average life of a particular pool cannot be predicted accurately.

Mortgage related securities may be classified as private, governmental or government-related, depending on the issuer or guarantor. Private mortgage related securities represent pass-through pools consisting principally of conventional residential mortgage loans created by non-governmental issuers, such as commercial banks, savings and loan associations and private mortgage insurance companies. Governmental mortgage related securities are backed by the full faith and credit of the United States. Ginnie Mae, the principal U.S. guarantor of these securities, is a wholly-owned U.S. government corporation within the Department of Housing and Urban Development. Government-related mortgage related securities are not backed by the full faith and credit of the United States. Issuers include Fannie Mae and Freddie Mac. Fannie Mae is a government-sponsored corporation owned entirely by private stockholders, which is subject to general regulation by the Secretary of Housing and Urban Development. Pass-through securities issued by Fannie Mae are guaranteed as to timely payment of principal and interest by Fannie Mae. Freddie Mac is a stockholder-owned corporation charted by Congress, which is subject to general regulation by the Secretary of Housing and Urban Development. Participation certificates representing interests in mortgages from Freddie Mac's national portfolio are guaranteed as to the timely payment of interest and ultimate collection of principal by Freddie Mac. Fannie Mae and Freddie Mac have been operating under a conservatorship since 2008, with the FHFA acting as their conservator, and receive certain financing support from and have access to certain borrowing arrangements with the U.S. Treasury. The role of these entities could be significantly reduced or eliminated. In 2013, two bills were introduced into Congress that would reduce or eliminate the role of Fannie Mae and Freddie Mac in the secondary mortgage market. Elimination of the traditional roles of Fannie Mae and Freddie Mac, reduction of their activities, limitation of financing support or access to borrowing arrangements, or any other significant adverse change in their financial condition, could affect the value of the securities which they guarantee.

Private, governmental or government-related entities may create mortgage loan pools offering pass-through investments in addition to those described above. The mortgages underlying these securities may be alternative mortgage instruments, that is, mortgage instruments whose principal or interest payments may vary or whose terms to maturity may be shorter than previously customary. The portfolio manager assesses new types of mortgage related securities as they are developed and offered to determine their appropriateness for investment by the relevant Fund.

Several risks are associated with mortgage related securities generally. The monthly cash inflow from the underlying loans, for example, may not be sufficient to meet the monthly payment requirements of the mortgage related security. Prepayments of principal by mortgagors or mortgage foreclosures will shorten the term of the underlying mortgage pool for a mortgage related security. Early returns of principal will affect the average life of the mortgage related securities remaining in a Fund. The occurrence of mortgage prepayments is affected by factors including the level of interest rates, general economic conditions, the location and age of the mortgage and other social and demographic conditions. In periods of rising interest rates, the rate of prepayment tends to decrease, thereby lengthening the average life of a pool of mortgage related securities. Conversely, in periods of falling interest rates, the rate of prepayment tends to increase, thereby shortening the average life of a pool. Reinvestment of prepayments may occur at higher or lower interest rates than the original investment, thus affecting the yield of a Fund. Because prepayments of principal generally occur when interest rates are declining, a Fund will likely have to reinvest the proceeds of prepayments at lower interest rates than those at which its assets were previously invested, resulting in a corresponding decline in the Fund's yield. Thus, mortgage related securities may have less potential for capital appreciation in periods of falling interest rates than other fixed income securities of comparable maturity, although those other fixed income-securities may have a comparable risk of decline in market value in periods of rising interest rates. To the extent that these Funds purchase mortgage related securities at a premium, unscheduled prepayments, which are made at par, will result in a loss equal to any unamortized premium.

Certain Funds may enter into transactions involving mortgage-backed securities in the "to be announced" ("TBA") market. As with other delayed-delivery transactions, in the TBA market, the seller agrees to deliver to a buyer mortgage-backed securities for an agreed upon price on an agreed upon date. However, at the time of the transaction, the seller makes no guarantee as to which or how many securities are to be delivered and the buyer agrees to accept any mortgage-backed securities that meet specified terms. For example, the buyer and the seller might agree upon the interest rate and terms of the underlying mortgages, but the seller would not identify the specific underlying mortgages until shortly before the TBA mortgage-backed securities are issued. In addition to the risks described above and the risk that the underlying mortgages may be less favorable than anticipated by a Fund, investments in TBA mortgage-backed securities are also subject to the risks described later in this SAI under "Derivative Instruments" and "When-Issued and Delayed-Delivery Securities."

Government Stripped Mortgage Related Securities. Certain Funds may invest in government stripped mortgage related securities issued and guaranteed by Ginnie Mae, Freddie Mac or Fannie Mae. These securities represent beneficial ownership interests in either periodic principal distributions ("principal-only" or "PO") or interest distributions ("interest-only" or "IO") on mortgage related certificates issued by Ginnie Mae, Freddie Mac or Fannie Mae. The certificates underlying the government stripped mortgage related securities represent all or part of the beneficial interest in pools of mortgage loans. These Funds will invest in government stripped mortgage related securities in order to enhance yield or to benefit from anticipated appreciation in value of the securities at times when GEAM believes that interest rates will remain stable or increase. In periods of rising interest rates, the expected increase in the value of government stripped mortgage related securities may offset all or a portion of any decline in value of the securities held by these Funds.

Investing in government stripped mortgage related securities involves risks normally associated with investing in mortgage related securities issued by the government or government related entities. In addition, the yields on government stripped mortgage related securities are extremely sensitive to prepayment on the mortgage loans underlying the certificates collateralizing the securities. If a decline in the level of prevailing interest rates results in a rate of principal prepayments higher than anticipated, distributions of principal will be accelerated, thereby reducing the yield to maturity on IO government stripped mortgage related securities and increasing the yield to maturity on PO government stripped mortgage related securities. Sufficiently high prepayment rates could result in these Funds not fully recovering their initial investment in an IO government stripped mortgage related security. The sensitivity of an IO security that represents the interest portion of a particular class, as opposed to the interest portion of an entire pool, to interest rate fluctuations, may be increased because of characteristics of the principal portion to which they relate.

Government stripped mortgage related securities are currently traded in an over-the-counter ("OTC") market maintained by several large investment banking firms. No assurance can be given that these Funds will be able to effect a trade in a government stripped mortgage related security at a desired time. These Funds will acquire government stripped mortgage related securities only if a secondary market exists for the securities at the time of acquisition. Except for government stripped mortgage related securities based on fixed rate Freddie Mac and Fannie Mae mortgage certificates that meet certain liquidity criteria established by the Board, the Fund treats government stripped mortgage related securities as illiquid and will limit each of these Funds' investments in these securities, together with other illiquid investments, to not more than 15% of its net assets.

Adjustable Rate Mortgage Related Securities. Certain Funds may invest in adjustable rate mortgage related securities. Adjustable rate mortgage related securities ("ARMs") have interest rates that reset at periodic intervals, thereby allowing certain Funds to participate in increases in interest rates through periodic adjustments in the coupons of the underlying mortgages, resulting in both higher current yields and lower price fluctuation than would be the case with more traditional long-term debt securities. Furthermore, if prepayments of principal are made on the underlying mortgages during periods of rising interest rates, these Funds generally will be able to reinvest these amounts in securities with a higher current rate of return. None of these Funds, however, will benefit from increases in interest rates to the extent that interest rates rise to the point at which they cause the current yield of ARMs to exceed the maximum allowable annual or lifetime reset limits (or "caps") for a particular mortgage. In addition, fluctuations in interest rates above these caps could cause ARMs to behave more like long-term fixed rate securities in response to extreme movements in interest rates. As a result, during periods of volatile interest rates, these Funds' NAVs may fluctuate more than if they did not purchase ARMs. Moreover, during periods of rising interest rates, changes in the coupon of the adjustable rate mortgages will slightly lag behind changes in market rates, creating the potential for some principal loss for shareholders who redeem their shares of these Funds before the interest rates on the underlying mortgages are adjusted to reflect current market rates.

Collateralized Mortgage Obligations. Each Fund may invest in CMOs. CMOs are obligations fully collateralized by a portfolio of mortgages or mortgage related securities. Payments of principal and interest on the mortgages are passed through to the holders of the CMOs on the same schedule as they are received, although certain classes of CMOs have priority over others with respect to the receipt of prepayments on the mortgages. Therefore, depending upon the type of CMO in which a Fund invests, the investment may be subject to a greater or lesser risk of prepayment than other types of mortgage related securities.

Further, if a Fund purchases mortgage-backed or asset-backed securities that are "subordinated" to other interests in the same mortgage pool, the Fund as a holder of those securities may only receive payments after the pool's obligations to other investors have been satisfied. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include so-called "subprime" mortgages. An unexpectedly high or low rate of prepayments on a pool's underlying mortgages may have a similar effect on subordinated securities. A mortgage pool may issue securities to various levels of subordination; the risk of non-payment affects securities at each level, although the risk is greater in the case of more highly subordinated securities.

Ginnie Mae Certificates. Ginnie Mae Certificates are securities representing part ownership of a pool of mortgage loans. These loans, issued by lenders such as mortgage bankers, commercial banks and savings and loan associations, are insured either by the Federal Housing Administration or by the Veterans Administration. Each pool of mortgage loans is assembled and, after being approved by Ginnie Mae, is sold to investors through broker-dealers in the form of certificates representing participations in the pool. Ginnie Mae guarantees the timely payment of principal and interest of each mortgage in the pool and its guarantee is backed by the full faith and credit of the U.S. Government. Ginnie Mae Certificates differ from bonds in that a borrower pays the principal over the term of the loan rather than in a lump sum at maturity. Ginnie Mae Certificates are called "pass-through" certificates because both principal and interest payments on the mortgages (including prepayments) are passed through to the holder of the certificate.

The average life of Ginnie Mae Certificates varies with the maturities of the underlying mortgages. Prepayments of any mortgages in the pool will usually result in the return of the greatest part of principal invested well before the maturity of the mortgages in the pool. The volume of such prepayments of principal in a given pool of mortgages will influence the actual yield of the Ginnie Mae Certificate.

Mortgage Dollar Rolls. Certain Funds may, with respect to up to 33 1/3% of their total assets, enter into mortgage "dollar rolls" in which the Fund sells securities for delivery in the current month and simultaneously contracts with the same counterparty to repurchase similar (same type, coupon and maturity) but not identical securities on a specified future date. The

Fund loses the right to receive principal and interest paid on the securities sold. However, the Fund would benefit to the extent of any proceeds received for the securities sold and the lower forward price for the future purchase (often referred to as the "drop") or fee income plus the interest earned on the cash proceeds of the securities sold until the settlement date of the forward purchase. Unless such benefits exceed the income, capital appreciation and gain or loss due to mortgage repayments that would have been realized on the securities sold as part of the mortgage dollar roll, the use of this technique will diminish the investment performance of the Fund compared with what such performance would have been without the use of mortgage dollar rolls. The Fund will hold and maintain in a segregated account until the settlement date cash or liquid assets in an amount equal to the forward purchase price. The benefits derived from the use of mortgage dollar rolls may depend upon the portfolio manager's ability to predict correctly mortgage prepayments and interest rates. There is no assurance that mortgage dollar rolls can be successfully employed.

For financial reporting and tax purposes, each of these Funds proposes to treat mortgage dollar rolls as two separate transactions: one involving the purchase of a security and a separate transaction involving a sale. The Funds do not currently intend to enter into mortgage dollar rolls that are accounted for as a financing.

Real Estate and Real Estate Related Investments.

Real Estate Securities Fund

The Real Estate Securities Fund generally invests in common stocks but may also, without limitation, invest in preferred stocks and debt securities of issuers principally engaged in or related to the real estate industry as well as publicly traded limited partnerships related to the real estate industry. An issuer is principally "engaged in" or principally "related to" the real estate industry if at least 50% of its assets (marked-to-market), gross income, or net profits are attributable to development, ownership, construction, management or sale of residential, commercial or industrial real estate, or to products or services related to the real estate industry. Issuers engaged in the real estate industry include equity real estate investment trusts ("REITs") (which directly own real estate), mortgage REITs (which make short-term construction or real estate development loans or invest in long-term mortgages or mortgage pools) real estate brokers and developers, companies that manage real estate, and companies that own substantial amounts of real estate. Issuers in businesses related to the real estate industry include manufacturers and distributors of building supplies and financial institutions that issue or service mortgages.

In addition to these securities, the Real Estate Securities Fund may invest up to 20% of its total assets in equity and debt securities of issuers outside the real estate industry, including all securities and other investments that the Fund may invest in, such as debt securities and convertible preferred stock and convertible debt securities rated less than BBB by Standard and Poor's or Baa by Moody's. If held in the Real Estate Securities Fund in significant amounts, such lower-rated debt securities would increase financial risk and income volatility. Lower-rated debt securities and their attendant risks are described in "Investment Strategies and Risks" in this SAI. The Real Estate Securities Fund may make investments or engage in investment practices that involve special risks. These include: convertible securities, "when-issued" securities, securities issued on a delayed-delivery basis, options on securities and securities indices, financial futures contracts and options thereon, restricted securities, illiquid investments, repurchase agreements, structured or indexed securities and lending portfolio securities. These investment practices and attendant risks are described in "Investment Strategies and Risks" in this SAI.

There are significant risks inherent in the investment objective and policies of the Real Estate Securities Fund. Because of its strategy of investing in, among other things, the securities of issuers that develop, own, construct, manage, or sell residential, commercial, or industrial real estate, it is subject to all of the risks associated with the direct ownership of real estate. These risks include: declines in the value of real estate, adverse changes in the climate for real estate, risks related to general and local economic conditions, over-building and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, limitations on rents, changes in neighborhood values, the appeal of properties to tenants, leveraging of interests in real estate, increases in prevailing interest rates, lack of availability of financing, costs resulting from clean-up of environmental problems or liability to third parties for damages arising from environmental problems, and natural disasters, acts of war and terrorist attacks. Likewise, because of its objective of investing in the securities of issuers whose products and services are related to the real estate industry, it is subject to the risk that the value of such securities will be adversely affected by one or more of the foregoing risks.

Because the Real Estate Securities Fund may acquire debt securities of issuers primarily engaged in or related to the real estate industry, it also could conceivably own real estate directly as a result of a default on such securities. Any rental income or income from the disposition of such real estate could adversely affect its ability to retain its tax status as a regulated investment company. See "Dividends, Distributions and Taxes."

In addition to the risks discussed above, equity REITs may be affected by any changes in the value of the underlying property owned by the trusts, while mortgage REITs may be affected by the quality of any credit extended. Further, equity and mortgage REITs are dependent upon management skill and are not diversified. Such trusts are also subject to heavy cash flow dependency, defaults by borrowers, self-liquidation, and the possibility of failing to qualify for special tax treatment under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), and to maintain an exemption under the 1940 Act. Finally, certain REITs may be self-liquidating in that a specific term of existence is provided for in the trust document. Such trusts run the risk of liquidating at an economically inopportune time. See "Investment Strategies and Risks" in this SAI for more information about REITs.

Investments in Physical Commodities. Each Fund may invest in physical commodities such as gold and other precious metals, raw materials, agricultural products, and energy resources including oil and natural gas. Physical commodities often experience sharp price volatility as a result of a number of domestic and global factors including resource availability, fluctuations in supply and demand and in market perceptions of the same, economic cycles, speculation in commodities and manipulation of certain commodities markets. In addition, economic factors such as changes in interest rates, currency fluctuations, and changes in inflation or expectations of future inflation movements can impact prices of physical commodities. Furthermore, physical commodities are also subject to geopolitical factors including political upheaval and wars, social and economic conditions within commodity producing countries, government regulation of the production and sale of commodities (including restrictions on private or foreign ownership or development of commodities), and general trade or currency restrictions between countries.

Repurchase and Reverse Repurchase Agreements. Each Fund may engage in repurchase agreement transactions with respect to instruments that are consistent with its investment objectives. The Funds may engage in repurchase agreement transactions with certain member banks of the Federal Reserve System and with certain dealers listed on the Federal Reserve Bank of New York's list of reporting dealers. Under the terms of a typical repurchase agreement, which is deemed a loan for purposes of the 1940 Act, a Fund would acquire an underlying obligation for a relatively short period (usually from one to seven days) subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. This arrangement results in a fixed rate of return that is not subject to market fluctuations during the Fund's holding period. The value of the securities underlying a repurchase agreement of a Fund are monitored on an ongoing basis by GEAM to ensure that the value is at least equal at all times to the total amount of the repurchase obligation, including interest. GEAM also monitors, on an ongoing basis to evaluate potential risks, the creditworthiness of those banks and dealers with which a Fund enters into repurchase agreements.

A Fund entering into a repurchase agreement will bear a risk of loss in the event that the other party to the transaction defaults on its obligations and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will be, in particular, subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

Each Fund may engage in reverse repurchase agreements, subject to their investment restrictions. A reverse repurchase agreement, which is considered a borrowing by a Fund, involves a sale by the Fund of securities that it holds concurrently with an agreement by the Fund to repurchase the same securities at an agreed upon price and date. A Fund uses the proceeds of reverse repurchase agreements to provide liquidity to meet redemption requests and to make cash payments of dividends and distributions when the sale of the Fund's securities is considered to be disadvantageous. Cash, U.S. Government securities or other liquid assets equal in value to a Fund's obligations with respect to reverse repurchase agreements are segregated and maintained with the Company's custodian or a designated sub-custodian.

A reverse repurchase agreement involves the risk that the market value of the securities retained by a Fund may decline below the price of the securities the Fund has sold but is obligated to repurchase under the agreement. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, a Fund's use of the proceeds of the agreement may be restricted pending a determination by the party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities.

Restricted Securities and Other Illiquid Investments. Investments may be illiquid because of the absence of a trading market, making it difficult to value them or dispose of them promptly at an acceptable price. No Fund will acquire any security or other investment if, as a result, more than 15% of its net assets, taken at market value, would be invested in investments not readily marketable. An investment is considered not readily marketable or illiquid if it cannot be disposed of by a Fund within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the investment. Illiquid investments include most repurchase agreements maturing in more than seven days, currency swaps, time deposits with a notice or demand period of more than seven days, certain OTC option contracts (and segregated assets used to cover such options), participation interests in loans, and restricted securities.

A restricted security is one that has a contractual restriction on resale or cannot be resold publicly until it is registered under the Securities Act of 1933, as amended (the "1933 Act"). Restricted securities are not, however, considered illiquid if they are eligible for resale pursuant to Rule 144A under the 1933 Act ("Rule 144A Securities") and are determined to be liquid by the Board or by GEAM under board-approved procedures. The Funds may invest in restricted securities, except that the Core Value Equity Fund and Small-Cap Equity Fund may not purchase restricted securities if more than 10% of the total assets of the Fund would be invested in restricted securities (for purposes of this restriction on the Core Value Equity Fund and Small-Cap Equity Fund, restricted securities do not include Rule 144A Securities that have been determined to be liquid by the Board or GEAM based upon the trading markets for the securities). The guidelines established by the Board or GEAM would take into account trading activity for such securities and the availability of reliable pricing information, among other factors. To the extent that qualified institutional buyers become for a time uninterested in purchasing these restricted securities, a Fund's holdings of those securities may become illiquid. Purchases by these Funds of securities of foreign issuers offered and sold outside the United States in reliance upon the exemption from registration provided by Regulation S under the 1933 Act also may be liquid even though they are restricted.

Restricted securities may be less liquid than publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by a Fund. In addition, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. A Fund's investments in illiquid investments are subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that GEAM deems representative of their value, the value of the Fund's net assets could be adversely affected.

Rule 144A Securities. Each Fund may purchase Rule 144A Securities. Certain Rule 144A Securities may be considered illiquid and therefore subject to a Fund's limitation on the purchase of illiquid investments, unless the Board determines on an ongoing basis that an adequate trading market exists for the Rule 144A Securities. A Fund's purchase of Rule 144A Securities could have the effect of increasing the level of illiquidity in the Fund to the extent that qualified institutional buyers become uninterested for a time in purchasing Rule 144A Securities held by the Fund. The Board has established standards and procedures for determining the liquidity of a Rule 144A Security and monitors GEAM's implementation of the standards and procedures.

When-Issued and Delayed-Delivery Securities. To secure prices or yields deemed advantageous at a particular time, each Fund may purchase securities on a when-issued or delayed-delivery basis (*e.g.*, TBA mortgage-backed securities), in which case, delivery of the securities occurs beyond the normal settlement period; no payment for or delivery of the securities is made by, and no income accrues to, the Fund, however, prior to the actual delivery or payment by the other party to the transaction. Each Fund will enter into when-issued or delayed-delivery transactions for the purpose of acquiring securities and not for the purpose of leverage. When-issued securities purchased by a Fund may include securities purchased on a "when, as and if issued" basis under which the issuance of the securities depends on the occurrence of a subsequent event, such as approval of a merger, corporate reorganization or debt restructuring. Cash or other liquid assets in an amount equal to the amount of each Fund's when-issued or delayed-delivery purchase commitments will be segregated with the Company's custodian, or with a designated subcustodian, in order to avoid or limit any leveraging effect that may arise in the purchase of a security pursuant to such a commitment.

Securities purchased on a when-issued or delayed-delivery basis may expose a Fund to risk because the securities may experience fluctuations in value prior to their delivery. Purchasing securities on a when-issued or delayed- delivery basis can involve the additional risk that the return available in the market when the delivery takes place may be higher than that applicable at the time of the purchase. This characteristic of when-issued and delayed-delivery securities could result in exaggerated movements in a Fund's NAV.

When a Fund engages in when-issued or delayed-delivery securities transactions, it relies on the selling party to consummate the trade. Failure of the seller to do so may result in a Fund incurring a loss or missing an opportunity to obtain a price considered to be advantageous.

Smaller Capitalization Companies. Investing in securities of small- and medium-capitalization companies may involve greater risks than investing in larger, more established issuers. Such smaller capitalization companies may have limited product lines, markets or financial resources and their securities may trade less frequently and in more limited volume than the securities of larger or more established companies. In addition, these companies are typically subject to a greater degree of changes in earnings and business prospects than are larger, more established issuers. As a result, the prices of securities of smaller capitalization companies may fluctuate to a greater degree than the prices of securities of other issuers. Although investing in securities of smaller capitalization companies offers potential for above-average returns, the risk exists that the companies will not succeed and the prices of the companies' shares could significantly decline in value.

Warrants. Because a warrant, which is a security permitting, but not obligating, its holder to subscribe for another security, does not carry with it the right to dividends or voting rights with respect to the securities that the warrant holder is entitled to purchase, and because a warrant does not represent any rights to the assets of the issuer, a warrant may be considered more speculative than certain other types of investments. In addition, the value of a warrant does not necessarily change with the value of the underlying security and a warrant ceases to have value if it is not exercised prior to its expiration date. An investment by the Small-Cap Equity Fund or the Core Value Equity Fund in warrants valued at the lower of cost or market, may not exceed 5% of the value of that Fund's net assets. Warrants acquired by a Fund in units or attached to securities may be deemed to be without value.

Foreign Investments. Investments in foreign securities may offer potential benefits not available from investments solely in securities of domestic issuers or dollar denominated securities. Such benefits may include the opportunity to invest in foreign issuers that appear to offer better opportunity for long-term capital appreciation or current earnings than investments in domestic issuers, the opportunity to invest in foreign countries with economic policies or business cycles different from those of the United States and the opportunity to reduce fluctuations in fund value by taking advantage of foreign securities markets that do not necessarily move in a manner parallel to U.S. markets.

Investing in foreign securities (including those dominated in foreign currencies) involves significant risks that are not typically associated with investing in U.S. dollar-denominated securities or in securities of domestic issuers. Such investments may be affected by changes in currency rates, changes in foreign or U.S. laws or restrictions applicable to such investments and in exchange control regulations. For example, a decline in the currency exchange rate would reduce the dollar value of certain portfolio investments. In addition, if the exchange rate for the currency in which a Fund receives interest payments declines against the U.S. dollar before such interest is paid as dividends to shareholders, the Fund may have to sell fund securities to obtain sufficient cash to pay such dividends. As discussed below, such techniques also entail certain risks.

Since foreign issuers are not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. issuers, there may be less publicly available information about a foreign issuer than about a domestic issuer. Some foreign stock markets (and other securities markets) may have substantially less volume than, for example, the New York Stock Exchange (the "NYSE") (or other domestic markets) and securities of some foreign issuers may be less liquid than securities of comparable domestic issuers. Fixed commissions on foreign securities exchanges are generally higher than negotiated commissions on U.S. exchanges, although a Fund may endeavor to achieve the most favorable net results on its portfolio transactions. There is generally less government supervision and regulation of securities exchanges, brokers, dealers and listed and unlisted issuers than in the United States. Mail service between the United States and foreign countries may be slower or less reliable than within the United States, thus increasing the risk of delayed settlements or portfolio transactions or loss of certificates for portfolio securities.

In addition, clearance and settlement procedures may be different in foreign countries and, in certain markets, on certain occasions, such procedures have been unable to keep pace with the volume of securities transactions, thus making it difficult to conduct such transactions. For example, delays in settlement could result in temporary periods when a portion of the assets of a Fund are uninvested and no return is earned thereon. The inability of a Fund to make intended investments due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities or other investments due to settlement problems could result either in losses to a Fund due to subsequent declines in value of the portfolio investment or, if the Fund has entered into a contract to sell the investment, could result in possible liability to the purchaser. In addition, with respect to certain foreign countries, there is the possibility of expropriation or confiscatory taxation, political or social instability, or diplomatic developments which could affect a Fund's investments in those countries. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payment position.

Foreign Government Securities. Each Fund may invest in debt obligations of foreign governments or their agencies or instrumentalities, including those with emerging economies or securities markets. Investing in sovereign debt obligations involves risks not present when investing in the debt obligations of foreign corporate issuers. The issuer of the debt or the government authority that controls the repayment of the debt may be unable or unwilling to repay principal or interest when due, and the Funds may have limited recourse in the event of such a default. Periods of economic uncertainty may result in the volatility of market prices of sovereign debt to a greater extent than the volatility inherent in debt obligations of U.S. issuers. A sovereign debtor's willingness or ability to repay principal or pay interest in a timely manner may be affected by, among other factors, its cash flow circumstances, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, its policy towards principal international lenders and the political constraints to which a sovereign debtor may be subject.

Depositary Receipts. Each Fund may invest in securities of foreign issuers in the form of ADRs and European Depositary Receipts ("EDRs"), which are sometimes referred to as Continental Depositary Receipts ("CDRs"). ADRs are publicly traded on exchanges or OTC in the United States and are issued through "sponsored" or "unsponsored" arrangements. In a sponsored ADR arrangement, the foreign issuer assumes the obligation to pay some or all of the depositary's transaction fees, whereas under an unsponsored arrangement, the foreign issuer assumes no obligations and the depositary's transaction fees are paid directly by the ADR holders. In addition, less information is available in the United States about an unsponsored ADR than a sponsored ADR. Each of these Funds may invest in ADRs through both sponsored and unsponsored arrangements. EDRs and CDRs are generally issued by foreign banks and evidence ownership of either foreign or domestic securities.

Supranational Agencies. Each Fund, except the S&P 500 Index Fund, may invest up to 10% of its assets in debt obligations of supranational agencies such as the International Bank for Reconstruction and Development (commonly known as the World Bank, which was chartered to finance development projects in developing member countries), the European Union, which is a twelve-nation organization engaged in cooperative economic activities and the Asian Development Bank, which is an international development bank established to lend funds, promote investment and provide technical assistance to member nations in the Asian and Pacific regions. Debt obligations of supranational agencies are not supported, directly or indirectly, by the U.S. Government.

Emerging Markets. Each Fund may invest a portion of its assets in securities of issuers located in countries with emerging economies and/or securities markets. These countries are located primarily in the Asia-Pacific region, Eastern Europe, Central and South America and Africa. Political and economic structures in many of these countries may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristic of more developed countries. Certain of these countries have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies. As a result, the risks of foreign investment generally, including the risks of nationalization or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Fund's investments in those countries and the availability to a Fund of additional investments in those countries.

The small size and inexperience of the securities markets in certain of these countries and the limited volume of trading in securities in those countries may also make investments in such countries illiquid and more volatile than investments in Japan or most Western European countries. As a result, a Fund may be required to establish special custody or other arrangements before making certain investments in those countries. There may be little financial or accounting information available with respect to issuers located in certain of such countries, and it may be difficult as a result to assess the value or prospects of an investment in such issuers. The laws of some foreign countries may limit the ability of a Fund to invest in securities of certain issuers located in those countries.

Currency Exchange Rates. A Fund's share value may change significantly when the currencies, other than the U.S. dollar, in which the Fund's portfolio investments are denominated, strengthen or weaken against the U.S. dollar. Currency exchange rates generally are determined by the forces of supply and demand in the foreign exchange markets and the relative merits of investments in different countries as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by U.S. or foreign governments or central banks or by currency controls or political developments in the United States or abroad.

Because investment in foreign issuers will usually involve currencies of foreign countries, and because each Fund may have currency exposure independent of their securities positions, the value of the assets of these Funds as measured in U.S. dollars may be affected by changes in foreign currency exchange rates. To the extent that a Fund's assets consist of investments quoted or denominated in a particular currency, the Fund's exposure to adverse developments affecting the value of such currency will increase.

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's NAV to fluctuate. They generally are determined by the forces of supply and demand in the foreign exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also are affected unpredictably by intervention by U.S. or foreign governments or central banks, or the failure to intervene, or by currency controls or political developments in the U.S. or abroad. To the extent that a substantial portion of a Fund's total assets, adjusted to reflect the Fund's net position after giving effect to currency transactions, is denominated or quoted in the currencies of foreign countries, the Fund is more susceptible to the risk of adverse economic and political developments within those countries.

Forward Currency Transactions. Certain Funds may hold foreign currencies for various portfolio management purposes such as meeting settlement requirements for foreign securities or holding foreign currency received in connection with investments in foreign securities when, in the judgment of the portfolio manager, it would be beneficial to convert such currency into U.S. dollars at a later date, based on anticipated changes in the relevant exchange rate. The Funds will incur costs in connection with conversions between currencies. Certain Funds may, but are not required to, engage in currency exchange transactions, such as engaging in forward foreign currency exchange contracts ("forward currency contracts" or "forward contracts") to protect against uncertainty in the level of future exchange rates between a particular foreign currency and the U.S. dollar or between foreign currencies in which the Fund's securities are or may be denominated. The use of forward currency contracts does not eliminate fluctuations in the underlying prices of the securities, but it does establish a rate of exchange that can be achieved in the future. The Total Return Fund also may purchase and sell forward contracts to seek to increase total return when the portfolio manager anticipates that a foreign currency will appreciate or depreciate in value, but securities denominated or quoted in that currency do not present attractive investment opportunities and are not held by the Fund. A Fund will not enter into a currency transaction if, as a result, it will fail to qualify as a regulated investment company under the Code for a given year.

Forward currency contracts are agreements to exchange one currency for another at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place will be negotiated and fixed for the term of the contract at the time that a Fund enters into the contract. Forward currency contracts (i) are traded in a market conducted directly between currency traders (typically, commercial banks or other financial institutions) and their customers, (ii) generally have no deposit requirements and (iii) are typically consummated without payment of any commissions. A Fund, however, may enter into certain types of forward currency contracts subject to centralized clearing requiring deposits of collateral or involving the payment of commissions. The cost to a Fund of engaging in currency transactions varies with factors such as the currency involved, the length of the contract period and the market conditions then prevailing. To assure that a Fund's forward currency contracts are not used to achieve investment leverage, cash or other liquid assets will be segregated with the Company's custodian or a designated sub-custodian in an amount equal to or exceeding the Fund's commitment with respect to the contracts, marked-to-market daily.

In connection with the maturity of a forward currency contract, a Fund may (i) accept or make delivery of the underlying currency, (ii) negotiate with the dealer to roll over the contract into a new forward currency contract with a new future settlement date or (iii) negotiate with the dealer to terminate the forward contract into an offset with the currency trader providing for the Fund's paying or receiving the difference between the exchange rate fixed in the contract and the then current exchange rate. The Company may also be able to negotiate such an offset on behalf of a Fund prior to maturity of the original forward contract. No assurance can be given that new forward contracts or offsets will always be available to a Fund.

The Funds may enter into forward foreign currency exchange contracts in several circumstances. First, when they enter into a contract for the purchase or sale of a security denominated or quoted in a foreign currency, or when they anticipate the receipt in a foreign currency of dividend or interest payments on such a security which either holds, the Funds may desire to "lock in" the U.S. dollar price of the security or the U.S. dollar equivalent of such dividend or interest payment, as the case may be. By entering into a forward contract for the purchase or sale, for a fixed amount of dollars, of the amount of foreign currency involved in the underlying transactions, the Funds will attempt to protect themselves against an adverse change in the relationship between the U.S. dollar and the subject foreign currency during the period between the date on which the security is purchased or sold, or on which the dividend or interest payment is declared, and the date on which such payments are made or received.

A Fund may enter into contracts to purchase foreign currencies to protect against an anticipated rise in the U.S. dollar price of securities the Fund intends to purchase. The Funds may also engage in cross-hedging by using forward contracts in one currency to hedge against fluctuations in the value of securities quoted or denominated in a different currency if the portfolio manager determines that there is a pattern of correlation between the two currencies. Additionally, when the portfolio manager believes that the currency of a particular foreign country may suffer a substantial decline against the U.S. dollar, it may enter into a forward contract to sell, for a fixed amount of dollars, the amount of foreign currency approximating the value of some or all of a Fund's portfolio securities denominated in such foreign currency.

While the Funds will enter into forward contracts to reduce currency exchange rate risks, transactions in such contracts involve certain other risks. Therefore, while these Funds may benefit from such transactions, unanticipated changes in currency prices may result in a poorer overall performance for the Funds than if they had not engaged in any such transactions. Moreover, there may be imperfect correlation between a Fund's portfolio holdings of securities quoted or denominated in a particular currency and forward contracts entered into by the Fund. Such imperfect correlation may cause the Fund to sustain losses which will prevent the Fund from achieving a complete hedge or expose the Fund to risk of foreign exchange loss. Likewise, to the extent that the Total Return Fund enters into forward foreign currency exchange contracts to seek to increase total return, the risk of losses on such contracts due to unanticipated changes in currency prices is greater than it is when such contracts are used to reduce currency exchange rate risk.

In entering into forward currency contracts, a Fund will be subject to a number of risks and special considerations. The market for forward currency contracts, for example, may be limited with respect to certain currencies. The existence of a limited market may in turn restrict the Fund's ability to hedge against the risk of devaluation of currencies in which the Fund holds a substantial quantity of securities. The successful use of forward currency contracts as a hedging technique draws upon the portfolio manager's special skills and experience with respect to those instruments and will usually depend upon the portfolio manager's ability to forecast interest rate and currency exchange rate movements correctly. Should interest or exchange rates move in an unexpected manner, a Fund may not achieve the anticipated benefits of forward currency contracts or may realize losses and thus be in a less advantageous position than if those strategies had not been used. Many forward currency contracts are subject to no daily price fluctuation limits so that adverse market movements could continue with respect to those contracts to an unlimited extent over a period of time. If a devaluation is generally anticipated, a Fund may not be able to sell currency at a price above the anticipated devaluation level. Although forward currency contracts limit the risk of loss due to a decline in the value of the hedged currency, at the same time, they limit any potential gain that might result should the value of the currency increase.

The ability to dispose of a Fund's positions in forward currency contracts depends on the availability of active markets in those instruments, and the portfolio manager cannot predict the amount of trading interest that may exist in the future in forward currency contracts. Forward currency contracts may be closed out only by the parties entering into an offsetting contract. As a result, no assurance can be given that a Fund will be able to utilize these contracts effectively for the intended purposes.

Natural Disasters. The Funds may invest in securities of a region that may be more susceptible to natural disasters (including earthquakes and tsunamis) or adverse changes in climate or weather. The risks of such phenomena and the resulting social, political, economic and environmental damage (including nuclear pollution) cannot be quantified. Economies in which agriculture occupies a prominent position, and countries with limited natural resources (such as oil and natural gas), may be especially vulnerable to natural disasters and climatic changes.

Derivative Instruments. Derivative instruments derive their value, at least in part, from the price of another security or asset, or the level of an index, such as the S&P 500® Index, or a rate, such as the London Interbank Offered Rate ("LIBOR"), including structured notes, bonds or other instruments with interest rates that are determined by reference to changes in the value of other interest rates, indices or financial indicators ("References") or the relative change in two or more References. Some forms of derivative instruments, such as exchange-traded futures and certain options, are traded on regulated exchanges. These types of derivative instruments are standardized contracts for which market quotations are published daily. Non-standardized derivative instruments, on the other hand, tend to be more specialized or complex, and may be harder to value. Certain types of derivative instruments in which a Fund may invest are described more fully below, including swaps, options, futures contracts and options on futures contracts. While derivative instruments may be useful for investment and hedging, they also carry additional risks.

A Fund's use of various investment techniques may involve derivative instruments. There is no guarantee that these techniques will work. A Fund may, but is not required to, use derivative instruments as a substitute for taking a long or short position in an underlying asset, to seek to increase returns, or as part of a hedging strategy, such as to "hedge" against fluctuations in the market value of the other securities in a Fund's portfolio due to currency exchange rate fluctuations or other factors in the securities markets. Some derivative instruments have the effect of leverage on a Fund, meaning that a small investment in derivative instruments could have a potentially large impact on a Fund's returns. The use of derivative instruments involves risks different from, and/or possibly greater than, the risks associated with investing directly in the underlying assets or references. The use of derivative instruments is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the portfolio manager is incorrect in its forecasts of security or market values, interest rates or currency exchange rates, as applicable, the investment performance of a Fund would be less favorable than it would have been if derivative instruments were not used. Potential losses from certain derivative instruments are unlimited. Derivative instruments can be highly volatile, illiquid, subject to counterparty risk and difficult to value. There is also the risk that changes in the value of a derivative instrument held by a Fund for hedging purposes may not correlate with the Fund's investments which are intended to be hedged, which could impact Fund performance. A Fund may choose not to invest in derivative instruments because of their cost, limited availability or any number of other reasons deemed relevant by GEAM and the portfolio manager(s) responsible for managing the Fund. Each Fund may purchase put and call options on securities, write covered put and call options on securities, purchase and write put and call options on securities indices, engage in interest rate swaps, currency swaps and index swaps, and engage in credit default swaps, and certain funds may purchase OTC options, enter into futures contracts or related options, engage in forward contracts and purchase and write put and call options on foreign currencies, as further described above and below. A Fund's use of one or more of these techniques is also subject to the risks generally associated with investments in derivative instruments.

Purchasing Put and Call Options on Securities. Each Fund may purchase put and call options that are traded on a U.S. or foreign securities exchange or in the OTC market. A Fund may utilize up to 10% of its assets to purchase put options on portfolio securities and may do so at or about the same time that it purchases the underlying security or at a later time. By buying a put, a Fund will seek to limit its risk of loss from a decline in the market value of the security until the put expires. Any appreciation in the value of the underlying security, however, will be partially offset by the amount of the premium paid for the put option and any related transaction costs. A Fund may utilize up to 10% of its assets to purchase call options on portfolio securities. Call options may be purchased by a Fund in order to acquire the underlying securities for a price that avoids any additional cost that would result from a substantial increase in the market value of a security. A Fund may also purchase call options to increase its return at a time when the call is expected to increase in value due to anticipated appreciation of the underlying security. Prior to their expirations, put and call options may be sold by a Fund in closing sale transactions, which are sales by the Fund, prior to the exercise of options that it has purchased, of options of the same series. Profit or loss from the sale will depend on whether the amount received is more or less than the premium paid for the option plus the related transaction costs. The aggregate value of the securities underlying the calls or obligations underlying the puts, determined as of the date the options are sold, shall not exceed 25% of the net assets of a Fund. In addition, the premiums paid by a Fund in purchasing options on securities, options on securities indices, options on foreign currencies and options on futures contracts will not exceed 20% of the Fund's net assets.

Covered Option Writing. Each Fund may write covered put and call options on securities. A Fund will realize fees (referred to as "premiums") for granting the rights evidenced by the options. A put option embodies the right of its purchaser to compel the writer of the option to purchase from the option holder an underlying security at a specified price at any time during the option period. In contrast, a call option embodies the right of its purchaser to compel the writer of the option to sell to the option holder an underlying security at a specified price at any time during the option period.

The Funds with option-writing authority will write only options that are covered. A call option written by a Fund will be deemed covered (i) if the Fund owns the securities underlying the call or has an absolute and immediate right to acquire those securities without additional cash consideration upon conversion or exchange of other securities held in its portfolio, (ii) if the Fund holds a call at the same exercise price for the same exercise period and on the same securities as the call written, (iii) in the case of a call option on a stock index, if the Fund owns a portfolio of securities substantially replicating the movement of the index underlying the call option, or (iv) if at the time the call is written, an amount of cash, U.S. Government securities or other liquid assets equal to the fluctuating market value of the optioned securities, is segregated with the Company's custodian or with a designated sub-custodian. A put option will be deemed covered (i) if, at the time the put is written, an amount of cash, U.S. Government securities or other liquid assets having a value at least equal to the exercise price of the underlying securities is segregated with the Company's custodian or with a designated sub-custodian, or (ii) if the Fund continues to own an equivalent number of puts of the same "series" (that is, puts on the same underlying securities having the same exercise prices and expiration dates as those written by the Fund), or an equivalent number of puts of the same "class" (that is, puts on the same underlying securities) with exercise prices greater than those that it has written (or if the exercise prices of the puts it holds are less than the exercise prices of those it has written, the difference is segregated with the Company's custodian or with a designated sub-custodian).

The principal reason for writing covered call options on a securities portfolio is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the securities alone. In return for a premium, the writer of a covered call option forfeits the right to any appreciation in the value of the underlying security above the strike price for the life of the option (or until a closing purchase transaction can be effected). Nevertheless, the call writer retains the risk of a decline in the price of the underlying security. Similarly, the principal reason for writing covered put options is to realize income in the form of premiums. The writer of a covered put option accepts the risk of a decline in the price of the underlying security. The size of the premiums that a Fund may receive may be adversely affected as new or existing institutions, including other investment companies, engage in or increase their option-writing activities.

Options written by a Fund will normally have expiration dates between one and nine months from the date written. The exercise price of the options may be below, equal to or above the market values of the underlying securities at the times the options are written. In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money" and "out-of-the-money," respectively.

So long as the obligation of a Fund as the writer of an option continues, the Fund may be assigned an exercise notice by the broker-dealer through which the option was sold, requiring the Fund to deliver, in the case of a call, or take delivery of, in the case of a put, the underlying security against payment of the exercise price. This obligation terminates when the option expires or the Fund effects a closing purchase transaction. A Fund can no longer effect a closing purchase transaction with respect to an option once it has been assigned an exercise notice. To secure its obligation to deliver the underlying security when it writes a call option, or to pay for the underlying security when it writes a put option, a Fund will be required to deposit in escrow the underlying security or other assets in accordance with the rules of the Options Clearing Corporation (the "Clearing Corporation") and of the securities exchange on which the option is written.

A Fund may engage in a closing purchase transaction to realize a profit, to prevent an underlying security from being called or put or, in the case of a call option, to unfreeze an underlying security (thereby permitting its sale or the writing of a new option on the security prior to the outstanding option's expiration). To effect a closing purchase transaction, a Fund would purchase, prior to the holder's exercise of an option that the Fund has written, an option of the same series as that on which the Fund desires to terminate its obligation. The obligation of a Fund under an option that it has written would be terminated by a closing purchase transaction, but the Fund would not be deemed to own an option as the result of the transaction. An option position may be closed out only if a secondary market exists for an option of the same series on a recognized securities exchange or in the OTC market. In light of the need for a secondary market in which to close an option position, the Funds are expected to purchase only call or put options issued by the Clearing Corporation. GEAM expects that the Funds will write options, other than those on U.S. Government securities, only on national securities exchanges. Options on U.S. Government securities may be written by the Funds in the OTC market.

A Fund may realize a profit or loss upon entering into closing transactions. When a Fund has written an option, for example, it will realize a profit if the cost of the closing purchase transaction is less than the premium received upon writing the original option; the Fund will incur a loss if the cost of the closing purchase transaction exceeds the premium received upon writing the original option. When a Fund has purchased an option and engages in a closing sale transaction, whether the Fund realizes a profit or loss will depend upon whether the amount received in the closing sale transaction is more or less than the premium the Fund initially paid for the original option plus the related transaction costs.

No assurance can be given that a Fund will be able to effect closing purchase transactions at a desired time. The ability of a Fund to engage in closing purchase transactions with respect to options depends on the existence of a liquid secondary market. Although a Fund will generally purchase or write securities options only if a liquid secondary market appears to exist for the option purchased or sold, no such secondary market may exist or the market may cease to exist.

Option writing for a Fund may be limited by position and exercise limits established by U.S. securities exchanges and the Financial Industry Regulatory Authority, Inc. and by requirements of the Code for qualification as a regulated investment company. In addition to writing covered put and call options to generate current income, a Fund may enter into options transactions as hedges to reduce investment risk, generally by making an investment expected to move in the opposite direction of a portfolio position. A hedge is designed to offset a loss on a portfolio position with a gain on the hedge position; at the same time, however, a properly correlated hedge will result in a gain on the portfolio's position being offset by a loss on the hedge position.

A Fund will engage in hedging transactions only when deemed advisable by the portfolio manager. Successful use by a Fund of options will depend on the portfolio manager's ability to predict correctly movements in the direction of the securities underlying the option used as a hedge. Losses incurred in hedging transactions and the costs of these transactions will affect a Fund's performance.

Securities Index Options. Each Fund may purchase and write put and call options on securities indices listed on U.S. or foreign securities exchanges or traded in the OTC market, which indices include securities held in the Fund's portfolio. The Funds with such option writing authority may write only covered options. A Fund may also use securities index options as a means of participating in a securities market without making direct purchases of securities.

A securities index option written by a Fund will be deemed covered in any manner permitted under the 1940 Act or the rules and regulations thereunder or any other method determined by the SEC to be permissible.

A securities index measures the movement of a certain group of securities by assigning relative values to the securities included in the index. Options on securities indices are generally similar to options on specific securities. Unlike options on securities, however, options on securities indices do not involve the delivery of an underlying security; the option in the case of an option on a securities index represents the holder's right to obtain from the writer in cash a fixed multiple of the amount by which the exercise price exceeds (in the case of a call) or is less than (in the case of a put) the closing value of the underlying securities index on the exercise date. A Fund may purchase and write put and call options on securities indices or securities index futures contracts that are traded on a U.S. exchange or board of trade or a foreign exchange as a hedge against changes in market conditions and interest rates, and for duration management, and may enter into closing transactions with respect to those options to terminate existing positions. A securities index fluctuates with changes in the market values of the securities included in the index. Securities index options may be based on a broad or narrow market index or on an industry or market segment.

The delivery requirements of options on securities indices differ from options on securities. Unlike a securities option, which contemplates the right to take or make delivery of securities at a specified price, an option on a securities index gives the holder the right to receive a cash "exercise settlement amount" equal to (i) the amount, if any, by which the fixed exercise price of the option exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the date of exercise, multiplied by (ii) a fixed "index multiplier." Receipt of this cash amount will depend upon the closing level of the securities index upon which the option is based being greater than, in the case of a call, or less than, in the case of a put, the exercise price of the option. The amount of cash received will be equal to the difference between the closing price of the index and the exercise price of the option expressed in dollars times a specified multiple. The writer of the option is obligated, in return for the premium received, to make delivery of this amount. The writer may offset its position in securities index options prior to expiration by entering into a closing transaction on an exchange or it may allow the option to expire unexercised.

The effectiveness of purchasing or writing securities index options as a hedging technique will depend upon the extent to which price movements in the portion of a securities portfolio being hedged correlate with price movements of the securities index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether a Fund realizes a gain or loss from the purchase or writing of options on an index depends upon movements in the level of prices in the market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of a particular security. As a result, successful use by a Fund of options on securities indices is subject to the portfolio manager's ability to predict correctly movements in the direction of the market generally or of a particular industry. This ability contemplates different skills and techniques from those used in predicting changes in the price of individual securities.

Securities index options are subject to position and exercise limits and other regulations imposed by the exchange on which they are traded. The ability of a Fund to engage in closing purchase transactions with respect to securities index options depends on the existence of a liquid secondary market. Although a Fund will generally purchase or write securities index options only if a liquid secondary market for the options purchased or sold appears to exist, no such secondary market may exist, or the market may cease to exist at some future date, for some options. No assurance can be given that a closing purchase transaction can be effected when the portfolio manager desires that a Fund engage in such a transaction.

Interest-Only Swaps, Interest Rate Swaps, Index Swaps and Credit Default Swaps. Certain Funds may invest in interest-only swaps, interest rate swaps, index swaps and credit default swaps. An interest-only swap is a synthetic total return swap index referencing the interest components of agency mortgage-backed securities pools. Interest-only swaps tend to be very sensitive to interest rate changes and can decline in value if prepayment rates become more rapid.

Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. In an index swap, a Fund receives gains or incurs losses based on the total return of a specified index, in exchange for making interest payments to another party. An index swap can also work in reverse, with a Fund receiving interest payments from another party in exchange for movements in the total return of a specified index. Index swaps are subject to the same market risks as the investment market or sector that the index represents. Depending on the actual movements of the index and how well the portfolio manager forecasts those movements, a Fund could experience a higher or lower return than anticipated.

The “buyer” in a credit default swap is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided no event of default has occurred. In the event of default, the seller must pay the buyer the “par value” (full notional value) of the reference obligation in exchange for the reference obligation. A Fund may be either the buyer or seller in the transaction. If a Fund is a buyer and no event of default occurs, the Fund loses its investment and recovers nothing. However, if an event of default occurs, the buyer receives full notional value for a reference obligation that may have little or no value. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, provided there is no default event. If an event of default occurs, the seller is normally obligated to pay the notional value of the reference obligation. The value of the reference obligation received by the seller, coupled with the periodic payments previously received may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Fund. Credit default swaps involve greater risks than if a Fund had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to illiquidity risk, counterparty risk and credit risks. If a Fund writes a credit default swap it would normally be required to segregate liquid assets equal in value to the notional value of the reference obligation.

OTC Options. Certain Funds may purchase OTC or dealer options or sell covered OTC options. Unlike exchange-listed options where an intermediary or clearing corporation, such as the Clearing Corporation, assures that all transactions in such options are properly executed, the responsibility for performing all transactions with respect to OTC options rests solely with the writer and the holder of those options. A listed call option writer, for example, is obligated to deliver the underlying stock to the clearing organization if the option is exercised, and the clearing organization is then obligated to pay the writer the exercise price of the option. If a Fund were to purchase a dealer option, however, it would rely on the dealer from whom it purchased the option to perform if the option were exercised. If the dealer fails to honor the exercise of the option by the Fund, the Fund would lose the premium it paid for the option and the expected benefit of the transaction.

Listed options generally have a continuous liquid market while dealer options have none. Consequently, a Fund will generally be able to realize the value of a dealer option it has purchased only by exercising it or reselling it to the dealer that issued it. Similarly, when a Fund writes a dealer option, it generally will be able to close out the option prior to its expiration only by entering into a closing purchase transaction with the dealer to which the Fund originally wrote the option. Although the Funds will seek to enter into dealer options only with dealers that will agree to and that are expected to be capable of entering into closing transactions with the Funds, there can be no assurance that a Fund will be able to liquidate a dealer option at a favorable price at any time prior to expiration. The inability to enter into a closing transaction may result in material losses to a Fund. Until a Fund, as a covered OTC call option writer, is able to effect a closing purchase transaction, it will not be able to liquidate securities (or other assets) used to cover the written option until the option expires or is exercised. This requirement may impair a Fund's ability to sell portfolio securities or, with respect to currency options, currencies at a time when such sale might be advantageous. In the event of insolvency of the other party, the Fund may be unable to liquidate a dealer option.

Futures Contracts and Options on Futures Contracts. Each Fund may enter into interest rate, financial and stock or bond index futures contracts or related options that are traded on a U.S. or foreign exchange or board of trade approved by the CFTC or in the OTC market. If entered into, these transactions can be made for a variety of portfolio management purposes such as hedging against the effects of changes in the value of portfolio securities due to anticipated changes in interest rates and/or market conditions, to gain market exposure for accumulating and residual cash positions, for duration management, or when the transactions are economically appropriate to the reduction of risks inherent in the management of the Fund involved.

An interest rate futures contract provides for the future sale by one party and the purchase by the other party of a specified amount of a particular financial instrument (debt security) at a specified price, date, time and place. Financial futures contracts are contracts that obligate the holder to deliver (in the case of a futures contract that is sold) or receive (in the case of a futures contract that is purchased) at a future date a specified quantity of a financial instrument, specified securities, or the cash value of a securities index. A municipal bond index futures contract is based on an index of long-term, tax-exempt municipal bonds and a corporate bond index futures contract is based on an index of corporate bonds. Stock index futures contracts are based on indices that reflect the market value of common stock of the companies included in the indices. An index futures contract is an agreement pursuant to which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of the index at the close of the last trading day of the contract and the price at which the index contract was originally written. The clearing house of the exchange on which a futures contract is entered into becomes the counterparty to each purchaser and seller of the futures contract. An option on an interest rate or index futures contract generally gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract at a specified exercise price at any time prior to the expiration date of the option.

The Company, on behalf of each Fund, has claimed an exclusion from the definition of the term "commodity pool operator" pursuant to Regulation 4.5 under the Commodity Exchange Act and, therefore, is not subject to registration or regulation as a "commodity pool operator" by the CFTC. As a result, each Fund may be limited in its ability to use commodity futures or options thereon, engage in certain swap transactions or make certain other investments (collectively, "commodity interests") if the Company continues to claim that exclusion on behalf of the Funds. Under the Regulation 4.5 exclusion, a Fund must satisfy one of the following two trading limitations whenever it enters into a new commodity interest position: (1) the aggregate initial margin and premiums required to establish the Fund's positions in commodity interests may not exceed 5% of the liquidation value of the Fund's portfolio (after accounting for unrealized profits and unrealized losses on any such commodity interests and, in the case of an option that is in-the-money at the time of purchase, the in-the-money amount may be excluded); or (2) the aggregate net notional value of such commodity interests, determined at the time the most recent position was established, may not exceed 100% of the liquidation value of the Fund's portfolio (after accounting for unrealized profits and unrealized losses on any such positions). A Fund would not be required to consider its exposure to commodity interests if they were held for "bona fide hedging" purposes, as such term is defined in the CFTC regulations. In addition to meeting one of the foregoing trading limitations, a Fund may not market itself as a commodity pool or otherwise as a vehicle for trading in the markets for commodity interests, subject to applicable CFTC guidance. If a Fund were to invest in commodity interests in excess of the trading limitations discussed above and/or market itself as a vehicle for commodities trading, the Company, on behalf of the Fund, would withdraw its exclusion and GEAM would become subject to regulation as a "commodity pool operator," and would be required to operate the Fund in compliance with applicable CFTC regulations, in addition to all applicable SEC regulations.

No consideration is paid or received by a Fund upon trading a futures contract. Upon entering into a futures contract, cash or other securities acceptable to the broker equal to approximately 1% to 10% of the contract amount will be segregated with the Company's custodian or a designated sub-custodian. This amount, which is subject to change by the exchange on which the contract is traded, is known as "initial margin" and is in the nature of a performance bond or good faith deposit on the contract that is returned to the Fund upon termination of the futures contract, so long as all contractual obligations have been satisfied; the broker will have access to amounts in the margin account if the Fund fails to meet its contractual obligations. Subsequent payments, known as "variation margin," to and from the broker, will be made daily as the price of the securities underlying the futures contract fluctuates, making the long and short positions in the contract more or less valuable, a process known as "marking-to-market." At any time prior to the expiration of a futures contract, a Fund may elect to close a position by taking an opposite position, which will operate to terminate the Fund's existing position in the contract.

If a Fund has hedged against the possibility of an increase in interest rates adversely affecting the value of securities held in its portfolio and rates decrease instead, the Fund will lose part or all of the benefit of the increased value of securities that it has hedged because it will have offsetting losses in its futures positions. In addition, in such situations, if the Fund had insufficient cash, it may have to sell securities to meet daily variation margin requirements at a time when it may be disadvantageous to do so. These sales of securities may, but will not necessarily, be at increased prices that reflect the decline in interest rates.

An option on a futures contract, unlike a direct investment in such a contract, gives the purchaser the right, in return for the premium paid, to assume a position in the futures contract at a specified exercise price at any time prior to the expiration date of the option. Upon exercise of an option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's futures margin account, which represents the amount by which the market price of the futures contract exceeds, in the case of a call, or is less than, in the case of a put, the exercise price of the option on the futures contract. The potential loss related to the purchase of an option on futures contracts is limited to the premium paid for the option (plus transaction costs). Because the price of the option to the purchaser is fixed at the point of sale, no daily cash payments are made to reflect changes in the value of the underlying contract. The value of the option, however, does change daily and that change would be reflected in the NAV of the Fund holding the options.

The use of futures contracts and options on futures contracts as a hedging device involves several risks. No assurance can be given that a correlation will exist between price movements in the underlying securities or index and price movements in the securities that are the subject of the hedge. Losses incurred in hedging transactions and the costs of these transactions will affect a Fund's performance.

Although the Company intends that the Funds enter into futures contracts only if an active market exists for the contracts, positions in futures contracts and options on futures contracts may be closed out only on the exchange or board of trade on which they were entered and no assurance can be given that an active market will exist for the contracts at any particular time. Most U.S. futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made on that day at a price beyond that limit. Futures contract prices may move to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses. In such a case, and in the event of adverse price movements, a Fund would be required to make daily cash payments of variation margin. In such circumstances, an increase in the value of the portion of the portfolio being hedged, if any, may partially or completely offset losses on the futures contract.

Options on Foreign Currencies. Certain Funds may purchase and write put and call options on foreign currencies for the purpose of hedging against declines in the U.S. dollar value of foreign currency denominated securities and against increases in the U.S. dollar cost of securities to be acquired by the Fund. The Funds with such option writing authority may write only covered options. No Fund will enter into a transaction involving options on foreign currencies for speculative purposes. Options on foreign currencies to be written or purchased by a Fund are traded on U.S. or foreign exchanges or in the OTC market.

Certain transactions involving options on foreign currencies are undertaken on contract markets that are not regulated by the CFTC. Options on foreign currencies traded on national securities exchanges are within the jurisdiction of the SEC, as are other securities traded on those exchanges. As a result, many of the protections provided to traders on organized exchanges will be available with respect to those transactions. In particular, all foreign currency option positions entered into on a national securities exchange are cleared and guaranteed by the Clearing Corporation, thereby reducing the risk of counterparty default. In addition, a liquid secondary market in options traded on a national securities exchange may exist, potentially permitting a Fund to liquidate open positions at a profit prior to exercise or expiration, or to limit losses in the event of adverse market movements.

The purchase and sale of exchange-traded foreign currency options are subject to the risks of the availability of a liquid secondary market as described above, as well as the risks regarding adverse market movements, margining of options written, the nature of the foreign currency market, possible intervention by governmental authorities and the effects of other political and economic events. In addition, exercise and settlement of exchange-traded foreign currency options must be made exclusively through the Clearing Corporation, which has established banking relationships in applicable foreign countries for this purpose. As a result, the Clearing Corporation may, if it determines that foreign governmental restrictions or taxes would prevent the orderly settlement of foreign currency option exercises, or would result in undue burdens on the Clearing Corporation or its clearing members, impose special procedures on exercise and settlement, such as technical changes in the mechanics of delivery of currency, the fixing of dollar settlement prices or prohibitions on exercise.

Like the writing of other kinds of options, the writing of an option on a foreign currency constitutes only a partial hedge, up to the amount of the premium received; a Fund could also be required, with respect to any option it has written, to purchase or sell foreign currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on a foreign currency may constitute an effective hedge against fluctuation in exchange rates, although in the event of rate movements adverse to a Fund's position, the Fund could forfeit the entire amount of the premium plus related transaction costs.

Options on foreign currencies may be traded on foreign exchanges that are not regulated by either the SEC or the CTFC. These transactions are subject to the risk of governmental actions affecting trading in or the prices of foreign currencies or securities. The value of these positions could also be adversely affected by (i) other complex foreign political and economic factors, (ii) lesser availability of data on which to make trading decisions than in the United States, (iii) delays in a Fund's ability to act upon economic events occurring in foreign markets during non-business hours in the United States, (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States and (v) lesser trading volume.

As with other kinds of option transactions, however, the writing of an option contract on foreign currency will constitute only a partial hedge, up to the amount of the premium received. These Funds could be required to purchase or sell foreign currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on foreign currency may constitute an effective hedge against exchange rate fluctuations; however, in the event of exchange rate movements adverse to the Fund's position, the Fund may forfeit the entire amount of the premium plus related transaction costs. In addition, the Total Return Fund may purchase call or put options on currency to seek to increase total return when the portfolio manager anticipates that the currency will appreciate or depreciate in value, but the securities quoted or denominated in that currency do not present attractive investment opportunities and are not being held in the Fund. When purchased or sold to increase total return, options on currencies are considered speculative.

Lending Portfolio Securities. Each Fund is authorized to lend its portfolio securities to well-known and recognized U.S. and foreign brokers, dealers and banks in accordance with its fundamental investment restrictions on making loans. The Fund's loans of securities will be collateralized by cash, letters of credit or U.S. Government securities. The Fund will retain the right to all interest and dividends payable with respect to the loaned securities. If a Fund lends its portfolio securities, it may charge the borrower a negotiated fee and retain the ability to terminate the loan at any time. Cash or instruments collateralizing a Fund's loans of securities are segregated and maintained at all times with the Company's custodian, or with a designated sub-custodian, in an amount at least equal to the current market value of the loaned securities. In lending securities, a Fund will be subject to risks, including the potential inability to recall the loaned securities should the borrower fail financially, and the possible loss in market value of the collateral.

If a Fund loans its portfolio securities, it will adhere to the following conditions whenever its portfolio securities are loaned: (1) the Fund must receive at least 100% cash collateral or equivalent securities from the borrower; (2) the borrower must increase the collateral whenever the market value of the securities loaned rises above the level of the collateral; (3) the Fund must be able to terminate the loan at any time; (4) the Fund must receive a reasonable fee on the loan, as well as any dividends, interest or other distributions on the loaned securities, and any increase in market value of the loaned securities; and (5) the Fund may pay only reasonable custodian fees in connection with the loan. When securities are loaned, voting rights typically are passed to the borrower. However, if a member of the proxy committee determines that a proxy vote is materially important to the shareholders of the Company and where it is feasible to recall the securities on a timely basis, GEAM may use its reasonable efforts to recall the loaned securities. GEAM disclaims any responsibility for its inability to vote on proposals where, despite its reasonable efforts, it could not successfully recall the loaned securities before the record date and/or the deadline for voting, as applicable. From time to time, a Fund may pay a part of the interest earned from the investment of collateral received for securities loaned to the borrower and/or a third party that is unaffiliated with the Fund and is acting as a "finder."

The Funds do not currently lend their portfolio securities.

Securities of Other Investment Companies. Each Fund may invest in other investment companies that invest principally in securities in which the Fund is authorized to invest, and as permitted by the 1940 Act and the rules thereunder. To the extent a Fund invests in other investment companies, the Fund's shareholders will incur certain duplicative fees and expenses, including investment advisory fees.

Exchange Traded Funds and Other Index-Related Securities. Certain Funds may invest in exchange traded funds, which are baskets of securities designed to generally track an index or a foreign market, such as iShares or Standard & Poor's Depositary Receipts. These securities are considered to be investment companies for purposes of each Fund's investment limitations.

Municipal Obligations. The term "Municipal Obligations" as used in the Prospectus and this SAI means debt obligations issued by, or on behalf of, states, territories and possessions of the United States and the District of Columbia and their political subdivisions, agencies and instrumentalities or multistate agencies or authorities, the interest from which is, in the opinion of bond counsel to the issuer, excluded from gross income for regular federal income tax purposes. Municipal Obligations generally are understood to include debt obligations issued to obtain funds for various public purposes, including the construction of a wide range of public facilities, refunding of outstanding obligations, payment of general operating expenses and extensions of loans to public institutions and facilities. Private activity bonds that are issued by or on behalf of public authorities to finance privately operated facilities are considered to be Municipal Obligations if the interest paid on them qualifies as excluded from gross income (but not necessarily from alternative minimum taxable income) for regular federal income tax purposes in the opinion of bond counsel to the issuer.

Opinions relating to the validity of Municipal Obligations and to the exemption of interest on them from federal income taxes are rendered by bond counsel to the respective issuers at the time of issuance. Neither the Company nor the portfolio manager will review the proceedings relating to the issuance of Municipal Obligations or the basis for opinions of counsel.

Municipal Obligations may be issued to finance life care facilities, which are an alternative form of long-term housing for the elderly that offer residents the independence of a condominium life-style and, if needed, the comprehensive care of nursing home services. Bonds to finance these facilities have been issued by various state industrial development authorities. Because the bonds are secured only by the revenues of each facility and not by state or local government tax payments, they are subject to a wide variety of risks, including a drop in occupancy levels, the difficulty of maintaining adequate financial reserves to secure estimated actuarial liabilities, the possibility of regulatory cost restrictions applied to health care delivery and competition from alternative health care or conventional housing facilities.

Even though Municipal Obligations are interest-bearing investments that promise a stable flow of income, their prices are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The values of Municipal Obligations with longer remaining maturities typically fluctuate more than those of similarly rated Municipal Obligations with shorter remaining maturities. The values of Municipal Obligations also may be affected by changes in the credit rating or financial condition of the issuing entities.

Tax legislation may affect the supply of, and the demand for, Municipal Obligations, as well as the tax-exempt nature of interest paid on those obligations. Neither the Company nor the portfolio manager can predict with certainty the effect of tax law changes upon the Municipal Obligation market, including the availability of instruments for investment by a Fund. In addition, neither the Company nor the portfolio manager can predict whether additional legislation adversely affecting the Municipal Obligation market will be enacted in the future. The Company monitors legislative developments and considers whether changes in the objective or policies of a Fund need to be made in response to those developments. If legislation were enacted that would treat a type of Municipal Obligation as taxable for federal income tax purposes, the Company would treat the security as a permissible taxable money market instrument for the Fund within the applicable limits set forth in the Prospectus.

Municipal Obligation Components. Certain Funds may invest in Municipal Obligations, the interest rate on which has been divided by the issuer into two different and variable components, which together result in a fixed interest rate. Typically, the first of the components (the "Auction Component") pays an interest rate that is reset periodically through an auction process, whereas the second of the components (the "Residual Component") pays a residual interest rate based on the difference between the total interest paid by the issuer on the Municipal Obligation and the auction rate paid on the Auction Component. A Fund may purchase both Auction and Residual Components. Because the interest rate paid to holders of Residual Components is generally determined by subtracting the interest rate paid to the holders of Auction Components from a fixed amount, the interest rate paid to Residual Component holders will decrease as the Auction Component's rate increases and decrease as the Auction Component's rate increases. Moreover, the extent of the increases and decreases in market value of Residual Components may be larger than comparable changes in the market value of an equal principal amount of a fixed rate Municipal Obligation having similar credit quality, redemption provisions and maturity.

Municipal Leases. Included among Municipal Obligations in which certain Funds may invest are participations in lease obligations or installment purchase contracts issued by state or local governmental authorities ("Municipal Leases") to obtain funds to acquire a wide variety of equipment and facilities.

Although Municipal Leases do not normally constitute general obligations of the municipality, they are ordinarily backed by the municipality's agreement to make the payments due under the obligation. These obligations have evolved to make it possible for state and local government authorities to acquire property and equipment without meeting constitutional and statutory requirements for the issuance of debt. Thus, Municipal Leases have additional risks not normally associated with other Municipal Obligations. Municipal Leases may contain "non-appropriation" clauses that provide that the governmental issuer of the obligation has no obligation to make future payments under the lease or contract unless money is appropriated for those purposes by the legislative body on a yearly or other periodic basis. There have been challenges to the legality of lease financing in some states and, from time to time, certain municipalities have considered not appropriating funds for lease payments. Moreover, although some Municipal Leases will be secured by the leased equipment and facilities, the disposition of the equipment or facilities in the event of foreclosure might prove to be difficult.

Municipal Leases that a Fund may acquire will be both rated and unrated. Rated Municipal Leases that may be held by a Fund include those rated investment grade at the time of investment or those issued by issuers whose senior debt is rated investment grade at the time of investment. A Fund may acquire unrated issues that the portfolio manager deems to be comparable in quality to rated issues in which a Fund is authorized to invest. A determination that an unrated lease obligation is comparable in quality to a rated lease obligation and that there is a reasonable likelihood that the lease will not be canceled will be subject to oversight and approval by the Board.

An unrated Municipal Lease with a non-appropriation risk that is backed by an irrevocable bank letter of credit or an insurance policy issued by a bank or insurer deemed by the portfolio manager to be of high quality and minimal credit risk will not be deemed to be illiquid solely because the underlying municipal lease is unrated, if the portfolio manager determines that the lease is readily marketable because it is backed by the letter of credit or insurance policy.

Municipal Leases held by a Fund may be considered illiquid and therefore subject to a Fund's limitation on the purchase of illiquid investments, unless the Board determines on an ongoing basis that an adequate trading market exists for the Municipal Lease. In determining the liquidity of a Municipal Lease, in accordance with methods adopted by the Board, the following factors relating to the security are considered, among others: (i) the frequency of trades and quotes; (ii) the number of dealers willing to purchase or sell the security; (iii) the willingness of dealers to undertake to make a market; (iv) the nature of the marketplace trades; and (v) the likelihood that the obligation will continue to be marketable based on the credit quality of the municipality or relevant obligor.

Floating and Variable Rate Instruments. Certain Funds may invest in floating and variable rate instruments. Income securities may provide for floating or variable rate interest or dividend payments. The floating or variable rate may be determined by reference to a known lending rate, such as a bank's prime rate, a certificate of deposit rate or the LIBOR. Alternatively, the rate may be determined through an auction or remarketing process. The rate also may be indexed to changes in the values of interest rate or securities indexes, currency exchange rate or other commodities. Variable and floating rate securities tend to be less sensitive than fixed rate securities to interest rate changes and tend to have higher yields when interest rates increase. However, during periods of rising interest rates, changes in the interest rate of an adjustable rate security may lag changes in market rates.

The amount by which the rates paid on an income security may increase or decrease may be subject to periodic or lifetime caps. Fluctuations in interest rates above these caps could cause adjustable rate securities to behave more like fixed rate securities in response to extreme movements in interest rates.

Floating and variable rate income securities include securities whose rates vary inversely with changes in market rates of interest. Such securities may also pay a rate of interest determined by applying a multiple to the variable rate. The extent of increases and decreases in the value of securities whose rates vary inversely with changes in market rates of interest generally will be larger than comparable changes in the value of an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity.

Certain Funds may purchase floating and variable rate demand bonds and notes, which are debt securities ordinarily having stated maturities in excess of one year but which permit their holder to demand payment of principal at any time or at specified intervals. Variable rate demand notes include master demand notes, which are obligations that permit a Fund to invest fluctuating amounts, which may change daily without penalty, pursuant to direct arrangements between the Fund, as lender, and the borrower. These obligations have interest rates that fluctuate from time to time and frequently are secured by letters of credit or other credit support arrangements provided by banks. Use of letters of credit or other credit support arrangements will not adversely affect the tax-exempt status of variable rate demand notes. Because they are direct lending arrangements between the lender and borrower, variable rate demand notes generally will not be traded and no established secondary market generally exists for them, although they are redeemable at face value. If variable rate demand notes are not secured by letters of credit or other credit support arrangements, a Fund's right to demand payment will be dependent on the ability of the borrower to pay principal and interest on demand. Each obligation purchased by a Fund will meet the quality criteria established by GEAM for the purchase of debt securities. GEAM considers on an ongoing basis the creditworthiness of the issuers of the floating and variable rate demand obligations in the relevant Fund's portfolio.

Participation Interests. Certain Funds may purchase from financial institutions participation interests in certain Municipal Obligations. A participation interest gives the Fund an undivided interest in the Municipal Obligation in the proportion that the Fund's participation interest bears to the total principal amount of the Municipal Obligation. These instruments may have fixed, floating or variable rates of interest. If the participation interest is unrated, or has been given a rating below one that is otherwise permissible for purchase by a Fund, the participation interest will be backed by an irrevocable letter of credit or guarantee of a bank that the Board has determined meets certain quality standards, or the payment obligation otherwise will be collateralized by U.S. Government securities. A Fund will have the right, with respect to certain participation interests, to demand payment, on a specified number of days' notice, for all or any part of the Fund's participation interest in the Municipal Obligation, plus accrued interest. The Company intends that a Fund exercise its right to demand payment only upon a default under the terms of the Municipal Obligation, or to maintain or improve the quality of its investment portfolio. A Fund will invest no more than 5% of the value of its total assets in participation interests.

Custodial Receipts. Certain Funds may acquire custodial receipts or certificates underwritten by securities dealers or banks that evidence ownership of future interest payments, principal payments, or both, on certain Municipal Obligations. The underwriter of these certificates or receipts typically purchases Municipal Obligations and deposits the obligations in an irrevocable trust or custodial account with a custodian bank, which then issues receipts or certificates that evidence ownership of the periodic unmatured coupon payments and the final principal payment on the obligations. Custodial receipts evidencing specific coupon or principal payments have the same general attributes as zero coupon obligations described above. Although under the terms of a custodial receipt a Fund would be typically authorized to assert its rights directly against the issuer of the underlying obligation, the Fund could be required to assert through the custodian bank those rights as may exist against the underlying issuers. Thus, in the event the underlying issuer fails to pay principal and/or interest when due, a Fund may be subject to delays, expenses and risks that are greater than those that would have been involved if the Fund had purchased a direct obligation of the issuer. In addition, in the event that the trust or custodial account in which the underlying security has been deposited is determined to be an association taxable as a corporation, instead of a non-taxable entity, the yield on the underlying security would be reduced in recognition of any taxes paid.

Short Sales Against the Box. Each Fund may sell securities "short against the box." Whereas a short sale is the sale of a security a Fund does not own, a short sale is "against the box" if at all times during which the short position is open, the Fund owns at least an equal amount of the securities or securities convertible into, or exchangeable without further consideration for, securities of the same issue as the securities sold short. Swap transactions, futures contracts and other derivative-type instruments that reflect the equivalent of a short sale or a short position are not considered to be a short sale or short position for this purpose or for purposes of determining whether a short sale or position is considered to be "against the box."

Portfolio Holdings

The Funds' portfolio holdings must be adequately protected to prevent the misuse of that information by a third party to the potential detriment of the shareholders. Accordingly, the Funds have adopted, and the Board has approved, policies and procedures designed to ensure that the disclosure of the Funds' portfolio holdings is in the best interest of the Funds' shareholders in the manner described below. GEAM and the Board may amend these policies and procedures at any time without prior notice.

Various non-Fund advisory clients of GEAM may hold securities substantially similar to those securities held by the Funds. Although GEAM has also adopted policies and procedures regarding the selective disclosure of the contents of those other portfolios, those policies and procedures contain different procedures and limitations than the policies and procedures that apply to the disclosure of the Funds' portfolio holdings.

The Funds' portfolio holdings are made public, as required by law, in the Funds' annual and semi-annual reports. These reports are filed with the SEC and mailed to shareholders within 60 days after the end of the relevant fiscal period. In addition, as required by law, the Funds' portfolio holdings as of fiscal quarter end are reported to the SEC, and posted to the Funds' website, within 60 days after the end of the Funds' first and third fiscal quarters.

The following information is also available on the Funds' website (http://www.geam.com) or by calling 1-800-242-0134:

1. A complete listing of each Fund's portfolio holdings and related information (such as number of shares, value and percentage of the portfolio) as of each month-end, no earlier than 30 calendar days following the month-end;

2. Top ten portfolio holdings and related information (such as number of shares, value and percentage of the portfolio) for all Funds as of each month-end will be available no earlier than 15 calendar days after the month-end; and

3. Characteristics of securities (such as number of shares, principal amount of bonds, percentage of portfolio, sector, country, regional, quality and duration breakdowns, depending on the type of account) held in any of the Funds based on a Fund's entire portfolio (or a portion thereof) as of each month-end will be available no earlier than 15 calendar days after the month-end.

Fund portfolio holdings may be posted earlier or later than reflected above as a result of regulatory requirements.

The Funds' portfolio holdings information will be available on the Funds' website until updated for the next appropriate period. This information may not be disclosed to any person earlier than the date it has been posted to the Funds' website.

The Funds and GEAM reserve the right to make the Funds' portfolio holdings and related information available on the Funds' website earlier or later than permitted above if it is determined prior to such disclosure that (1) there is a legitimate business purpose to do so (as described below in the paragraphs related to selective disclosures of Fund portfolio holdings information); (2) any actual or potential conflicts of interest between the Funds and their affiliates are reviewed and considered; and (3) the timing of such disclosure is not expected to result in harm to the Funds. Prior to such disclosure being released and made available to the public on the Funds' website, the following condition must be met: (a) Any Senior Vice President or Vice President of GEAM's Legal Department or GEAM's General Counsel; (b) any Manager of GEAM's Compliance Department; and (c) the Chief Investment Officer (or other individual in a senior management position) of the applicable Fund, (i) must be informed of each arrangement involving the proposed disclosure of the Funds' portfolio holdings information in a timeframe different from the standard timeframe, (ii) must analyze it to determine potential and actual conflicts of interests in an effort to minimize those conflicts to the extent reasonable and practicable and (iii) must authorize its occurrence.

Portfolio managers and other senior officers of GEAM may disclose or confirm the ownership by a Fund of any individual holdings or number of holdings to the press or other interested persons as long as such information has been previously publicly disclosed in accordance with the above. For example, a portfolio manager discussing a particular Fund may indicate that such Fund holds a security only if the Fund's holding of such security has been publicly disclosed.

Selective (*i.e.*, non-public) disclosures of portfolio holdings information relating to the Funds, even if subject to the conditions specified in the portfolio holdings policies and procedures, should be done only where legitimate business purposes of the Funds are served and the potential and actual conflicts of interest between the Funds and their affiliates are reviewed and considered.

Selective disclosures could be considered to serve the legitimate business purposes of the Funds, if: (1) done to further the interests of the Funds and (2) the disclosure is not expected to result in harm to the Funds (such harm could occur by permitting third parties to trade ahead of, or front run, the Funds or to effect trades in shares of the Funds with portfolio holdings information that other current or potential investors do not have). For example, certain vendors of GEAM or the Funds provide services that are essential in the operations of the Funds, or assist

GEAM in providing services to the Funds or in conducting its investment management business activities in general. In order to properly perform these services, these vendors typically need to obtain Fund portfolio holdings information on a very frequent and timely basis, often on the same day it is derived. In addition, certain institutional Fund clients (and their representatives) may require us to provide them with more timely portfolio holdings information for their review, in fulfillment of their fiduciary obligations.

Potential and actual conflicts of interest between the Funds and their affiliates must also be reviewed and considered. For example, there may be situations where the selective disclosure of a Fund's portfolio holdings information facilitates portfolio management activities or the potential growth of the Funds, which could legitimately serve the common interests of both the Funds and GEAM. However, such selective disclosures should not be made for the benefit of GEAM or its affiliates, such as the receipt of compensation for the disclosure of those portfolio holdings, without also considering whether the disclosure would be in the interests of the Funds or, at a minimum, result in no harm to the Funds.

The following conditions must be met in order to disclose Fund portfolio holdings information before it is released and made available to the public:

(1)(a) Any Senior Vice President or Vice President of GEAM's Legal department or GEAM's General Counsel; (b) any Manager of GEAM's Compliance department; and (c) the Chief Investment Officer**,** or other individual in a senior management position of the applicable Fund, (i) must be informed of each arrangement involving selective disclosure of Fund portfolio holdings information, (ii) must analyze it to determine potential and actual conflicts of interest in an effort to minimize those conflicts to the extent reasonable and practicable and (iii) must authorize its occurrence; and

(2) Depending on the type of recipient, the recipient of the information must agree in writing to maintain the confidentiality of the information provided and not to share it with anyone other than those persons who, on a need-to-know basis, assist it in fulfilling its fiduciary obligations (or the recipient must be subject to professional or ethical obligations not to disclose or improperly use the information, such as would apply to independent public accounting firms and legal counsel), and not to trade on the basis of the information provided in any account over which it has influence or control, until the public release of the information; and

(3) GEAM's Relationship Management department must maintain a list of all entities that receive selective disclosure of portfolio holdings and the reason for such disclosure.

The following entities may also be provided Fund portfolio holdings information on a daily basis without any delay in transmission without being subject to the above conditions:

- Entities that are subject to professional or ethical obligations not to disclose or improperly use the information (*e.g.*, independent public accounting firms and legal counsel).
- Broker-dealers or futures commission merchants in connection with the purchase or sale of securities, requests for price quotations on securities or bids on securities.

- A custodian in connection with the provision of custodial services to the mutual fund.

As of the date of this SAI, the Funds provide their portfolio holdings to the following entities as of a date more frequent than month-end and/or prior to the time lag period (*i.e.*, 30 days or 15 days) set forth above:

- Custodian (sub-custodians) and accounting agent;
- Securities lending agent(s);
- Proxy voting agent(s);
- Transfer agent (in the event of a redemption or purchase in-kind);
- Sub-adviser(s);
- Sub-administrator;
- Legal counsel to the Funds, GEAM or non-interested directors of the Funds;
- Auditor(s);
- Financial printer(s);
- Provider(s) of attribution and/or portfolio analysis, including:
  - FactSet Research Systems, Inc.
  - Bloomberg L.P.
  - BlackRock, Inc.
- Rating agencies;
- Other recipients could include various stock markets and exchanges, regulatory authorities and, to a more limited extent, the issuers of securities held by the Funds with respect to only the securities of the particular issuer.

A Fund also may provide to insurance companies whose separate accounts invest in the Fund, information about the Fund's portfolio broken down by asset class.

Neither the Funds nor GEAM receive separate compensation with respect to the selective disclosure of portfolio holdings from any recipient of such information.

The Funds will make reasonable efforts to work with the entities listed above to obtain written acknowledgements and to implement the conditions described above. GEAM's Compliance department will analyze no less frequently than annually the shareholder records of the Funds in an effort to determine whether any Fund client or critical vendor violated the no trading ban that is in effect until the public release of the portfolio holdings information. GEAM's Compliance department will review the findings of the analysis with GEAM's Legal department. However, such a monitoring effort is not likely to detect every misuse of that information, particularly if concealed in some fashion. Certain employees of GEAM and GE Investment Distributors, Inc. ("GEID" or the "Distributor") may also have access to that non-public portfolio information, but those employees will normally be subject to a code of ethics and other policies and procedures intended to prevent misconduct.

There can be no assurance that the Funds' policies and procedures on disclosure of portfolio holdings will protect the Funds from misuse of such information by individuals or entities that come into possession of the information.

INVESTMENT RESTRICTIONS

Each Fund is subject to certain fundamental and non-fundamental investment policies and limitations. Under the 1940 Act, fundamental investment policies and limitations may not be changed without the approval of the holders of a majority of the outstanding voting shares of the Funds affected by the change. Non-fundamental policies may be changed by a majority vote of the Board at any time.

Fundamental Investment Restrictions

Fundamental Investment Restrictions for all Funds (Except as Otherwise Noted):

1. No Fund may issue senior securities, except as otherwise permitted by its fundamental policy on borrowing or by applicable law.

2. Each Fund, other than the Real Estate Securities Fund, shall invest at least 75% of its total assets in some combination of the following: (a) cash and cash items, (b) U.S. Government securities (as defined in the 1940 Act), (c) securities of other investment companies, and (d) other securities. With regard to (d), other securities (acquired pursuant to this policy) are limited as to any single issuer to an amount not greater than 5% of a Fund’s total assets and not more than 10% of the outstanding voting securities of any such issuer, or as otherwise permitted by applicable law.

3. No Fund, except as provided below for the Real Estate Securities Fund, will make investments that will result in the concentration (as that term is used in the 1940 Act) of its assets in securities of issuers in any one industry.

   <u>For the Real Estate Securities Fund only:</u> The Real Estate Securities Fund may invest in the securities of issuers directly or indirectly engaged in the real estate industry and in real estate without limitation as to concentration.

4. Each Fund may purchase or sell real estate, or direct or indirect interests in real estate, subject to other investment policies and applicable law.

5. No Fund may lend its assets or money to other persons, except (a) by purchasing debt obligations (including privately placed debt obligations), (b) by lending cash or securities as permitted by applicable law, (c) by entering into repurchase agreements, (d) by investing in permitted leveraged investments, or (e) as otherwise permitted by applicable law.

6. No Fund may borrow money, except that a Fund may (a) borrow from banks (as defined in the 1940 Act) and through reverse repurchase agreements in amounts up to 33 1/3% of its total assets (including the amount borrowed), (b) borrow amounts equal to an additional 5% of its total assets for temporary purposes, (c) invest in permitted leveraged investments, (d) engage in transactions in mortgage dollar rolls and other similar transactions, and (e) engage in other transactions that may entail borrowing or otherwise borrow money to the extent permitted by applicable law.

7. Each Fund, other than the Core Value Equity Fund and the Small-Cap Equity Fund, may not underwrite securities of other issuers except insofar as the Company may be deemed

an underwriter under the 1933 Act, in selling portfolio securities. Each of the Core Value Equity Fund and Small-Cap Equity Fund may not underwrite any issue of securities, except to the extent that the sale of portfolio securities in accordance with the Fund's investment objective, policies and limitations may be deemed to be an underwriting, and except that the Fund may acquire securities under circumstances in which, if the securities were sold, the Fund might be deemed to be an underwriter for purposes of the 1933 Act.

8. Each Fund may purchase or sell commodities or commodity contracts, subject to other investment policies and applicable law.

Non-Fundamental Investment Restrictions

Non-Fundamental Investment Restrictions for all Funds other than the Core Value Equity Fund, Small-Cap Equity Fund and Real Estate Securities Fund (Except as Otherwise Noted)

The Funds, other than the Core Value Equity Fund, Small-Cap Equity Fund and Real Estate Securities Fund, are also subject to the following non-fundamental investment restrictions, which may be changed by the Board without shareholder approval. Under these restrictions:

1. The U.S. Equity Fund may not invest in securities of foreign issuers if at the time of acquisition more than 20% of its total assets, taken at market value, would be invested in such securities.

2. No Fund may purchase securities of other investment companies if, as a result thereof, the Fund would own more than 3% of the total outstanding voting stock of any one investment company, or more than 5% of the Fund’s assets would be invested in any one investment company, or more than a total of 10% of the Fund’s assets would be invested in investment company securities. These limitations do not apply to securities acquired in connection with a merger, consolidation, acquisition or reorganization, or by purchase in the open market of securities of closed-end investment companies where no underwriter or dealer’s commission or profit, other than customary broker's commission, is involved, and so long as immediately thereafter not more than 10% of such Fund’s total assets, taken at market value, would be invested in such securities. These limitations also do not apply to investments by the Funds in money market funds as permitted under the 1940 Act and the rules thereunder.

3. No Fund may invest more than 30% of its assets, measured at time of purchase, in debt securities (other than U.S. Government securities) that are rated lower than the four highest rating categories assigned by Moody’s or Standard & Poor’s.

4. No Fund may enter into a financial futures contract (by exercise of any option or otherwise) or acquire any options thereon, if, immediately thereafter, the total of the initial margin deposits required with respect to all open futures positions, at the time such positions were established, plus the sum of the premiums paid for all unexpired options on futures contracts would exceed 5% of the value of its total assets.

5. Each Fund, other than the Total Return Fund, may not make additional investments when

borrowings (including reverse repurchase agreements) exceed 5% of its total assets.

6. The Income Fund, U.S. Equity Fund and Premier Growth Equity Fund may not make short sales of securities or maintain a short position, unless at all times when a short position is open, the Fund holds the securities sold short or may obtain such securities (in an amount equal to the short position) without payment of any consideration.

7. No Fund may acquire any security or other investment that is not readily marketable if more than 15% of its net assets, taken at market value, would be invested in such securities and other investments. For purposes of this restriction, an investment is considered to be not readily marketable if it cannot be disposed of by a Fund within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the investment.

8. Each Fund, other than the Total Return Fund, will invest, under normal circumstances, at least 80% of its net assets plus borrowings for investment purposes in the type of investments implied by its name and will provide shareholders at least 60 days' prior notice before making any change to this non-fundamental investment restriction.

Non-Fundamental Investment Restrictions for the Core Value Equity Fund and Small-Cap Equity Fund (Except as Otherwise Noted)

The Core Value Equity Fund and Small-Cap Equity Fund are also subject to the following non-fundamental investment restrictions, which may be changed by the Board without shareholder approval. Under these restrictions, each of the Core Value Equity Fund and Small-Cap Equity Fund:

1. May not purchase or sell put options, call options, spreads or combinations of put options, call options and spreads, except that each Fund may purchase and sell covered put and call options on securities and stock indexes and futures contracts and options on futures contracts.

2. May not purchase securities of other investment companies, other than a security acquired in connection with a merger, consolidation, acquisition, reorganization or offer of exchange and except as otherwise permitted under the 1940 Act, except that this restriction does not apply to the Small-Cap Equity Fund.

3. May not invest in companies for the purpose of exercising control or management.

4. May not purchase warrants (other than warrants acquired by the Fund as part of a unit or attached to securities at the time of purchase) if, as a result, the investments (valued at the lower of cost or market) would exceed 5% of the value of the Fund's net assets. For purposes of this restriction, warrants acquired by a Fund in units or attached to securities may be deemed to be without value.

5. May not purchase illiquid investments if more than 15% of the total assets of a Fund would be invested in illiquid investments. For purposes of this restriction, illiquid investments are securities that cannot be disposed of by a Fund within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the securities.

6. May not purchase restricted securities if more than 10% of the total assets of a Fund would be invested in restricted securities. Restricted securities are securities that are subject to contractual or legal restrictions on transfer, excluding for purposes of this restriction, ("Rule 144A securities"), that have been determined to be liquid by the Board based upon the trading markets for the securities.

7. Will invest, under normal circumstances, at least 80% of its net assets plus borrowings for investment purposes in the type of investments implied by its name and will provide shareholders at least 60 days' prior notice before making any change to this non-fundamental investment restriction.

Non-Fundamental Investment Restrictions for the Real Estate Securities Fund

The Real Estate Securities Fund is also subject to the following non-fundamental investment restrictions, which may be changed by the Board without shareholder approval. Under these restrictions, the Real Estate Securities Fund:

1. May not invest in securities of foreign issuers if at the time of acquisition more than 20% of its total assets, taken at market value, would be invested in such securities.

2. May not purchase securities of other investment companies if, as a result thereof, the Real Estate Securities Fund would own more than 3% of the total outstanding voting stock of any one investment company, or more than 5% of the Real Estate Securities Fund's assets would be invested in any one investment company, or more than a total of 10% of the Real Estate Securities Fund's assets would be invested in investment company securities. These limitations do not apply to securities acquired in connection with a merger, consolidation, acquisition or reorganization, or by purchase in the open market of securities of closed-end investment companies where no underwriter or dealer's commission or profit, other than customary broker's commission, is involved, and so long as immediately thereafter not more than 10% of such Real Estate Securities Fund's total assets, taken at market value, would be invested in such securities. These limitations also do not apply to investments by the Real Estate Securities Fund in money market funds as permitted under the 1940 Act and the rules thereunder.

3. May not invest more than 20% of its assets, measured at time of purchase, in debt securities (other than U.S. Government securities) that are rated lower than the four highest rating categories assigned by Moody's or Standard & Poor's.

4. May not enter into a financial futures contract (by exercise of any option or otherwise) or acquire any options thereon, if, immediately thereafter, the total of the initial margin deposits required with respect to all open futures positions, at the time such positions were established, plus the sum of the premiums paid for all unexpired options on futures contracts would exceed 5% of the value of its total assets.

5. May not make additional investments when borrowings (including reverse repurchase agreements) exceed 5% of its total assets.

6. May not acquire any security or other investment that is not readily marketable if more

than 15% of its net assets, taken at market value, would be invested in such securities and other investments. For purposes of this restriction, an investment is considered to be not readily marketable if it cannot be disposed of by the Real Estate Securities Fund within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the investment.

7. Will invest, under normal circumstances, at least 80% of its net assets plus borrowings for investment purposes in the type of investments implied by its name and will provide shareholders at least 60 days' prior notice before making any change to this non-fundamental investment restriction.

Notes to Investment Restrictions for all Funds (Except as Otherwise Noted)

The percentage limitations in the restrictions listed above apply at the time of purchases of securities, and a later increase or decrease in percentage resulting from a change in value of net assets, or in any ratings, will not be deemed to result in a violation of the restrictions.

For purposes of fundamental investment restriction number 3 above, the Company may use the industry classifications reflected by the S&P 500® Index, if applicable at the time of determination. For all other portfolio holdings, the Company may use the Directory of Companies Required to File Annual Reports with the SEC and Bloomberg Inc. In addition, the Company may select its own industry classifications, provided such classifications are reasonable.

Also for purposes of fundamental investment restriction No. 3 above with respect to all Funds, the meaning of concentration is meant to be consistent with the current views of the SEC staff that investments representing more than 25% of a fund's total assets in an industry or group of industries constitutes concentration for purposes of requiring a recital of a policy under Section 8(b) (1)(E) of the 1940 Act to concentrate in that industry.

PORTFOLIO TRANSACTIONS AND TURNOVER

Decisions to buy and sell securities for each Fund are made by the portfolio manager(s), subject to oversight by GEAM and the Board. Transactions on domestic stock exchanges and some foreign stock exchanges involve the payment of negotiated brokerage commissions. On exchanges on which commissions are negotiated, the cost of transactions may vary among different brokers. On many foreign exchanges, commissions are fixed and may be higher than for securities traded on U.S. exchanges. Generally, no stated commissions are applicable to securities traded in U.S. OTC markets, but the prices of those securities include undisclosed commissions or mark-ups. The cost of securities purchased from underwriters includes an underwriting commission or concession, and the prices at which securities are purchased from and sold to dealers include a dealer's mark-up or mark-down. U.S. Government securities generally will be purchased on behalf of a Fund from underwriters or dealers, although certain newly issued U.S. Government securities may be purchased directly from the U.S. Treasury or from the issuing agency or instrumentality.

The following table shows the amount of brokerage commissions paid by the Funds over the past three fiscal years. Variations in the amount of brokerage commissions paid by a Fund from year to year may result from changing asset levels, market conditions or changes in GEAM's outlook. Funds that are not listed paid no brokerage commissions.

	Annual Brokerage Commissions Paid Year Ended December 31,		
Fund	**2015***	**2014***	**2013**
U.S. Equity Fund	$19,247	$20,568	$21,668
S&P 500 Index Fund	$3,938	$5,439	$6,152
Premier Growth Equity Fund	$9,649	$7,132	$13,381
Core Value Equity Fund	$10,942	$14,091	$11,579
Small-Cap Equity Fund	$46,866	$41,777	$43,771
Total Return Fund	$225,740**	$79,717***	$1,076,956
Real Estate Securities Fund	$113,315****	$141,645	$201,533
Income Fund	$2,738	$2,209	$-

* Includes commissions from futures transactions, if applicable.
**The total commissions increased for the fiscal year ended December 31, 2015 for the Total Return Fund due to its investments in an exchange traded fund that invested in futures contracts during the period.
***The total commissions decreased for the fiscal year ended December 31, 2014 for the Total Return Fund due to a restructuring of the portfolio.
****The total commissions decreased for the fiscal year ended December 31, 2015 for the Real Estate Securities Fund due to a reduction in trading volume as a result of a decrease in assets.

GEAM has adopted, and the Board has approved, policies and procedures relating to the direction of mutual fund portfolio securities transactions to broker-dealers. In accordance with these procedures, in selecting brokers or dealers to execute securities transactions on behalf of a Fund, the portfolio manager seeks the most favorable terms available under the circumstances ("best execution"). In assessing the overall terms available when seeking best execution for any transaction, the portfolio manager considers factors that it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction and on a continuing basis. In selecting brokers or dealers to execute securities transactions on behalf of a Fund, the portfolio manager does not take into account a broker or dealer's promotional or sales efforts on behalf of a Fund.

In addition, the investment advisory agreement between the Company and GEAM relating to each Fund authorizes GEAM, on behalf of the Fund, in selecting brokers or dealers to execute a particular transaction, and in evaluating the best overall terms available, to consider the brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) provided to the Fund and/or other accounts over which GEAM or its affiliates exercise investment discretion. The fees under the investment advisory agreement relating to a Fund will not be reduced by reason of the Fund's receiving brokerage and research services. Such services include analyses and reports regarding issuers, industries, economic trends, portfolio strategy, and may effect securities transactions and perform certain functions related thereto. In addition, such services may include advice concerning the advisability of investing in, purchasing or selling securities and the availability of particular securities or buyers or sellers of securities. The research services received from broker-dealers that execute transactions on behalf of a Fund may be useful to GEAM in servicing that Fund as well as all of GEAM's accounts and not all of these services may be used in connection with the particular Fund or Funds generating the commissions. Consistent with limits established by the federal securities laws, a Fund may pay a broker-dealer commissions for agency transactions that exceed the amount of commissions charged by other broker-dealers in recognition of their research and brokerage services.

The following table shows the dollar amount of brokerage commissions paid to firms that provided research and brokerage services and the approximate dollar amount of transactions involved during the fiscal year ended December 31, 2015. Funds that are not listed paid no brokerage commissions to firms that provided such services.

Fund	**Amount of Transactions To Firms Providing Brokerage and Research Services**	**Amount of Commissions on Those Transactions**
Real Estate Securities Fund	$25,756,823	$28,399
Small-Cap Equity Fund	$16,056,300	$16,056
U.S. Equity Fund	$8,920,777	$7,074
Core Value Equity Fund	$4,339,473	$3,575
Premier Growth Equity Fund	$5,419,764	$3,524

The following table shows the dollar amount of brokerage commissions paid to each firm that provided research and brokerage services obtained in compliance with Section 28(e) of the Exchange Act and the approximate dollar amount of transactions involved during the fiscal year ended December 31, 2015.

Firm	Commissions Paid to Firm for Brokerage and Research Services	Total Amount of Transactions for Brokerage and Research Services
Liquidnet, Inc.	$15,964	$17,598,627
Bank of America Merrill Lynch	$14,760	$ 12,557,168
Weeden & Co.	$3,740	$4,448,645
Credit Suisse	$3,046	$4,078,572
ITG	$2,976	$4,207,707
Barclay's Capital, Inc.	$2,550	$2,725,372
North South Capital	$2,103	$1,414,338
M. Ramsey King Securities	$2,102	$1,446,583
Jefferies & Company, Inc.	$1,864	$864,781
UBS Securities, LLC	$1,119	$1,744,909
Citigroup	$1,095	$1,407,650
BTIG	$1,036	$609,505
Wells Fargo	$1,020	$628,244
Goldman Sachs	$944	$1,805,679
KCG Americas LLC	$888	$1,610,221
Imperial Capital	$694	$392,832
William O'Neil	$566	$427,935
Cantor Fitzgerald	$522	$322,295
Instinet International	$446	$463,086
BlockCross	$397	$669,839
Vandham Securities	$376	$354,719
Morgan Stanley & Co	$208	$438,427
Jones & Associates	$91	$115,738
J.P. Morgan Securities, Inc.	$69	$109,481
J.A. Glynn	$45	$16,401
Capital Institutional Services, Inc.	$7	$4,380

OTC purchases and sales on behalf of the Funds will be transacted directly with principal market makers except in those cases in which better prices and executions may be obtained elsewhere. A Fund will not purchase any security, including U.S. Government securities, during the existence of any underwriting or selling group relating to the security of which any affiliate of the Fund or GEAM is a member, except to the extent permitted under rules, interpretations or exemptions of the SEC.

GEAM may select broker-dealers that are affiliated with the Company or GEAM. All brokerage transaction commissions paid to affiliates will be fair and reasonable. The Company's Board has determined that, to the extent consistent with applicable provisions of the 1940 Act and rules thereunder and procedures adopted by the Board, transactions for a Fund may be executed through the Distributor, if, in the judgment of GEAM, the use of the Distributor is likely to result in a price and execution at least as favorable to the Fund as those obtainable through other qualified broker-dealers, and if, in the transaction, the Distributor charges the Fund a fair and reasonable rate consistent with that payable by the Fund to other broker-dealers on comparable transactions. Under rules adopted by the SEC, the Distributor generally may not execute transactions for a Fund on the floor of any national securities exchange, but may effect transactions by transmitting orders for execution providing for clearance and settlement, and arranging for the performance of those functions by members of the exchange not associated with the Distributor. The Distributor will be required to pay fees charged by those persons performing the floor brokerage elements out of the brokerage compensation that it receives from a Fund.

The Funds did not pay any brokerage commissions to affiliated brokers during the previous three fiscal years.

The portfolio turnover rate for a Fund is calculated by dividing the lesser of amounts of purchases or sales of portfolio securities for the fiscal year by the monthly average of the value of the securities owned by the Fund during the fiscal year (excluding from the computation amounts relating to all securities, including options, whose maturities or expiration dates at the time of acquisition were one year or less). For example, a portfolio turnover rate of 100% during a fiscal year would mean that all of a Fund's securities (except those excluded from the calculation) were replaced once during that fiscal year. Certain of the Funds' investment strategies may result in a Fund having a higher portfolio turnover rate. High portfolio turnover may cause a Fund to experience increased transaction costs, dealer markups, brokerage expenses and other acquisition costs. The portfolio managers do not consider portfolio turnover rate a limiting factor in making investment decisions on behalf of any Fund consistent with the Fund's investment objective(s) and policies. Because the rate of portfolio turnover is not a limiting factor, however, particular holdings may be sold at any time, if investment judgment or Fund operations make a sale advisable. As a result, the annual portfolio turnover rates in future years may exceed the percentages shown below. Turnover rates may vary greatly from year to year as well as within a particular year and may be affected by cash requirements resulting from fluctuations in shareholder purchase, exchange and redemption transactions, market conditions or changes in a portfolio manager's outlook.

The following table provides the portfolio turnover rates for each Fund for the fiscal years ended December 31, 2015 and December 31, 2014:

Fund	**Portfolio Turnover Rate Fiscal Year Ended 12/31/15**	**Portfolio Turnover Rate Fiscal Year Ended 12/31/14**
U.S. Equity Fund	37%	43%
S&P 500 Index Fund	2%	2%
Premier Growth Equity Fund	19%	19%

Core Value Equity Fund	43%	50%
Small-Cap Equity Fund	42%	37%
Income Fund	241%	282%
Total Return Fund	70%	78%
Real Estate Securities Fund	57%	53%

As of the fiscal year ended December 31, 2015, the Funds held securities of their regular broker-dealers or of their parents as follows:

Fund	Broker Security	Market Value ($)
GE Investments S&P 500 Index Fund	Wells Fargo Securities, LLC	$2,519,858
	JPMorgan Chase & Co.	$2,403,690
	Bank of America Securities, LLC	$1,732,581
	Citigroup Global Markets, LLC	$1,533,715
	Morgan Stanley	$477,023
GE Investments Income Fund	Morgan Stanley	$970,431
	Wells Fargo Securities, LLC	$931,722
	Bank of America Corp.	$561,150
	JPMorgan Chase & Co.	$550,647
	The Goldman Sachs Group Inc.	$463,392
	Citigroup Inc.	$462,194
	UBS Securities, LLC	$110,783
	Credit Suisse Securities (USA) LLC	$53,678
GE Investments Total Return Fund	JPMorgan Chase & Co.	$17,483,278
	Wells Fargo Securities, LLC	$16,512,418
	Bank of America Corp.	$14,343,587
	Citigroup Inc.	$10,515,634
	Morgan Stanley	$6,653,684
	The Goldman Sachs Group Inc.	$6,246,088
	Credit Suisse Securities (USA) LLC	$2,775,750
	UBS Securities, LLC	$2,644,443
	Barclays Capital, LLC	$2,382,521
	Deutsche Bank AG	$1,435,414
	RBS Securities INC.	$1,072,097
	Nomura Securities International INC.	$744,049
GE Investments U.S. Equity Fund	JPMorgan Chase & Co.	$800,878
	Wells Fargo Securities, LLC	$622,748
	Bank of America Corp.	$615,844
	Citigroup Inc.	$83,369
GE Investments Core Value Equity Fund	JPMorgan Chase & Co.	$380,069
	Wells Fargo Securities, LLC	$342,142
	Bank of America Corp.	$341,279
	Citigroup Inc.	$95,737

MANAGEMENT OF THE COMPANY

Directors and Officers

Board's Oversight Role in Management. The Board's role in management of the Company is oversight of activities of service providers and officers of the Company. As is the case with virtually all investment companies (as distinguished from operating companies), service providers to the Company, primarily GEAM and its affiliates, have responsibility for the day-to-day management of the Funds, which includes responsibility for risk management (including management of investment performance and investment risk, valuation risk, issuer and counterparty credit risk, compliance risk and operational risk). As part of its oversight, the Board, acting at its scheduled meetings, or the Chairman of the Board, acting between Board meetings, regularly interacts with and receives reports from senior personnel of service providers, including GEAM's Chief Investment Officers (or their senior representatives), the Company's and GEAM's Chief Compliance Officer and portfolio management personnel. The Board's Audit Committee (which consists of all of the non-interested directors) meets during its scheduled meetings, and between meetings the Chair of the Audit Committee maintains contact, with the Company's Treasurer. The Board also receives periodic presentations from senior personnel of GEAM or its affiliates regarding risk management generally, as well as periodic presentations regarding specific operational, compliance or investment areas such as business continuity, anti-money laundering, personal trading, valuation, credit, and investment research. GEAM and other service providers to the Company have adopted a variety of policies, procedures and controls designed to address among other things particular risks to the Company. Different processes, procedures and controls are employed with respect to different types of risk. The Board also receives reports from counsel to the Company or counsel to GEAM and the Board's own independent legal counsel regarding regulatory compliance and governance matters. The Board's oversight role does not make the Board a guarantor of the Company's investments or activities, or make the Board obligated to perform those activities directly.

Board Composition and Leadership Structure. The 1940 Act requires that at least 40% of an investment company's directors not be "interested persons" (as defined in the 1940 Act) of that company, and as such, those non-interested directors may not be affiliated with GEAM. To rely on certain exemptive rules under the 1940 Act, a majority of an investment company's directors must be non-interested directors, and for certain important matters, such as the approval of investment advisory agreements or transactions with affiliates, the 1940 Act or the rules thereunder require the approval of a majority of the non-interested directors. Currently, a majority of the Company's directors are non-interested directors. The Chairman of the Board is a non-executive, non-interested director.

The non-interested directors are members of the Company's Audit Committee and Governance Committee. The Audit Committee evaluates and selects the Company's independent auditors. The Audit Committee meets with the Company's independent auditors to review the scope and cost of the Company's audit, reviews the audit report, addresses any issues with the independent auditors, and if there are significant services to be performed by the independent auditors, approves the provision of such services after considering the possible effect of such services on their independence. During the prior fiscal year, the Audit Committee held three meetings.

The Governance Committee selects and nominates person(s) for election or appointment as directors including non-interested directors and directors who are interested persons of the Company. The Governance Committee reviews the compensation payable to the non-interested directors and makes recommendations to the Board with respect thereto, reviews and evaluates the functioning of the Board and the various committees of the Board, selects independent counsel to the non-interested directors and consults with independent counsel so that it may be apprised of regulatory developments affecting governance issues. The Governance Committee is also responsible for reviewing any nominees recommended to the Board by shareholders and evaluates such nominees in the same manner as it evaluates nominees identified by the Governance Committee. Because the Company does not hold regular annual shareholder meetings, no formal procedures have been established with respect to shareholder submission of director candidates for consideration by the Governance Committee. During the prior fiscal year, the Governance Committee members met in executive session with their independent legal counsel once to address governance related matters.

The Board has delegated to GEAM's fair valuation committee responsibility for establishing the fair value of securities and other investments for which quotations or other market values are either not readily available or do not reflect all market developments. The valuation committee performs its role subject to valuation procedures approved by the Board. The valuation committee is comprised of several GEAM officers, including the Chief Investment Officer of each asset class. Each fair value established by GEAM's fair valuation committee is reviewed by a non-interested director on behalf of the Board.

<u>Information About Each Director's Experience, Qualifications, Attributes or Skills</u>. The Board believes that the significance of each director's experience, qualifications, attributes or skills is an individual matter (meaning that experience or knowledge that is important for one director may not have the same value for another) and that these factors are best evaluated at the Board level, with no single director, or particular single factor, being indicative of Board effectiveness. However, the Board believes that directors need to have the ability to critically review, evaluate, question and discuss information provided to them, and to interact effectively with Company management, service providers and counsel, in order to exercise effective business judgment in the performance of their duties, and the Board believes that its members satisfy this standard. Experience relevant to having this ability may be achieved through a director's educational background; business or professional training or practice (e.g., accounting or law); public service or academic positions; experience from service as a board member (including the Board of the Company) or as an executive of investment funds, public companies or significant private or not-for-profit entities or other organizations; and/or other professional or life experiences. The Governance Committee charter contains certain other factors considered by the Governance Committee in identifying and evaluating potential director nominees. To assist them in evaluating matters under federal and state law, the directors are counseled by their own independent legal counsel, who participates in Board meetings and interacts with GEAM, and also may benefit from information provided by the Company's or GEAM's counsel; both Board

and Company counsel have significant experience advising funds and fund board members. The Board and its committees have the ability to engage other experts as appropriate. The Board evaluates its performance on an annual basis.

Detailed information about each director and executive officer who is an "interested person" (as defined in the 1940 Act) of the Company and each non-interested director is shown in the tables below. Each person named as a director also may serve in a similar capacity for other Funds advised by GEAM. The business address of each Director and executive officer who is an "interested person" is 1600 Summer Street, Stamford, Connecticut 06905.

INTERESTED DIRECTORS AND EXECUTIVE OFFICERS

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
Jeanne M. La Porta 50	Director and President	Until successor is elected and qualified – 2 years	Senior Vice President and Commercial Operations Leader at GEAM since March 2014; President of GE Institutional Funds and GE Investments Funds, Inc. since April 2014; President and Trustee of GEAM's UCITs Funds since March 2014; Senior Vice President and Commercial Administrative Officer at GEAM from April 2010 to March 2014; Vice President of GE Institutional Funds since July 2003; Vice President of Elfun Funds and GE Retirement Savings Plan Funds since October 2003; Secretary of GE Funds from July 2007 to September 2010 and Vice President from July 2007 to February 2011; Senior Vice President and Deputy General Counsel of GEAM from October 2007 to April 2010; Vice President and Assistant Secretary of Elfun Funds and GE Retirement Savings Plan Funds from July 2003 to June 2010; and Vice President and Associate General Counsel – Marketing and Client Services (formerly Asset Management Services) at GEAM from May 1997 to October 2007.	24	Trustee and President of GE Institutional Funds since 2014; Trustee of Elfun Funds, GE Retirement Savings Plan Funds and General Electric Pension Trust since 2014.

				Number of	

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 years	Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
Matthew J. Simpson 55	Director and Executive Vice President	Until successor is elected and qualified – 9 years	Executive Vice President, General Counsel and Secretary of GEAM since July 2007; Secretary of Elfun Funds and GE Retirement Savings Plan Funds since July 2007; Senior Vice President and General Counsel – Marketing and Client Services (formerly Asset Management Services) of GEAM and Senior Vice President and General Counsel of GE Asset Management Services from February 1997 to July 2007; Vice President and Associate General Counsel of GEAM from October 1992 to February 1997; Secretary of GE Institutional Funds and GE Investments Funds, Inc. from 1997 to July 2007 and Vice President from September 2003 to July 2007; Assistant Secretary of Elfun Funds and GE Retirement Savings Plan Funds from 1998 to July 2007 and Vice President from October 2003 to July 2007; and Secretary of GE Funds from 1993 to July 2007 and Vice President from September 2003 to July 2007.	24	Trustee and Executive Vice President of GE Institutional Funds since July 2007; Trustee of Elfun Funds, GE Retirement Savings Plan Funds and General Electric Pension Trust since July 2007 and Trustee and Executive Vice President of GE Funds from July 2007 to February 2011.
Arthur A. Jensen 49	Treasurer	Until successor is elected and qualified – 5 years	Treasurer of GE Institutional Funds, Elfun Funds and GE Retirement Savings Plan Funds since June 2011; Mutual Funds Controller of GEAM since April 2011; Senior Vice President at Citigroup from 2008 to 2010; and Vice President at JPMorgan from 2005 to 2008.	N/A	N/A
Joon Won Choe 46	Vice President & Secretary	Until successor is elected and qualified – 5 years	Senior Vice President and Deputy General Counsel of GEAM since March 2011; Vice President and Secretary of GE Institutional Funds. since September 2010; Vice President and Assistant Secretary of Elfun Funds and GE Retirement Savings Plan Funds since September 2010; Senior Vice President and Associate General Counsel of GEAM from June 2010 to March 2011; Vice President and Associate General Counsel of GEAM from November 2005 to June 2010 and Vice President and Secretary of GE Funds from September 2010 to February 2011.	N/A	N/A

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
Robert Herlihy 48	Chief Compliance Officer	Until successor is elected and qualified - 10 years	Chief Compliance Officer of GEAM, GE Institutional Funds, Elfun Funds and GE Retirement Savings Plan Funds since July 2005; Chief Compliance Officer of GE Funds from July 2005 to February 2011; and Manager of Fund Administration at GEAM from 2002 to 2005.	N/A	N/A

NON-INTERESTED DIRECTORS

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
John R. Costantino c/o GEAM 1600 Summer St. Stamford, CT 06905 69	Chairman of the Board	Until successor is elected and qualified – 19 years	General Partner, NGN Capital LLC since 2006; and Managing Director, Vice President of Walden Capital Management since 1996.	16	Trustee of GE Institutional Funds since 1997; Trustee of Neuroscience Research Institute since 1986; Trustee of Fordham University from 1989 to 1995 and 2001 to 2007 and Trustee Emeritus since 2007; Trustee of GE Funds from 1993 to February 2011; Director of Artes Medical from 2006 to 2008; and Trustee of Gregorian University Foundation from 1992 to 2007.
R. Sheldon Johnson c/o GEAM 1600 Summer St. Stamford, CT 06905 69	Director	Until successor is elected and qualified – 5 years	Retired, 2006 to present; Head of Global Institutional Equity Sales and Marketing at Morgan Stanley & Co., Inc. from 2002 to 2006 and Managing Director at Morgan Stanley & Co., Inc. from 1988 to 2006.	16	Trustee of GE Institutional Funds since April 2011 and Trustee of St. Lawrence University since 2003.
Donna M. Rapaccioli c/o GEAM 1600 Summer St. Stamford, CT 06905 53	Director	Until successor is elected and qualified – 4 years	Dean of the Gabelli School of Business since 2007 and Accounting Professor since 1987 at Fordham University.	16	Trustee of GE Institutional Funds since January 2012 and Trustee of Emmanuel College since 2010.

Mr. Costantino has been a Board member for 19 years. Mr. Johnson was elected as a Board member by shareholders of the Company in April 2011, Ms. Rapaccioli was appointed by the Board to serve as a Board member in January 2012, and Mr. Simpson was appointed by the Board to serve as a Board member in July 2007 and elected as a Board member by shareholders of the Company in April 2011. Ms. La Porta was appointed by the Board to serve as a Board member in March 2014. Ms. La Porta and Mr. Simpson are deemed "interested persons" of the Company by virtue of their status as directors, officers or employees of GEAM, GEID and/or GE. Additional information about each director follows (supplementing the information provided in the table above) that describes some of the specific experiences, qualifications, attributes or skills that each director possesses which the Board believes has prepared them to be effective directors.

- John R. Costantino - In addition to his tenure as a board member of various other funds advised by GEAM, Mr. Costantino has over 27 years of private equity investing experience**.** He has also served as an officer or a board member of charitable organizations and public and private companies for over 27 years.
- R. Sheldon Johnson - Mr. Johnson has over 27 years of experience at Morgan Stanley & Co., Inc., where he managed many aspects of sales, trading, derivative instruments, product

development, and marketing for global business. He has served on the boards of directors and trustees of the iShares funds. He has also served as a trustee of St. Lawrence University for 13 years.

- Donna M. Rapaccioli - Ms. Rapaccioli has over 23 years of service as a full-time member of the business faculty at Fordham University, where she developed and taught undergraduate and graduate courses, including International Accounting and Financial Statement Analysis and has taught at the executive MBA level. She has served on Association to Advance Collegiate Schools of Business ("AACSB") accreditation team visits, lectured on accounting and finance topics and consulted for numerous investment banks.
- Jeanne M. La Porta - In addition to her service as a board member of various other funds advised by GEAM, Ms. La Porta is a Senior Vice President and Commercial Operations Leader at GEAM and President of GE Institutional Funds and GE Investments Funds. She has been with GEAM since 1997, and has previously held various positions at GEAM including Senior Vice President and Commercial Administrative Officer, Senior Vice President and Deputy General Counsel and Vice President and Associate General Counsel at GEAM.
- Matthew J. Simpson - In addition to his tenure as a board member of various other funds advised by GEAM, Mr. Simpson has been with GEAM for 23 years, most recently as Executive Vice President & General Counsel, responsible for all legal matters impacting GEAM. Prior to his current position, Mr. Simpson was Senior Vice President & General Counsel specializing in mutual fund regulations. His legal experience of over 28 years includes professional positions as an associate at several law firms, specializing in financial services and investment management, and being a member of various legal committees such as the New York City Bar Association Committee on Investment Management and the Rules Committee of the Investment Company Institute and the Institutional Investor Legal Forum.

Listed below for each director is a dollar range of securities beneficially owned in the Company together with the aggregate dollar range of equity securities in all registered investment companies overseen by the director in the GE Family of Funds, as of December 31, 2015.

Name of Director	Dollar Range of Equity Securities in GE Investments Funds, Inc.	Aggregate Dollar Range of Equity Securities In All Registered Investment Companies Overseen by Director in Family of Of Investment Companies
Jeanne M. La Porta	$0	$0
Matthew J. Simpson	$0	$10,001 - $50,000
John R. Costantino	$0	$0
R. Sheldon Johnson	$0	$0
Donna M. Rapaccioli	$0	$0

The following table lists for each non-interested Director and his or her immediate family members as of December 31, 2015, each class of securities owned beneficially or of record in GEAM and GEID or any entity directly or indirectly, controlling, controlled by, or under common control with GEAM or GEID, including GE and any sub-adviser or any entity directly or indirectly, controlling, controlled by, or under common control of any sub-adviser.

Name of Director	Name of Owners and Relationship to Director	Company	Title of Class	Value of Securities	Percent of Class
John R. Costantino	–	NONE	–	–	–
R. Sheldon Johnson	–	NONE	–	–	–
Donna M. Rapaccioli	–	NONE	–	–	–

No employee of GE or any of its affiliates receives any compensation from the Company for acting as a director or officer of the Company. Effective January 1, 2016, each director of the Company who is not a director, officer or employee of GEAM, GEID, GE, or any affiliate of those companies, receives an annual fee of $150,000 for services as a director or trustee for the GE Family of Funds (which, as of December 31, 2015, included two investment companies and their numerous fund portfolios), which fee is allocated proportionately between those companies based upon total assets. Prior to January 1, 2016, each director of the Company who was not a director, officer or employee of GEAM, GEID, GE, or any affiliate of those companies, received an annual fee of $130,000 for services as a director or trustee for the GE Family of Funds. In addition to this annual fee, Mr. Costantino, as Chairman of the Board of each such investment company, also receives $20,000 per annum. Mr. Johnson, as lead independent director or trustee of the Board serving on GEAM's fair valuation committee, also receives $10,000 per annum. Ms. Rapaccioli, as the Chair of the Audit Committee, receives an additional $10,000 per annum for serving in that capacity.

The table below shows the compensation received by each director from the Funds and from the investment companies managed by GEAM for the 12-month period ended December 31, 2015.

Fund Name	Matthew J. Simpson	Jeanne M. La Porta	John R. Costantino	R. Sheldon Johnson	Donna M. Rapaccioli
U.S. Equity Fund	None	None	$613	$573	$572
S&P 500 Index Fund	None	None	$3,581	$3,342	$3,342
Premier Growth Equity Fund	None	None	$701	$654	$655
Core Value Equity Fund	None	None	$295	$275	$276
Small-Cap Equity Fund	None	None	$748	$698	$698
Income Fund	None	None	$579	$540	$540
Total Return Fund	None	None	$49,267	$45,983	$45,983
Real Estate Securities Fund	None	None	$1,705	$1,591	$1,591
Total Compensation from Company	None	None	$57,489	$53,656	$53,657
Total Compensation from all Investment Companies Managed by GEAM	None+	None+	$150,000++	$140,000++	$140,000++

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+ As of December 31, 2015, Mr. Simpson and Ms. La Porta served as Trustees or Directors of 24 registered investment company portfolios advised by GEAM. They are considered to be “interested persons” of each investment company advised by GEAM, as defined in Section 2(a)(19) of the 1940 Act, and, accordingly, serve as Trustees or Directors thereof without receiving compensation from the Funds.

++ As of December 31, 2015, Messrs. Costantino and Johnson and Ms. Rapaccioli served as Trustees or Directors of 16 registered investment company portfolios advised by GEAM, including the Funds.

Investment Adviser and Administrator

GEAM serves as the Company’s investment adviser and administrator. GEAM is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and is located at 1600 Summer Street, Stamford, Connecticut 06905. GEAM, which was formed under the laws of Delaware in 1988, is a wholly owned subsidiary of GE. GE is a diversified technology and financial services company with products and services ranging from aircraft engines, power generation, water processing and security technology to medical imaging, business and consumer financing and advanced materials. GE serves customers in more than 100 countries and employs more than 300,000 people worldwide. GEAM currently provides advisory services with respect to a number of other mutual funds and private institutional accounts. The professionals responsible for the investment operations of GEAM also provide investment advisory services with respect to GE's pension and benefit plans and a number of funds offered exclusively to GE employees, retirees and certain related persons. These funds include the Elfun Family of Funds (the first of which, Elfun Trusts, was established in 1935) and the funds offered as part of GE's 401(k) program (also known as the GE Retirement Savings Plan) (formerly known as the GE Savings & Security Program), which are referred to as the GE RSP U.S. Equity Fund (formerly known as the GE S&S U.S. Equity Fund) and the GE RSP Income Fund (formerly known as the GE S&S Income Fund). The investment professionals at GEAM and its predecessors have managed GE's pension assets since 1928. As of December 31, 2015, GEAM had approximately $110 billion of assets under management, of which approximately $22 billion was invested in mutual funds.

Personnel of each of the Funds, GEAM, GEID and the sub-advisers are subject to a code of ethics, pursuant to Rule 17j-1 under the 1940 Act (and also pursuant to Rule 204A-1 under the Advisers Act with respect to GEAM and each sub-adviser), which establishes procedures for personal investing and restricts certain transactions by persons subject to the code. Personnel subject to the code of ethics are permitted to invest in securities, including securities that may be purchased or held by a Fund, if they follow procedures outlined in the code of ethics.

GEAM Investment Advisory, Administration and Sub-Administration Agreements. The duties and responsibilities of GEAM are specified in investment advisory and administration agreements (each, an "Advisory Agreement" and collectively, the "Advisory Agreements") between GEAM and the Company on behalf of each Fund. Under each Advisory Agreement, GEAM, subject to the supervision of the Board, provides a continuous investment program for the relevant Fund's assets, including investment research and management. GEAM determines from time to time what investments are purchased, retained or sold by the Funds and places purchase and sale orders for the Funds' investments. GEAM provides the Company with all executive, administrative, clerical and other personnel necessary to operate each Fund, and pays salaries and other employment-related costs of employing these persons. GEAM furnishes the Company and each Fund with office space, facilities, and equipment and pays the day-to-day expenses related to the operation of such space, facilities and equipment. GEAM, as administrator, also: (1) maintains the books and records of each Fund; (2) prepares reports to shareholders of each Fund; (3) prepares and files tax returns for each Fund; (4) assists with the preparation and filing of reports and the Company's registration statement with the SEC; (5) provides appropriate officers for the Company; (6) provides administrative support necessary for the Board to conduct meetings; and (7) supervises and coordinates the activities of other service providers, including independent auditors, legal counsel, custodians, accounting service agents, and transfer agents. Under a separate sub-administration agreement, GEAM has delegated certain administrative functions as of October 1, 2013 to State Street Bank and Trust Company, One Lincoln Street, Boston, Massachusetts 02111 ("State Street Bank").

GEAM is generally responsible for employing sufficient staff and consulting with other persons that it determines to be necessary or useful in the performance of its obligations under each Advisory Agreement. Each Advisory Agreement obligates GEAM to provide services in accordance with the relevant Fund's investment objective(s), policies and restrictions as stated in the Company's current registration statement, as amended from time to time, and to keep the Company informed of developments materially affecting that Fund, including furnishing the Company with whatever information and reports that the Board reasonably requests.

Other than those expenses expressly assumed by GEAM, as described above, each Fund is responsible under its respective Advisory Agreement for paying all expenses incurred in its operations and all of the Company's general administrative expenses allocated to it. These include, but are not limited to: (1) share redemption expenses, (2) shareholder servicing costs, (3) expenses of any shareholder servicing plans or distribution plans adopted by the Board, (4) custody expenses, (5) transfer agency and recordkeeping expenses, (6) brokerage fees and commissions, (7) taxes, (8) federal and state registration fees, (9) expenses of preparing, printing and distributing prospectuses to regulators and existing shareholders, (10) expenses of shareholder and Board meetings, (11) fees of disinterested directors, (12) expenses of preparing and distributing proxy materials, (13) fees of parties unaffiliated with GEAM for valuing portfolio securities and computing NAVs for Funds, (14) legal fees, (15) auditors fees, (16) insurance premiums, and (17) membership dues in industry associations.

Each Advisory Agreement permits GEAM, subject to the approval of the Board and other applicable legal requirements, to enter into any advisory or sub-advisory agreement with affiliated or unaffiliated entities whereby such entity would perform certain of GEAM's portfolio management responsibilities under one or more of the Advisory Agreements. In this event, GEAM remains responsible for ensuring that these entities perform the services that each undertakes pursuant to a sub-advisory agreement.

Each Advisory Agreement provides that GEAM may render similar advisory and administrative services to other clients so long as when Funds or any other clients served by GEAM are prepared to invest in or desire to dispose of the same security, available investments or opportunities for sales will be allocated in a manner believed by GEAM to be equitable to the Fund and the services that it provides under the agreements are not impaired thereby. Each Advisory Agreement also provides that GEAM shall not be liable for any error of judgment or mistake of law or for any loss incurred by a Fund in connection with GEAM's services pursuant to the agreements, except for (1) willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its duties or obligations under the agreements, and (2) to the extent specified in Section 36(b) of the 1940 Act concerning loss resulting from a breach of fiduciary duty with respect to the receipt of compensation.

Each Advisory Agreement is effective from its date of execution, and continues in effect for an initial two-year term and will continue from year to year thereafter so long as its continuance is approved annually by (a) the Board or (b) the vote of a majority of the relevant Fund's outstanding voting securities, provided that in either event the continuance also is approved by a vote of the majority of the directors who are not parties to the Advisory Agreement or interested persons (as that term is defined in the 1940 Act) of any party to the Advisory Agreement, by a vote cast in person at a meeting called for the purpose of voting on such approval.

Each Advisory Agreement is not assignable and may be terminated without penalty by either the Company or GEAM upon no more than sixty days nor less than thirty days written notice to the other or by the Board of the Company or by the vote of a majority of the outstanding shares of the class of stock representing an interest in the applicable Fund.

The Advisory Agreements governing the investment advisory services furnished to the Company by GEAM provide that, if GEAM ceases to act as the investment adviser to the Company, at GEAM's request, the Company's license to use the initials "GE" will terminate and the Company will change the name of the Company and the Funds to a name not including the initials "GE."

Advisory Fee Rates.

Method of Calculating Advisory Fees. Each Fund pays GEAM a fee for advisory and administrative services ("Management Fee"). The Management Fee is deducted daily from the assets of each of the Funds and paid to GEAM monthly. The Management Fee for the Real Estate Securities Fund declines incrementally as Fund assets increase. This means that investors pay a reduced fee rate with respect to Fund assets over a certain level or "breakpoint." The Management Fees payable to GEAM are based on the average daily net assets of each Fund at the following annual rates:

U.S. Equity Fund	0.55%
S&P 500 Index Fund[1]	0.35%
Premier Growth Equity Fund	0.65%
Core Value Equity Fund	0.65%
Small-Cap Equity Fund	0.95%
Income Fund	0.50%
Total Return Fund	0.35%
Real Estate Securities Fund	0.85% first $100,000,000 0.80% next $100,000,000 0.75% over $200,000,000

[1] GEAM has entered into contractual arrangements with the Company to limit the Management Fee charged to the S&P 500 Index Fund to 0.30% of the average daily net assets of the S&P 500 Index Fund (the "Management Fee Limitation Agreement"). Unless terminated or amended, the Management Fee Limitation Agreement will continue in effect until April 30, 2017. The fee waiver will terminate automatically if the Management Fee Limitation Agreement terminates. The Management Fee Limitation Agreement can be amended or terminated only with the approval of the Company's Board of Directors and GEAM.

Management Fees Paid.

Total Annual Management Fees Paid. This table shows the total dollar amounts of Management Fees that each Fund paid to the Adviser (and that were waived/reimbursed) for each of the last three fiscal years ending on December 31:

Fund	Total Management Fees for Fiscal Year ended December 31, 2015	Total Waived/ Reimbursed for Fiscal Year ended December 31, 2015	Total Management Fees for Fiscal Year ended December 31, 2014	Total Waived/ Reimbursed for Fiscal Year ended December 31, 2014	Total Management Fees for Fiscal Year ended December 31, 2013	Total Waived/ Reimbursed for Fiscal Year ended December 31, 2013
U.S. Equity Fund	$186,453	$0	$188,582	$(259)	$178,428	$(891)
S&P 500 Index Fund	$669,859	$(95,694)	$709,404	$(101,750)	$682,011	$(101,534)
Premier Growth Equity Fund	$251,109	$0	$258,028	$(606)	$246,611	$(1,399)
Core Value Equity Fund	$102,456	$0	$113,320	$(122)	$109,425	$(541)
Small-Cap Equity Fund	$400,858	$0	$435,421	$(515)	$436,871	$(2,656)
Income Fund	$152,424	$(15,150)	$168,617	$(628)	$189,894	$(3,924)
Total Return Fund[1]	$9,271,197	$0	$10,168,283	$(43,808)	$10,396,089	$(158,414)
Real Estate Securities Fund	$717,167	$0	$830,977	$(60)	$790,605	$(1,364)

[1] Effective January 23, 2013, the Fund's Management Fee was reduced from 0.50% to 0.35% as a result of the Fund's portfolio restructuring that changed the investment management of the Fund's underlying strategies from active management to passive management.

Manager of Managers Structure

In order for GEAM to delegate portfolio management duties to a sub-adviser with respect to a Fund as permitted by the advisory agreement between GEAM and that Fund, the 1940 Act requires that the sub-advisory agreement be approved by the shareholders of that Fund. Specifically, Section 15(a) of the 1940 Act makes it unlawful for any person to act as an investment adviser (including as a sub-adviser) to a mutual fund, such as the Funds, except pursuant to a written contract that has been approved by shareholders of the Fund.

On July 28, 2009, GEAM, the Company, and certain other investment companies advised by GEAM received an exemptive order (the "Order") from the SEC granting certain exemptions from Section 15(a) of the 1940 Act and certain rules thereunder and from certain disclosure obligations under various rules and forms. The exemptive relief granted by the Order would, upon shareholder approval of the "manager of managers" structure, enable GEAM and the Board to operate with greater efficiency by allowing GEAM, subject to Board approval, to retain and replace unaffiliated sub-advisers, and enter into and amend sub-advisory agreements with unaffiliated sub-advisers, without incurring the expense and delays of obtaining shareholder approval.

Shareholders of the Small-Cap Equity Fund, Total Return Fund, and Real Estate Securities Fund approved such "manager of managers" structure at a shareholder meeting held on August 6, 2008, April 9, 2009, and March 22, 2006, respectively. Shareholders of each of the other Funds approved the "manager of managers" structure at a shareholder meeting held on April 1, 2011.

Current Sub-Advisers

S&P 500 Index Fund

SSGA Funds Management, Inc. ("SSGA FM"). GEAM has retained SSGA FM to provide day-to-day portfolio management to the S&P 500 Index Fund. SSGA FM is registered with the SEC as an investment adviser under the Advisers Act and is a wholly-owned subsidiary of State Street Corporation, a publicly held bank holding company. As of December 31, 2015, SSGA FM had approximately $384.95 billion in assets under management. SSGA FM and other advisory affiliates of State Street Corporation make up State Street Global Advisors ("SSGA"), the investment management arm of State Street Corporation. As of December 31, 2015, SSGA had approximately $2.24 trillion in assets under management. For the fiscal years ended December 31, 2015, 2014 and 2013, sub-advisory fees of $86,555, $91,075 and $87,944, respectively, were paid to SSGA FM.

Sub-Advisory Agreement. Prior to May 1, 2001, State Street Bank, acting through its SSGA division, was the investment sub-adviser to the S&P 500 Index Fund pursuant to an investment sub-advisory agreement with GEAM effective July 24, 1997. This investment sub-advisory agreement was approved by the Board, including a majority of independent directors, at a meeting held for that purpose on June 4, 1997 and by the Fund's shareholders on July 23, 1997. Effective May 1, 2001, SSGA FM became the investment sub-adviser to the S&P 500 Index Fund pursuant to an investment sub-advisory agreement with GEAM. This investment sub-advisory agreement was approved by the Board, including a majority of independent directors, at a meeting held for that purpose on April 20, 2001.

The sub-advisory agreement with SSGA FM is not assignable and may be terminated without penalty by either SSGA FM or GEAM upon sixty (60) days written notice to the other or by the Board or by the vote of a majority of the Fund's outstanding voting securities upon sixty (60) days written notice to SSGA FM.

The sub-advisory agreement provides that SSGA FM shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund, the Company or its shareholders or by GEAM in connection with its services pursuant to the agreement, except for a loss resulting from willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its duties and obligations under the agreement.

Real Estate Securities Fund and Total Return Fund

CenterSquare Investment Management, Inc. ("CenterSquare"). GEAM has retained CenterSquare as sub-adviser for the Real Estate Securities Fund. From May 1, 2009 through January 22, 2013, GEAM retained CenterSquare to manage a portion of the Total Return Fund's assets allocated to real estate-related investments. CenterSquare is a wholly owned subsidiary of CenterSquare Investment Management Holdings, Inc. ("CenterSquare Holdings"). CenterSquare Holdings is wholly owned by The Bank of New York Mellon Corporation ("BNY Mellon") and operates as part of BNY Mellon's Investment Management Division. As a wholly owned subsidiary of CenterSquare Holdings, CenterSquare is a second tier subsidiary of BNY Mellon. CenterSquare is located at 630 West Germantown Pike, Suite 300, Plymouth Meeting, Pennsylvania 19462. CenterSquare is a registered investment adviser that was formed in 1995 to focus exclusively on opportunities in the real estate securities market, including publicly traded REITs. As of December 31, 2015, CenterSquare managed accounts invested in publicly traded real estate securities with assets in the aggregate totaling approximately $7.6 billion. For the fiscal years ended December 31, 2015, 2014 and 2013, sub-advisory fees were paid to CenterSquare in the amount of $421,862, $451,485 and $431,615, respectively, with respect to the Real Estate Securities Fund. For the fiscal year ended December 31, 2013, sub-advisory fees were paid to CenterSquare in the amount of $8,350 with respect to the Total Return Fund. The sub-advisory agreement with CenterSquare with respect to the Total Return Fund was terminated following the restructuring of the Total Return Fund in January 2013.

Sub-Advisory Agreement. CenterSquare is the investment sub-adviser to the Real Estate Securities Fund pursuant to an investment sub-advisory agreement with GEAM effective April 1, 2006. This investment sub-advisory agreement was approved by the Board (including a majority of the independent directors) at a meeting held for that purpose on January 26, 2006 and by the Fund's shareholders on March 22, 2006. GEAM terminated the sub-advisory agreement with CenterSquare relating to the Total Return Fund effective at the close of business on January 22, 2013.

The sub-advisory agreement with CenterSquare is not assignable and may be terminated without penalty by either CenterSquare or GEAM upon sixty (60) days written notice to the other or by the Board or by the vote of a majority of the outstanding shares of the class of stock representing an interest in the Fund.

The sub-advisory agreement provides that CenterSquare may render similar advisory and administrative services to other clients so long as the services that it provides under the agreement are not impaired there by. The sub-advisory agreement also provides that CenterSquare shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund or its shareholders or by GEAM in connection with its services pursuant to the agreement, except for a loss resulting from willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its duties or obligations under the agreement.

Small-Cap Equity Fund and Total Return Fund

GEAM has engaged the following investment sub-advisers to each manage a portion of the Small-Cap Equity Fund: Palisade Capital Management, L.L.C. ("Palisade"), Champlain Investment Partners, LLC ("Champlain"), GlobeFlex Capital, L.P. ("GlobeFlex"), Kennedy Capital Management, Inc. ("Kennedy") and SouthernSun Asset Management, LLC ("SouthernSun"). GEAM retained Palisade from June 10, 2010 through January 22, 2013 to manage a portion of the Total Return Fund's assets allocated to small-cap equity investments. For the fiscal years ended December 31, 2015, 2014 and 2013, the aggregate sub-advisory fees paid to the foregoing sub-advisers was $253,870, $279,114 and $281,074, with respect to the Small-Cap Equity Fund for each respective period. For the fiscal year ended December 31, 2013, GEAM paid sub-advisory fees of $12,452 to Palisade for its investment sub-advisory services to the Total Return Fund.

Palisade, having its principal office located at One Bridge Plaza, Fort Lee, New Jersey 07024, provides a continuous investment program with respect to those Fund assets allocated to Palisade by GEAM, which may be changed from time to time at the sole discretion of GEAM ("Allocated Assets"). Palisade is registered as an investment adviser under the Advisers Act, and was formed in 1995 to focus on managing small-cap strategies with a focus on a core style of investment. As of December 31, 2015, Palisade had approximately $3.4 billion of assets under management. Prior to October 1, 2008, Palisade had served as the sole sub-adviser to the Small-Cap Equity Fund since the Fund's inception in April of 2000. GEAM terminated the sub-advisory agreement with Palisade relating to the Total Return Fund effective at the close of business on January 22, 2013, when the Total Return Fund was restructured to a passive management strategy.

Champlain, having its principal office located at 180 Battery Street, Burlington, Vermont 05401, provides a continuous investment program with respect to Champlain's Allocated Assets, which may be changed from time to time at the sole discretion of GEAM. Champlain is registered as an investment adviser under the Advisers Act, and was formed in 2004 to focus on managing core small and mid-cap strategies. As of December 31, 2015, Champlain had over $6.1 billion in assets under management. Champlain has served as one of the sub-advisers to the Small-Cap Equity Fund since October 1, 2008.

GlobeFlex, having its principal office located at 4365 Executive Drive, Suite 720, San Diego, California 92121, provides a continuous investment program with respect to GlobeFlex's Allocated Assets, which may be changed from time to time at the sole discretion of GEAM. GlobeFlex is registered as an investment adviser under the Advisers Act, and was formed in 1994 to specialize in equity management for the institutional marketplace, with a focus on both U.S. and international growth small and mid-cap companies. As of December 31, 2015, GlobeFlex had approximately $3.4 billion in assets under management. GlobeFlex has served as one of the sub-advisers to the Small-Cap Equity Fund since October 1, 2008.

Kennedy, having its principal office located at 10829 Olive Boulevard, St. Louis, Missouri 63141, provides a continuous investment program with respect to Kennedy's Allocated Assets, which may be changed from time to time at the sole discretion of GEAM. Kennedy is registered as an investment adviser under the Advisers Act, and was formed and founded in 1980 to provide customized investment management services to corporate and public pension funds, endowments, foundations and multi-employer plans as well as high-net-worth individuals. Kennedy specializes in the small and mid-cap asset classes. As of December 31, 2015, Kennedy had approximately $5.2 billion both in discretionary and non-discretionary assets under management. Kennedy has served as one of the sub-advisers to the Small-Cap Equity Fund since September 10, 2010.

SouthernSun, having its principal office located at 6070 Poplar Avenue, Suite 300, Memphis, Tennessee 38119, provides a continuous investment program with respect to SouthernSun's Allocated Assets, which may be changed from time to time at the sole discretion of GEAM. SouthernSun is registered as an investment adviser under the Advisers Act, and was formed in 1989 to focus on both U.S. and international small and mid-cap value companies, serving the institutional marketplace. As of December 31, 2015, SouthernSun had approximately $5.0 billion in assets under management. SouthernSun has served as one of the sub-advisers to the Small-Cap Equity Fund since October 1, 2008.

Sub-Advisory Agreements. At a shareholders meeting held on August 6, 2008, the shareholders of the Small-Cap Equity Fund approved separate sub-advisory agreements between GEAM and each of Champlain, GlobeFlex and SouthernSun, and an amended and restated sub-advisory agreement with Palisade, each which became effective on October 1, 2008. At a special meeting held on July 30, 2010, the Board approved a new sub-advisory agreement between GEAM and SouthernSun and at a regular meeting held on September 10, 2010, the Board approved a new sub-advisory agreement between GEAM and Kennedy. At a regular meeting held on March 6, 2014, the Board approved a new sub-advisory agreement between GEAM and SouthernSun.

Each respective sub-advisory agreement with each of Palisade, Champlain, GlobeFlex, Kennedy and SouthernSun is not assignable and may be terminated without penalty by either the sub-adviser or GEAM upon 60 days' written notice to the other or by the Board, or by the vote of a majority of the outstanding voting securities of the Fund, on 60 days' written notice to the sub-adviser. Each sub-advisory agreement provides that respective sub-adviser may render similar sub-advisory services to other clients so long as the services that it provides under the sub-advisory agreement are not impaired thereby. Each sub-advisory agreement also provides that a sub-adviser shall not be liable for any loss incurred by the Fund except for a loss resulting from willful misfeasance, bad faith or gross negligence in the performance of its duties or from reckless disregard of its obligations and duties under the respective sub-advisory agreement.

Total Return Fund

BlackRock Investment Management, LLC ("BlackRock"). GEAM has engaged BlackRock to provide day-to-day portfolio management to the Total Return Fund effective January 23, 2013. BlackRock**,** having its principal office located at 1 University Square, Princeton, NJ 08540, provides sub-advisory services to the Total Return Fund and is an indirect wholly-owned subsidiary of BlackRock, Inc. BlackRock is responsible for determining the composition of the Total Return Fund's portfolio of investment securities, subject to the direction and control of the Board and in accordance with the Total Return Fund's principal investment strategies. BlackRock's responsibilities include furnishing investment research and advice and implementing a continuous investment program for the Total Return Fund. BlackRock is also responsible for taking steps necessary to implement the investment program through the purchase, sale and exchange of securities and other investments, and for providing regular reports to the Board. As of December 31, 2015, BlackRock, Inc. had approximately $4.6 trillion in assets under management. For the fiscal years ended December 31, 2015, December 31, 2014 and December 31, 2013, GEAM paid sub-advisory fees of $624,360, $688,187 and $627,175, respectively, to BlackRock for its investment sub-advisory services to the Total Return Fund.

Sub-Advisory Agreement. BlackRock is the investment sub-adviser to the Total Return Fund pursuant to an investment sub-advisory agreement with GEAM effective January 23, 2013. This investment sub-advisory agreement was approved by the Board (including a majority of the independent directors) at a meeting held on December 17, 2012.

The sub-advisory agreement with BlackRock is not assignable and may be terminated without penalty by the sub-adviser or GEAM upon sixty (60) days written notice to the other or by the Board or by the vote of a majority of the outstanding shares of the class of stock representing an interest in the Fund.

The sub-advisory agreement provides that BlackRock may render similar advisory and administrative services to other clients so long as the services that it provides under the agreements are not impaired thereby. The sub-advisory agreement also provides that BlackRock shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund or its shareholders or by GEAM in connection with its services pursuant to the agreement, except for a loss resulting from willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its duties or obligations under the agreement.

Securities Activities of GEAM and the Sub-Advisers

Securities held by the Funds also may be held by other funds or separate accounts for which the investment adviser, GEAM and/or each of the sub-advisers – BlackRock, Champlain, GlobeFlex, Kennedy, Palisade, SouthernSun, SSGA FM and/or CenterSquare (each a "Sub-Adviser" and collectively, the "Sub-Advisers") act as an adviser. Because of different investment objectives or other factors, a particular security may be bought by GEAM and/or the Sub-Advisers for one or more of its clients, when one or more other clients are selling the same security. If purchases or sales of securities for a Fund or other client of GEAM and/or a Sub-Adviser arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the Fund and other clients in a manner deemed equitable to all. To the extent that transactions on behalf of more than one client of GEAM and/or any Sub-Adviser during the same period may increase the demand for securities being purchased or the supply of securities being sold, there may be an adverse effect on price.

On occasions when GEAM and/or a Sub-Adviser (under the supervision of the Board) deems the purchase or sale of a security to be in the best interests of the Company as well as other funds or accounts for which GEAM and/or the Sub-Adviser acts as an adviser, it may, to the extent permitted by applicable laws and regulations, but will not be obligated to, aggregate the securities to be sold or purchased for the Company with those to be sold or purchased for other funds or accounts in order to obtain favorable execution and low brokerage commissions. In that event, allocation of the securities purchased or sold, as well as the expenses incurred in the transaction, will be made by GEAM and/or a Sub-Adviser in the manner it considers to be most equitable and consistent with its fiduciary obligations to the Company and to such other funds or accounts. In some cases this procedure may adversely affect the size of the position obtainable for a Fund.

Service Arrangements

Under a sub-administration agreement, GEAM has delegated certain administrative functions as of October 1, 2013 to State Street Bank. Under the sub-administration agreement, State Street Bank performs certain back office services to support GEAM, including among other things, furnishing financial and performance information about the Funds for inclusion in regulatory filings and Board and shareholder reports; preparing regulatory filings, Board materials, and tax returns; performing expense and budgeting functions; performing tax compliance testing; and maintaining books and records. The amounts paid by the Funds for the services provided by State Street Bank for the following years or periods ended December 31, were as follows:

Fund	2015	2014	2013*
U.S. Equity Fund	$1,078	$1,034	$190
S&P 500 Index Fund	$6,083	$7,357	$808
Premier Growth Equity Fund	$1,228	$1,200	$252
Core Value Equity Fund	$501	$540	$75
Small-Cap Equity Fund	$1,341	$1,423	$566
Income Fund	$969	$1,037	$114
Total Return Fund	$84,201	$111,644	$11,938
Real Estate Securities Fund	$2,682	$4,446	$328

*Includes amounts paid by the Funds from October 1, 2013 to December 31, 2013.

GENPACT (formerly GE Capital International Services), formerly provided the Funds with various administration and tax reporting services, which were terminated following the engagement of State Street Bank as the Funds' sub-administrator in October of 2013. Such services included, but were not limited to, the preparation of financial statements, Forms N-CSR, N-SAR, N-Q and 24f-2, as well as certain tax reporting and accounting oversight. The Funds paid GENPACT an annual fee for their services that was allocated pro rata among the Funds based on net assets. The amounts paid by the Funds for the services provided by GENPACT for the fiscal year ended December 31, 2013 were as follows:

Fund	2013
U.S. Equity Fund	$420
S&P 500 Index Fund	$2,400
Premier Growth Equity Fund	$519
Core Value Equity Fund	$216
Small-Cap Equity Fund	$595
Income Fund	$696
Total Return Fund	$35,424
Real Estate Securities Fund	$975

Investor Service Plan – Total Return Fund (Classes 1 and 3 shares)

The Company has adopted an Investor Service Plan (the "Service Plan") with respect to each of Class 1 and Class 3 shares of the Total Return Fund. The Service Plans were not adopted pursuant to Rule 12b-1 under the 1940 Act. Under each Service Plan, the Company may compensate insurance companies ("Insurers") issuing variable annuity contracts ("Contracts") and/or variable life insurance policies ("Policies") that offer Class 1 or Class 3 shares of the Total Return Fund as an investment option or other parties that have entered into an Investor Service Agreement with the Company pursuant to which the Insurer or other party has agreed to perform certain investor services specified therein necessary to administer the Contracts and Policies (including account maintenance, record keeping services and administrative services) and to facilitate the Company's provision of services to investors in Class 1 or Class 3 shares, respectively. Each Service Plan provides that during any fiscal year, the amount of compensation paid under the Service Plan by the Total Return Fund with respect to Class 1 and Class 3 shares may not exceed the annual rate of 0.20% of the average daily net assets of the Total Return Fund attributable to Class 1 and Class 3 shares, respectively.

The Service Plan with respect to Class 1 shares of the Total Return Fund was originally adopted by the Board on December 9, 2005, as subsequently amended, and therefore, for the periods ended December 31, 2015, 2014 and 2013, $1,771,297, $1,994,004 and $2,059,938, respectively, were paid under the Service Plan. The Service Plan with respect to Class 3 shares of the Total Return Fund, was adopted by the Board on February 25, 2009 and became effective on May 1, 2009, For the periods ended December 31, 2015, 2014 and 2013, $3,526,530, $3,816,444 and $3,734,805, respectively, were paid under the Class 3 Service Plan.

Each Service Plan will continue in effect from year to year so long as such continuance is approved annually by the Board. Each Service Plan remains in effect for successive one-year periods unless otherwise terminated (1) upon mutual agreement of GEAM and the Insurer, (2) by either GEAM or the Insurer at the end of any one-year term by written notice to the other party at least 30 days before the end of such term, and (3) automatically upon the termination of the participation agreement between the Company and the Insurer pursuant to which the shares of the Total Return Fund are offered to separate accounts of the Insurer or upon the termination of the Service Plan.

Distribution and Service (12b-1) Plans

The Company has adopted a Distribution and Service Plan under Rule 12b-1 under the 1940 Act with respect to Class 1 and Class 3 shares of the Total Return Fund (each, a "12b-1 Plan"). Under the 12b-1 Plans for Class 1 and Class 3 shares, payments made under the respective Service Plan for such class of shares are covered in the event that any portion of compensation paid pursuant to such Service Plan is determined to be an indirect use of the assets attributable to that class of shares to finance distribution of such shares.

Furthermore, pursuant to the 12b-1 Plan for Class 3 shares, the Company may compensate GEID, the Company's principal underwriter, for providing the sales services and investor services (including account maintenance, record keeping services and administrative services) specified therein up to the following rate of the average daily net assets of the Total Return Fund attributable to its Class 3 shares – 0.25%. GEID has agreed to provide such sales services and investor services to Class 3 shares of the Total Return Fund pursuant to the terms of the Distribution Agreement between the Company and GEID with respect to such shares. Furthermore, GEID has engaged Capital Brokerage Corporation ("CBC"), the principal underwriter/distributor of the Contracts and Policies indirectly invested in Class 3 shares of the Total Return Fund, to provide such sales services and investor services pursuant to the terms of the Fund Marketing and Investor Service Agreement between GEID and CBC.

The inception date for the Class 1 12b-1 Plan was May 1, 2009 and the inception date for the Class 3 12b-1 Plan was May 1, 2006. During the fiscal years ended December 31, 2015, 2014 and 2013, the Total Return Fund – Class 3 shares paid $4,408,162, $4,770,555 and $4,668,507, respectively, to GEID for distribution and shareholder servicing under its 12b-1 Plan, with the full amount of $4,408,162, $4,770,555 and $4,668,507, respectively, being spent by GEID for compensation to broker-dealers. Each 12b-1 Plan will continue in effect with respect to its applicable class of shares of the Total Return Fund from year to year so long as such continuance is approved annually by the Board and by those directors who are not "interested persons" (as defined in the 1940 Act) of the Company and who have no direct or indirect financial interest in the operation of the 12b-1 Plan or in any agreements related to the 12b-1 Plan (the "Independent Directors"). Each 12b-1 Plan may be terminated with respect to its applicable class of shares at any time by vote of a majority of the Independent Directors or by a vote of a majority of the outstanding shares of such class.

Administrative Services Agreement

GEAM has entered into an Administrative Services Agreement with Insurers offering variable annuity contracts and variable life insurance policies invested in the Total Return Fund pursuant to which the Insurer has agreed to provide certain services in the nature of "personal service and/or the maintenance of shareholder accounts" as referenced in NASD Conduct Rule 2830(b)(9) and certain other administrative services delineated therein to GEAM, the Company and the Total Return Fund. To compensate the Insurers for providing such administrative services, GEAM has agreed to pay the Insurers an amount equal to 0.076% (for Class 1 shares) and 0.05% (for Class 3 shares) of the average daily net assets attributable to the Total Return Fund. The Administrative Services Agreement remains in effect for successive one-year periods unless otherwise terminated. The Administrative Services Agreement may be terminated (1) upon mutual agreement of GEAM and the Insurer, (2) either GEAM or the Insurer at the end of any one-year term by written notice to the other party at least 30 days before the end of such term, and (3) automatically upon the termination of the participation agreement between the Company and the Insurer pursuant to which the shares of the Total Return Fund are offered to separate accounts of the Insurer.

Portfolio Managers – Other Accounts Managed

The following table identifies for each Fund: (i) the portfolio managers identified in the Prospectuses who are primarily responsible for the day-to-day management of the Funds, (ii) the number of registered investment companies managed by each portfolio manager on a day-to-day basis (excluding the subject Fund) and the corresponding total assets managed in such investment companies, (iii) the number of other pooled investment vehicles managed by each portfolio manager on a day-to-day basis and the corresponding total assets managed in such pooled investment vehicles, (iv) the number of other accounts managed by each portfolio manager on a day-to-day basis and the corresponding total assets managed in such other accounts, (v) for each of the foregoing categories, the number of accounts and total assets in the accounts whose fees are based on performance, if any, and (vi) the dollar range of a Fund's securities owned by each such Fund's portfolio manager, if any. Where a Fund is managed by a Sub-Adviser, the Sub-Adviser is set forth beside the Fund's name in the table below. Except where otherwise stated, no performance fees are paid for the accounts listed below. All information is provided as of December 31, 2015.

Fund/Portfolio Manager	**Other Registered Investment Companies**	**Other Pooled Investment Vehicles**	**Other Accounts**	**Dollar Range of Fund Securities Owned**
U.S. Equity Fund				
David B. Carlson	8 Other Registered Investment Companies with $4.7 billion in total assets managed.[1]	0 Other Pooled Investment Vehicles with $0 in total assets managed.	14 Other Accounts with $4.2 billion in total assets managed, of which the fee for 1 account with $17.1 million in total assets is based on the performance of the account. [1]	None

Fund/Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Dollar Range of Fund Securities Owned
U.S. Equity Fund				
Stephen V. Gelhaus	6 Other Registered Investment Companies with $2.9 billion in total assets managed.[1]	0 Other Pooled Investment Vehicles with $0 in total assets managed.	7 Other Accounts with $2.5 billion in total assets managed, of which the fee for 1 account with $28.5 million in total assets is based on the performance of the account.[1]	None
Paul C. Reinhardt	6 Other Registered Investment Companies with $1.2 billion in total assets managed.[1]	0 Other Pooled Investment Vehicles with $0 million in total assets managed.	5 Other Accounts with $1.5 billion in total assets managed, of which the fee for 1 account with $11.4 million in total assets is based on the performance of the account.[1]	None
S&P 500 Index Fund (Sub-Advised by SSGA FM)				
Karl A. Schneider, CAIA	154 Other Registered Investment Companies with $185.68 billion in total assets managed.	453 Other Pooled Investment Vehicles with $483.94 billion in total assets managed.	348 Other Accounts with $213.09 billion in total assets managed.	None
John Tucker, CFA	154 Other Registered Investment Companies with $185.68 billion in total assets managed.	453 Other Pooled Investment Vehicles with $483.94 billion in total assets managed.	348 Other Accounts with $213.09 billion in total assets managed.	None

Fund/Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Dollar Range of Fund Securities Owned
Premier Growth Equity Fund				
David B. Carlson	8 Other Registered Investment Companies with $4.8 billion in total assets managed. [1]	0 Other Pooled Investment Vehicles with $0 in total assets managed.	14 Other Accounts with $4.2 billion in total assets managed, of which the fee for 1 account with $17.1 million in total assets is based on the performance of the account.[1]	None
Core Value Equity Fund				
Paul C. Reinhardt	6 Other Registered Investment Companies with $1.2 billion in total assets managed.[1]	0 Other Pooled Investment Vehicles with $0 in total assets managed.	5 Other Accounts with $1.5 billion in total assets managed, of which the fee for 1 account with $11.4 million in total assets is based on the performance of the account.[1]	None
Stephen V. Gelhaus	6 Other Registered Investment Companies with $3.0 billion in total assets managed.[1]	0 Other Pooled Investment Vehicles with $0 in total assets managed.	7 Other Accounts with $2.5 billion in total assets managed, of which the fee for 1 account with $28.5 million in total assets is based on the performance of the account.[1]	None

Fund/Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Dollar Range of Fund Securities Owned
Small-Cap Equity Fund				
Mike Cervi [2]	0 Other Registered Investment Companies with $0 in total assets managed.	0 Other Pooled Investment Vehicles with $0 in total assets managed.	0 Other Accounts with $0 in total assets managed.	None
David Wiederecht [2]	0 Other Registered Investment Companies with $0 in total assets managed.	0 Other Pooled Investment Vehicles with $0 in total assets managed.	0 Other Accounts with $0 in total assets managed.	None

Small-Cap Equity Fund (Sub-Advised by Palisade)				
Marc Shapiro	1 Other Registered Investment Company with $392 million in total assets managed.	1 Other Pooled Investment Vehicle with $1.1 million in total assets managed.	7 Other Accounts with $690 million in total assets managed.	None
Dennison T. Veru	1 Other Registered Investment Company with $392 million in total assets managed.	1 Other Pooled Investment Vehicle with $50 million in total assets managed.	139 Other Accounts with $839 million in total assets managed.	None
Small-Cap Equity Fund (Sub-Advised by Champlain)				
Scott Brayman	5 Other Registered Investment Companies with $3.791 billion in total assets managed.	3 Other Pooled Investment Vehicles with $509.3 million in total assets managed.	60 Other Accounts with $1.745 billion in total assets managed, of which the fee for 11 accounts with $218.6 million in total assets is based on the performance of the account.	None

Fund/Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Dollar Range of Fund Securities Owned
Small-Cap Equity Fund (Sub-Advised by GlobeFlex)				
Robert Anslow	3 Other Registered Investment Companies with $585 million in total assets managed.	3 Other Pooled Investment Vehicles with $298 million in total assets managed.	37 Other Accounts with $2.49 billion in total assets managed, of which the fees for 3 accounts with $628 million in total assets are based on the performance of the accounts.	None
Small-Cap Equity Fund (Sub-Advised by Kennedy)				
Frank Latuda, Jr., CFA	2 Other Registered Investment Companies and 1 UCITS totaling $213.1 million in total assets managed.	1 Other Pooled Investment Vehicle with $2.1 million in total assets managed.	333 Other Accounts with $1.2 billion in total assets managed (2 accounts with assets of $2.6 million are non-discretionary where only a model is provided).	None
Small-Cap Equity Fund (Sub-Advised by SouthernSun)				
Michael Cook	2 Other Registered Investment Companies with $1.1 billion in total assets managed.	4 Other Pooled Investment Vehicles with $191.4 million in total assets managed.	2,973 Other Accounts with $3.1 billion in total assets managed.	None

Fund/Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Dollar Range of Fund Securities Owned
Income Fund				
William M. Healey	3 Other Registered Investment Companies with $230 million in total assets managed.[1]	0 Other Pooled Investment Vehicles with $0 in total assets managed.	15 Other Accounts with $8.2 billion in total assets managed.[1]	None
Mark H. Johnson	3 Other Registered Investment Companies with $230 million in total assets managed.[1]	0 Other Pooled Investment Vehicles with $0 in total assets managed.	9 Other Accounts with $5.7 billion in total assets managed.[1]	None
Total Return Fund				
Jeffrey Palma [2]	0 Other Registered Investment Companies with $0 in total assets managed.	0 Other Pooled Investment Vehicles with $0 in total assets managed.	0 Other Accounts with $0 in total assets managed.	None
David Wiederecht [2]	0 Other Registered Investment Companies with $0 in total assets managed.	0 Other Pooled Investment Vehicles with $0 in total assets managed.	0 Other Accounts with $0 in total assets managed.	None

Fund/Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Dollar Range of Fund Securities Owned
Total Return Fund (Sub-Advised by BlackRock)				
Alan Mason	323 Other Registered Investment Companies with $705.1 billion in total assets managed.	378 Other Pooled Investment Vehicles with $490.5 billion in total assets managed.	505 Other Accounts with $471.0 billion in total assets managed.	None
Rachel Aguirre, CFA, CPA	13 Other Registered Investment Companies with $14.68 billion in total assets managed.	82 Other Pooled Investment Vehicles with $139.1 billion in total assets managed.	65 Other Accounts with $94.08 billion in total assets managed.	None
Greg Savage, CFA**	321 Other Registered Investment Companies with $713.4 billion in total assets managed.	88 Other Pooled Investment Vehicles with $29.12 billion in total assets managed.	3 Other Accounts with $229.4 million in total assets managed.	None
Scott Radell, CFA	14 Other Registered Investment Companies with $6.79 billion in total assets managed.	11 Other Pooled Investment Vehicles with $8.05 billion in total assets managed.	12 Other Accounts with $4.59 billion in total assets managed.	None
James Mauro	15 Other Registered Investment Companies with $10.08 billion in total assets managed.	9 Other Pooled Investment Vehicles with $23.66 billion in total assets managed.	6 Other Accounts with $8.63 billion in total assets managed.	None
Karen Uyehara	22 Other Registered Investment Companies with $41.24 billion in total assets managed.	14 Other Pooled Investment Vehicles with $9.78 billion in total assets managed, of which the fee for 1 account with $856.3 million in total assets is based on the performance of the account.	24 Other Accounts with $36.79 billion in total assets managed.	None

Fund/Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Dollar Range of Fund Securities Owned
Real Estate Securities Fund (Sub-Advised by CenterSquare)				
Dean Frankel, CFA	4 Other Registered Investment Companies with $1,206 million in total assets managed.	7 Other Pooled Investment Vehicles with $751 million in total assets managed.	47 Other Accounts with $5.5 billion in total assets managed. 9 accounts out of the 47 with a total of $1.6 billion in assets currently have a performance-based fee.	None
Eric Rothman, CFA	3 Other Registered Investment Companies with $477 million in total assets managed.	4 Other Pooled Investment Vehicles with $282 million in total assets managed.	37 Other Accounts with $3.0 billion in total assets managed. 5 accounts out of the 37 with a total of $658 million in assets currently have a performance-based fee.	None

1 Asset amounts include only the portion of each account's total assets for which the identified portfolio manager is primarily responsible for the day-to-day management.

2 The noted portfolio manager of the Small-Cap Equity Fund and Total Return Fund is responsible for allocating the Fund's assets to separate teams of portfolio managers and analysts for day-to-day management.

Portfolio Managers – Potential Conflicts of Interest

Portfolio managers at GEAM and at each Sub-Adviser may manage multiple registered investment companies, unregistered investment pools and/or investment accounts, which could raise potential conflicts of interest in the areas described below. Each of GEAM and the Sub-Advisers has policies and procedures in place that are reasonably designed to mitigate these conflicts of interest, which are also described below.

GEAM, Palisade and CenterSquare

Compensation. The compensation paid to GEAM, Palisade or CenterSquare for managing the Funds is based only on a percentage of assets under management. Although a small number of client accounts pay GEAM, Palisade or CenterSquare a performance-based fee, that fee structure does not present a material conflict of interest for the portfolio managers because their compensation is not directly based on fee revenue earned by GEAM, Palisade or CenterSquare on particular accounts.

GEAM may have a conflict of interest in its allocation of assets of the Small-Cap Equity Fund among the various Sub-Advisers. GEAM pays the management fees of the Sub-Advisers from its management fees and, therefore, may have an incentive to allocate more assets to Sub-Advisers with lower fees in order for GEAM to retain more of its management fee.

Research. Execution and research services provided by brokers may not always be utilized in connection with the Funds or other client accounts that may have provided the commission or a portion of the commission paid to the broker providing the services. Each of GEAM, Palisade and CenterSquare allocates brokerage commissions for these services in a manner that each believes is fair and equitable and consistent with each of its fiduciary obligations to each of its clients.

Initial Public Offering ("IPO") Allocation. If a portfolio manager identifies an IPO that may be suitable for more than one Fund or other client account, the Funds may not be able to take full advantage of that opportunity. To mitigate this conflict of interest, each of GEAM, Palisade and CenterSquare has adopted procedures to ensure that each allocates shares of IPOs to the Funds each advises and other client accounts in a manner in which each believes is fair and equitable and consistent with each of its fiduciary obligations to each of its clients.

Trade Allocation. If a portfolio manager identifies a limited investment opportunity that may be suitable for more than one Fund or other client account, the Funds may not be able to take full advantage of that opportunity. To mitigate this conflict of interest, each of GEAM, Palisade and CenterSquare aggregates orders of the Funds it advises with orders from each of its other client accounts in order to ensure that all clients are treated fairly and equitably over time and consistent with each of its fiduciary obligations to each of its clients.

SSGA FM

A portfolio manager that has responsibility for managing more than one account may be subject to potential conflicts of interest because he or she is responsible for other accounts in addition to the Fund. Those conflicts could include preferential treatment of one account over others in terms of: (a) the portfolio manager's execution of different investment strategies for various accounts; or (b) the allocation of resources or of investment opportunities.

Portfolio managers may manage numerous accounts for multiple clients. These accounts may include registered investment companies, other types of pooled accounts (e.g., collective investment funds), and separate accounts (i.e., accounts managed on behalf of individuals or public or private institutions). Portfolio managers make investment decisions for each account based on the investment objectives and policies and other relevant investment considerations applicable to that portfolio. A potential conflict of interest may arise as a result of the portfolio managers' responsibility for multiple accounts with similar investment guidelines. Under these circumstances, a potential investment may be suitable for more than one of the portfolio managers' accounts, but the quantity of the investment available for purchase is less than the aggregate amount the accounts would ideally devote to the opportunity. Similar conflicts may arise when multiple accounts seek to dispose of the same investment. The portfolio managers may also manage accounts whose objectives and policies differ from that of the Fund. These differences may be such that under certain circumstances, trading activity appropriate for one account managed by the portfolio manager may have adverse consequences for another account managed by the portfolio manager. For example, an account may sell a significant position in a security, which could cause the market price of that security to decrease, while the Fund maintained its position in that security.

A potential conflict may arise when the portfolio managers are responsible for accounts that have different advisory fees – the difference in fees could create an incentive for the portfolio manager to favor one account over another, for example, in terms of access to investment opportunities. This conflict may be heightened if an account is subject to a performance-based fee. Another potential conflict may arise when the portfolio manager has an investment in one or more accounts that participate in transactions with other accounts. His or her investment(s) may create an incentive for the portfolio manager to favor one account over another.

SSGA FM has adopted policies and procedures reasonably designed to address these potential material conflicts. For instance, portfolio managers are normally responsible for all accounts within a certain investment discipline, and do not, absent special circumstances, differentiate among the various accounts when allocating resources. Additionally, SSGA FM and its advisory affiliates have processes and procedures for allocating investment opportunities among portfolios that are designed to provide a fair and equitable allocation among the portfolio managers' accounts with the same strategy.

Champlain

Compensation. All associates and partners have a base salary, along with participation in a discretionary bonus plan. The discretionary bonus is distributed based on individual contribution and overall firm performance. In addition, partners participate in pre-tax profit distributions. The majority of compensation for partners is the distribution of profits and the discretionary bonus plan. All key professionals are eligible to become partners. Equity ownership is determined by the firm's two managing partners.

Research. Champlain obtains research and information services in exchange for client brokerage commissions; these transactions include third party research, Champlain attendance at broker-sponsored industry conferences and soft dollar payments for data feeds and other analytical services. Clients may pay commissions higher than obtainable from other brokers in return for these products and services. All clients receive the benefit of these services and all trading is done under best execution protocols.

Trade Allocation. Champlain will seek to manage potential conflicts of interest in the following specific respects: (i) Where a potential transaction would benefit more than one client, trades will be bunched where advantageous and allocated pro rata until all participating accounts have been satisfied, or by some other means deemed fair under the circumstances. The firm uses a trading system which facilitates the automated accomplishment of this fair allocation, and the trader instructs the system to adjust the allocation to minimize odd lots. Allocations may not be pro-rata due to individual account restrictions. This may result in a slightly larger allocation in permitted securities to those accounts than would otherwise be warranted by the account assets or no allocation at all if the security violates account guidelines. Also, cash flows in particular accounts may be considered when allocating investment opportunities; and (ii) we ensure that the firm's Code of Ethics provisions on personal securities trading are followed so that personal trading by employees does not interfere with trading on behalf of clients.

GlobeFlex

GlobeFlex does not believe that any material conflicts of interest should arise in connection with the management of the Fund and other accounts other than the typical conflicts that arise where there are multiple accounts. Those typical conflicts include the limited time that can be devoted to each strategy or account, even when similarly managed, the allocation of investment opportunities that may be limited and the capacity constraints that can limit the efficient effective investment of new cash. Accounts are managed on a team basis, utilizing a systematic process and accounts within the same strategy typically hold the same securities at generally the same proportionate weightings, subject to client restrictions and cash flows. The type of fee schedule pertaining to an account (asset-based and/or performance) does not affect how GlobeFlex manages an account. Lastly, trades are usually blocked and allocated pro rata among participating accounts. GlobeFlex has adopted policies and procedures that are designed to ensure that all clients are treated fairly.

Compensation. The structure of the compensation of GlobeFlex's investment team is intended to align with the interests of the Fund and its shareholders. GlobeFlex seeks to incentivize portfolio managers to outperform within structured parameters for stock selection and risk control. All portfolios are managed on a team basis, and compensation is based on the overall success of all accounts under management. There are no special performance-based compensation structures related to any particular accounts under management. GlobeFlex believes its compensation structure minimizes incentives or disincentives that might create any special or material conflicts of interest.

Research. GlobeFlex uses soft dollars to purchase third-party research, the commitment to which is significant at a research-driven firm such as GlobeFlex. GlobeFlex monitors its use of soft dollars, which is intended to fall within the "safe harbor" of Section 28(e) of the Exchange Act. GlobeFlex seeks to limit its soft commission use to those research and brokerage services and products that GlobeFlex believes facilitate the investment decision making process and otherwise comply with the SEC's interpretations of Section 28(e). It purchases a variety of proprietary financial data that it then uses in its internal research and portfolio construction systems. Because GlobeFlex does not segregate U.S. and International equity data and other research, GlobeFlex believes that the research it obtains with soft dollars benefits all of its clients, regardless of the strategy (U.S. or International) used to manage any particular account.

IPO Allocation. GlobeFlex does not cause client accounts to participate in IPOs.

Trade Allocation. GlobeFlex has adopted allocation policies intended to accommodate the investment needs of all its clients, to promote equitable allocation of investment opportunities, and to prevent the investment activities of some clients from conflicting with those of others. In order to meet these objectives, GlobeFlex generally aggregates orders of all portfolios where it is buying or selling the same security at the same time. Participating clients generally receive the average price and share execution expenses proportionately. Once GlobeFlex has completed execution and the trades have settled, positions are allocated across all participating accounts on a pro-rata basis. Its methods are consistent with the disclosure in its Form ADV.

Kennedy

Within Kennedy's Small Cap Value I strategy, Mr. Latuda manages a number of separately managed accounts. He also manages separate accounts and a commingled vehicle as well as several non-discretionary model portfolios within the Mid Cap Value strategy. In addition, Mr. Latuda manages separate accounts for the firm in an all cap value strategy and a small/mid ("SMID") cap value strategy. Certain conflicts may arise as the result of an account's size, client-imposed restrictions or fee schedule. Investment opportunities are allocated fairly among clients within each strategy managed by Mr. Latuda pursuant to Kennedy's internal policies and procedures, which also extends to its brokerage practices.

SouthernSun

Compensation. The compensation paid to SouthernSun for managing the Funds is based only on a percentage of assets under management. In limited instances, SouthernSun has entered into performance fee arrangements with qualified clients, SouthernSun has implemented policies and procedures designed to ensure that all clients are treated fairly and to provide a conflict from influencing the allocation of investment opportunities among clients.

Research. SouthernSun does not have any formal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers or third parties on a soft dollar commission basis. However, SouthernSun does receive research from time to time from brokers, but it is under no obligation to trade with any certain broker.

IPO Allocation. SouthernSun does not participate in IPOs as a routine practice. In the rare event that it does so in the future, allocation among client accounts would follow similar policies as those relating to aggregate trades.

Trade Allocation. SouthernSun has adopted a policy for the fair allocation of transactions with no particular group or client(s) being favored or disfavored over any other clients. SouthernSun's policy prohibits any allocation of trades in a manner that SouthernSun's proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than other client accounts. When investing and rebalancing accounts, SouthernSun utilizes a practice of rotational allocation whereby each group of clients with similar investment objectives is systematically sequenced in priority of trading. Partially completed transactions may also be allocated on a pro-rata or random basis depending on the percentage of order completion.

BlackRock

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Total Return Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Total Return Fund. BlackRock, or any of its affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Total Return Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that Messrs. Mauro and Radell and Ms. Uyehara may be managing hedge fund and/or long only accounts, or may be part of a team managing hedge fund and/or long only accounts, subject to incentive fees. Messrs. Mauro and Radell and Ms. Uyehara may therefore be entitled to receive a portion of any incentive fees earned on such accounts.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

Portfolio Managers – Compensation

Set forth below are descriptions of the structure of, and methods used to determine, portfolio manager compensation at GEAM and each of the Sub-Advisers.

GEAM

The following compensation structure applies to all GEAM portfolio managers except David B. Carlson, Paul C. Reinhardt, David Wiederecht and Michael J. Solecki:

A portfolio manager's compensation package includes both fixed ("Base Compensation") and variable ("Incentive Compensation") components. In determining the Base Compensation, GEAM seeks to be competitive with its industry peers. GEAM bases each portfolio manager's Base Compensation on his/her professional experience and responsibilities relative to similarly situated GEAM portfolio managers.

Each portfolio manager is eligible to receive Incentive Compensation annually in the form of variable cash bonuses that are based on quantitative and qualitative factors. Generally, 80% of Incentive Compensation is quantitatively determined, based on the investment performance of the individual portfolio manager and, where applicable, the investment performance of the portfolio manager's investment team as a whole, over both a one- and three-year time-frame relative to relevant benchmarks. The remaining 20% of Incentive Compensation is based on qualitative factors, including:

- *Teamwork/Leadership* – effectively collaborating, cooperating and managing within the investment team and/or the department;
- *Marketing Support* – devoting appropriate time and effort to support the education of clients and consultants on performance and investment methodology;
- *Effective Communication* – driving efficient, open and effective sharing of information, data and ideas across the investment team and with the broader

organization and clients; and

- *Domain Expertise* – leverages expertise to improve internal and external processes by serving as an expert resource for the investment team and clients.
- *Imagination and Courage* – generates new and creative ideas and is resourceful and open to change.

With respect to the portfolio managers - David B. Carlson, Paul C. Reinhardt, David Wiederecht and Michael J. Solecki, the following compensation structure applies:

As a Senior Executive of GE, the portfolio manager's compensation package includes fixed ("Base Compensation"), variable ("Annual Executive Incentive Compensation") and long-term incentive (*e.g.* "Stock Options") components. The portfolio manager's compensation is impacted by both his or her individual performance and GE's overall performance in any given year.

The portfolio manager's Base Compensation is reviewed at least annually. The timing and percent of increases varies based on evaluation of the individual on the factors outlined below, GE's overall performance, as well as other internal and external economic factors (*e.g.*, external pay data for similar types of jobs).

The portfolio manager's Annual Executive Incentive Compensation is impacted by the size of the bonus pool as well as an evaluation of the individual on the factors outlined below. The size of the GEAM incentive bonus pool in a given year is based upon overall GE financial results and GEAM results. From this incentive bonus pool, the portfolio manager's Annual Executive Incentive Compensation amounts are determined and vary based on evaluation of the individual on the factors outlined below.

The portfolio manager's long-term incentives (*e.g.* Stock Options) are granted periodically and awards vary based on evaluation of the individual on the factors outlined below.

The portfolio manager is evaluated on the following four factors:

- *Performance on current job – "Results"* – this assessment is based on an understanding of the competencies and behaviors necessary to perform the given job. The evaluation focuses on observable behaviors as well objective measures where possible, including: Portfolio and Mandate Performance for the portfolio manager's particular Asset Class, Contribution as a Trustee and Senior Leader for the business, Client satisfaction and retention, support of Institutional Marketing and Sales efforts and Leadership of the portfolio manager's team and across the business;
- *GE Beliefs* – these are the values that drive success within the company. Employees are assessed as to how they display and are a role model for the GE Beliefs, which offer a refreshed mindset, spirit and behaviors to help our employees work together to define a new way, to change GE's culture and deliver on GE's goals and objectives;

- *Promotability* – consideration of an individual's capacity based on performance, aptitude and demonstrated ability and interest to take on broader responsibilities; and
- *Extraordinary Skills* - In limited circumstances, an employee may demonstrate special value to GE by possessing unique knowledge/skill in a specialized area necessary to perform the job that would be extremely difficult to replace.

The following applies to all GEAM portfolio managers:

In addition to the forgoing compensation, GE periodically grants options to purchase shares of GE common stock. GE determines the overall timing, frequency and size of such grants, which it distributes to its subsidiary businesses and provides guidelines for the subsequent grant to individual employees. The pool of GEAM employees eligible for such grants could include portfolio managers; however, no special grants are guaranteed, allocated or anticipated specifically for portfolio managers. The strike price of stock options is the selling price of GE common stock as of the grant date. The strike price, dividend guidelines and vesting schedule are published to recipients by GE at the time of the grant.

All employees hired before December 31, 2010, including portfolio managers, are eligible to participate in GE's defined benefit plan and its defined contribution plan, which offers participating employees the tax benefits of deferring the receipt of a portion of their cash compensation, and in the case of the defined contribution plan, offers a company matching contribution feature. All employees hired after December 31, 2010, including portfolio managers, are not eligible to participate in GE's defined benefit plan, but are eligible to participate in its defined contribution plan, which includes a company matching contribution feature. Aside from such plans, deferred compensation is not a regular component of a portfolio manager's compensation. In the past, GE has periodically offered the opportunity for certain executives (which may include certain portfolio managers) to defer portions of their Base Compensation and Incentive Compensation. These deferral programs are offered and administered at the discretion of GE and provide for the deferral of salary at a specific rate of return, payable upon retirement according to a predetermined payment schedule.

Relocation benefits may be offered to portfolio managers. Determination regarding whether a particular position will include relocation benefits is determined before any candidate is considered and is noted on the position description/advertisement. When relocation is offered, the package is in accordance with GE standard domestic relocation guidelines, with a portion of the benefits provided on a pre-tax basis and a portion of the benefits provided on a post-tax basis. Those guidelines vary based on whether an individual is a homeowner or renter – with business discretion regarding inclusion of all the potential package offerings.

SSGA FM

The compensation of SSGA FM's investment professionals is based on a number of factors, including external benchmarking data and market trends, State Street Corporation's performance, SSGA performance, and individual performance. Each year State Street

Corporation's Global Human Resources department participates in compensation surveys in order to provide SSGA with critical, market-based compensation information that helps support individual pay decisions. Additionally, subject to State Street Corporation and SSGA business results, State Street Corporation allocates an incentive pool to SSGA to reward its employees. Because the size of the incentive pool is based on the firm's overall profitability and performance against risk-related goals, each staff member is motivated to contribute both as an individual and as a team member. The incentive pool is allocated to the various functions within SSGA. The discretionary determination of the allocation amounts to business units is influenced by market-based compensation data, as well as the overall performance of the group. Individual compensation decisions are made by the employee's manager, in conjunction with the senior management of the employee's business unit. These decisions are based on the performance of the employee and, as mentioned above, on the performance of the firm and business unit.

CenterSquare

CenterSquare uses two portfolio managers to co-manage the Fund assets. The portfolio managers may manage assets in other managed accounts. CenterSquare pays its portfolio managers competitive salaries.

The components of the compensation structure as it relates to senior investment staff include the following:

- *Base pay:* salary is competitive for all businesses across the Bank of New York Mellon's (BNY Mellon) businesses and geographies; base pay level links pay with performance and reflects the market value of the position, individual performance and company business results
- *Short term income plan:* annual cash bonus plan that is primarily based on an individual meeting business unit goals, career development goals and adherence to corporate values along with overall CenterSquare and BNY Mellon Investment Management operating performance
- *Deferred compensation plan:* long-term compensation that is made available generally to Senior Executives of the firm; invests in a combination of BNY Mellon stock (4-year vesting period) and in CenterSquare's Global Real Estate Securities strategy (3-year cliff vesting period).

Total compensation is determined based on a combination of factors, ranging from the individual's position in the firm, individual employee performance, performance of the firm, and performance of BNY Mellon Investment Management.

Palisade

Palisade seeks to maintain a compensation program that is competitive within its industry. Employee portfolio managers receive a fixed base salary based on their experience and responsibilities and are eligible for a variable annual performance-based incentive bonus. The incentive bonus is based on a combination of the firm's overall results and the general overall before-tax performance of all accounts managed by the portfolio manager, including the Small-Cap Equity Fund, based in part on the Fund's objective performance over the past one and three year periods against the Russell 2000® Index benchmark and the Small-Cap Equity Fund's ranking within an appropriate peer group comprised of a combination of the eVestment U.S. Small Core Equity Universe and the Lipper Small Core Universe, as well as other subjective factors. Palisade's investment professionals may also receive discretionary bonuses tied to the performance of Palisade, the Small-Cap Core Equity team, and the individual. Portfolio managers who are partners of the firm receive distributions based on their pro rata share of the firm's profits.

Palisade maintains a Unit Appreciation Rights ("UAR") Plan, whereby key employees of Palisade, including all eligible members of the Small Cap Core Equity team, participate in the UAR Plan. This plan provides an opportunity for each participating employee to share in the appreciation of Palisade's equity value over time, similar to a stock option plan in a publicly traded company.

All employees are eligible for Palisade's 401(k) plan. Employees and partners are eligible for Palisade's group life, health and disability insurance programs.

Champlain

All employees and partners have a base salary, along with participation in a discretionary bonus plan. In addition, partners participate in pre-tax profit distributions.

GlobeFlex

The GlobeFlex investment team is compensated by fixed base salary and an annual performance bonus linked to both qualitative and quantitative measures, as determined by Marina Marrelli, CEO, and Bob Anslow, CIO. For investment team members, bonus compensation is tied directly to both short- and long-term success factors. Factors considered include overall performance of all GlobeFlex equity strategies relative to appropriate peer groups and benchmarks over one (short-term) and three-year (long-term) periods, as well as contribution to GlobeFlex's original research effort, and general value-added to the team. Performance is measured on a pre-tax basis and all forms of compensation are in cash. All members of the investment team are GlobeFlex partners and receive equity distributions based on firm-wide profits. In addition, they participate in all other group benefits offered to all GlobeFlex employees, such as retirement and health plans.

Kennedy

Kennedy's compensation structure is designed to directly tie investment professionals to the performance of client portfolios and thus to align Kennedy's employees' interests with those of clients. Kennedy believes that its measures are highly objective and significantly driven by the performance contribution attributable to each investment professional.

Portfolio Manager Compensation

Portfolio manager compensation begins with a base salary and is typically augmented by both quarterly and annual bonuses. Quarterly investment performance bonuses are generally based upon the returns generated for client accounts relative to one or more identified benchmarks on a trailing one-year basis, and also relative to industry peers on a rolling three-year basis. Other forms of variable compensation, including annual bonuses, are typically based on the achievement of certain goals (such as assets under management and investment performance) as well as subjective scoring.

Assistant Portfolio Manager Compensation

In line with the way portfolio managers are compensated, assistant portfolio managers ("APMs") at Kennedy receive a combination of fixed and variable pay. APMs may continue to perform research on stocks in one or more economic sectors, and may therefore be compensated in part by tracking a "shadow" portfolio designed to emulate the performance of clients' accounts.

SouthernSun

The compensation and interests of SouthernSun's portfolio manager are aligned with his clients. The portfolio manager is compensated by a salary, retirement and 401(k) Plan contributions, potentially profit sharing, and ownership distributions.

BlackRock

The discussion below describes the portfolio managers' compensation as of December 31, 2015.

BlackRock's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock.

Base compensation. Generally, portfolio managers receive base compensation based on their position with the firm.

Discretionary Incentive Compensation - Messrs. Mauro and Radell and Ms. Uyehara

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Funds or other accounts managed by the portfolio managers are measured. Among other things, BlackRock's Chief Investment Officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the Funds and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5-year periods, as applicable. With respect to these portfolio managers, such benchmarks for the Fund and other accounts are:

Portfolio Manager	Benchmark
Scott Radell	A combination of market-based indices (e.g., Barclays Capital U.S. Aggregate Bond Index, the Barclays U.S. TIPS 0-5 Years Index), certain customized indices and certain fund industry peer groups.
Karen Uyehara	A combination of market-based indices (e.g., Barclays Capital U.S. Aggregate Bond Index), certain customized indices and certain fund industry peer groups.
James Mauro	A combination of market-based indices (e.g., Barclays MBS Index and the Barclays U.S. TIPS 0-5 Years Index)

Discretionary Incentive Compensation – Messrs. Mason and Savage and Ms. Aguirre

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Funds or other accounts managed by the portfolio managers are measured. Among other things, BlackRock's Chief Investment Officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the Funds and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income and multi-asset class funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. Performance of index funds is based on the performance of such funds relative to pre-determined tolerance bands around a benchmark, as applicable. The performance of Messrs. Mason, Savage and Ms. Aguirre is not measured against a specific benchmark.

Distribution of Discretionary Incentive Compensation. Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc.

restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock, Inc. restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash portion of the discretionary incentive compensation, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of discretionary incentive compensation in BlackRock, Inc. stock puts compensation earned by a portfolio manager for a given year "at risk" based on BlackRock's ability to sustain and improve its performance over future periods. Providing a portion of discretionary incentive compensation in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.

Long-Term Incentive Plan Awards — From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance. Equity awards are generally granted in the form of BlackRock, Inc. restricted stock units that, once vested, settle in BlackRock, Inc. common stock. The portfolio managers of this Fund have unvested long-term incentive awards.

Deferred Compensation Program — A portion of the compensation paid to eligible United States-based BlackRock employees may be voluntarily deferred at their election for defined periods of time into an account that tracks the performance of certain of the firm's investment products. Any portfolio manager who is either a managing director or director at BlackRock with compensation above a specified threshold is eligible to participate in the deferred compensation program.

Other Compensation Benefits. In addition to base salary and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

Incentive Savings Plans — BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan ("RSP"), and the BlackRock Employee Stock Purchase Plan ("ESPP"). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at $5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation up to the Internal Revenue Service limit ($265,000 for 2015). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into a target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of $25,000 based on its fair market value on the purchase date. All of the eligible portfolio managers are eligible to participate in these plans.

Portfolio Manager Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that Messrs. Radell and Mauro and Ms. Uyehara may be managing hedge fund and/or long only accounts, or may be part of a team managing hedge fund and/or long only accounts, subject to incentive fees. Messrs. Radell and Mauro and Ms. Uyehara may therefore be entitled to receive a portion of any incentive fees earned on such accounts.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

Proxy Voting Policies and Procedures

The Company's Board has delegated the responsibility for voting proxies to GEAM for all Funds other than the Small-Cap Equity Fund, which is managed by Palisade, Champlain, GlobeFlex, Kennedy and SouthernSun; the S&P 500 Index Fund, which is managed by SSGA

FM; the Real Estate Securities Fund, which is managed by CenterSquare; and the Total Return Fund, which is managed by BlackRock, in accordance with GEAM's proxy voting policies and procedures ("Proxy Policy").

Subject to GEAM's recommendation and review of the proxy voting policies of each Sub-Adviser, the Board has delegated the responsibility for voting proxies to the Sub-Advisers for the Funds that they sub-advise, in accordance with their respective proxy voting policies and procedures.

GEAM and each Sub-Adviser will notify the Board of any material change to its policy at the next regular Board meeting after the material change occurs.

Summarized below are the proxy voting policies and procedures of GEAM and each Sub-Adviser.

Summary of GEAM's Proxy Voting Policies and Procedures

GEAM exercises its fiduciary duties by reviewing, voting and documenting proxies for all voting securities for which it has voting responsibility and acting solely in the best interests of its clients. All proxies are voted in accordance with the Proxy Policy, which has been adopted by the Board of Directors of GEAM and in accordance with GEAM's proxy voting guidelines ("Proxy Guidelines"), which have been adopted by the proxy committee of GEAM ("Proxy Committee").

The Proxy Committee is comprised of between five and ten individuals, including both the Chief Executive Officer and the General Counsel of GEAM. The Proxy Committee is responsible for reviewing the Proxy Guidelines and a summary of the proxy matters encountered by GEAM at least annually and, if necessary, updating the Proxy Guidelines.

GEAM has hired Institutional Shareholder Services, Inc. ("ISS") to collect all proxy materials, provide research and vote all proxies as instructed to do so by GEAM. Upon receipt of a proxy, ISS provides the Proxy Analyst, an employee of GEAM responsible for facilitating and processing all proxy votes, with an analysis of the proxy material, which includes management's recommendation, and a vote recommendation based on the Proxy Guidelines.

In general, GEAM votes with management. In certain limited cases, GEAM may instruct ISS to abstain from voting a proxy where such abstention is believed to be in the overall best interest of clients such as the Funds. The proxy analyst reviews each analysis and vote recommendation subject to the following:

a. <u>Domestic and International Routine Issues</u>: The proxy analyst confirms ISS recommendations on routine issues. Such issues falling under this section (a) generally include voting: (1) *for* auditors and the board of directors, changes to the state of incorporation (if still incorporated in the United States), stock splits, the authorization of additional shares of common stock, staggered stock boards (if voting with management), reasonable stock option plans, director compensation and employee stock purchase plans, management proposals dealing with environmental and social issues, and share repurchases; and (2) *against* supermajority votes, unequal classes of common and preferred stock, the establishment of preemptive rights and the authorization of preferred stock if excessive as compared to the common stock.

b. Domestic and International Non-Routine Issues; Vote with Management and Consistent with Proxy Guidelines: If the issue is (a) determined to be non-routine by the proxy analyst, or is (b) a "refer" issue as determined by ISS, due to the fact it is not addressed in the Proxy Guidelines, a GEAM securities analyst ("Securities Analyst") or portfolio manager ("Portfolio Manager") for the relevant asset class will review the proxy material and recommend how to vote such proxy. If the recommendation is to vote with management and consistent with the proxy guidelines, such recommendation will be forwarded to ISS. Non-routine issues falling under this section (b) and section (c) (below) generally include golden parachutes, poison pills, environmental and social issues, severance agreements, restructurings and mergers.

c. Domestic and International Non-Routine Issues; Voting Against Management or Inconsistent with the Proxy Guidelines: If the issue is (a) determined to be non-routine by the proxy analyst, or is (b) a "refer" issue as determined by ISS due to the fact that it is not addressed in the Proxy Guidelines and either (i) the Portfolio Manager or Securities Analyst for the relevant asset class recommends a vote against management or (ii) the Portfolio Manager or Securities Analyst seeks in any case to vote contrary to the Proxy Guidelines (other than abstention votes), then at least three (3) Proxy Committee members will review the proxy material and determine how to vote such proxy. In certain circumstances, an independent third party will be engaged to determine how to vote the proxy (see material conflict of interest below).

A material conflict of interest may arise in a situation where the proxy analyst, Portfolio Manager or Securities Analyst, when voting the proxy, has knowledge of a situation where either GEAM or one of its affiliates would enjoy a substantial or significant benefit from casting a vote in a particular way ("Material Conflict of Interest"). If a Material Conflict of Interest does arise, ISS (or in certain limited cases, another independent third party) will be solely responsible for voting the proxy, the Material Conflict of Interest will be documented, the Board will be notified at the next regular Board meeting following the Material Conflict of Interest and the Proxy Committee will be notified of such conflict at its annual meeting. In the absence of a conflict of interest or in the case of an immaterial conflict of interest, regular procedures will be followed.

Summary of Palisade's Proxy Voting Policies and Procedures

The Board has adopted the proxy voting policies and procedures ("Palisade Proxy Policy") of Palisade, a sub-adviser, on behalf of Palisade's Allocated Assets of the Small-Cap Equity Fund. Subject to GEAM's and the Board's continuing oversight, the Board delegates the responsibility for voting these proxies to Palisade. The Palisade Proxy Policy will be presented to the Board at least annually and Palisade will notify GEAM and the Board of any material changes to the Palisade Proxy Policy at the next regular meeting after the material change occurs.

Palisade will vote proxies in accordance with Clients' economic interests and in accordance with Palisade's established policies and procedures. Palisade has contracted with a third party proxy voting agent to assist with carrying out its policy.

Palisade will retain all proxy voting books and records for the required period of time, including a copy of each proxy statement, a record of each vote, a copy of any document created that was used while deciding how to vote, and a copy of each written Client request for information on how Palisade voted.

If Palisade exercises voting authority on behalf of a Palisade Client and maintains investment supervision of such Client's securities, then the following Proxy Voting Procedures (the "Procedures") will apply to those Client securities:

Proxy Voting Procedures

The proxy voting agent provides research to Palisade on each proxy issue, along with a proxy voting recommendation. The recommendations are determined in accordance with the agent's guidelines, which Palisade has adopted as its general proxy voting policy (the "Guidelines"). Clients may obtain a copy of the Guidelines by submitting a request to Palisade, by mail at: Palisade Capital Management, L.L.C., One Bridge Plaza North, Suite 695, Fort Lee, New Jersey 07024-7102, (ii) call (201) 585-7733, or (iii) send an email to investorrelations@palcap.com.

Palisade has a "Mandatory Sign-Off" procedure which requires Palisade to review each proxy issue prior to voting. However, if Palisade does not send its vote preference to the proxy voting agent before the voting deadline, the agent will vote Palisade Client proxies in accordance with its recommendation. Palisade's Compliance Department is responsible for monitoring receipt of research and recommendations from the proxy voting agent, obtaining voting decisions from the appropriate Palisade investment professionals responsible for voting, and for ensuring that Client proxies are voted and submitted to the agent in a timely manner.

For each proxy to be voted by Palisade, the applicable research and recommendation from Palisade's proxy voting agent are forwarded to either Dennison T. Veru, Chief Investment Officer – Institutional, or Jack Feiler, Chief Investment Officer – Private Wealth Management. Mr. Veru or Mr. Feiler will then make an independent decision whether or not to vote Client proxies in accordance with the proxy voting agent's recommendation, giving substantial weight to the recommendation of the portfolio company's management on all issues. In all cases, Mr. Veru or Mr. Feiler will give overriding consideration to each Client's stated guidelines or restrictions, if any.

If Mr. Veru or Mr. Feiler believes that a Client's best interests would be served by voting a proxy contrary to the agent's recommendation, such Chief Investment Officer will forward the proxy in question to the Portfolio Manager ("PM") for the Client's account or analyst covering the security, who will review the issue. If the PM or analyst also desire to vote the proxy contrary to the agent's recommendation, such PM or analyst will provide a brief memorandum to Palisade's Conflicts of Interest Committee explaining their reasons for their desired vote. The

Conflicts of Interest Committee will evaluate whether any material conflict of interest (as discussed below) has influenced the PM or analyst's proxy voting decision and may approve an "override" of the proxy voting agent's recommendation if the Committee is comfortable that no such material conflict exists.

Any attempt to influence the proxy voting process by issuers or others not identified in these policies and Procedures should be promptly reported to the CCO. Similarly, any Client's attempt to influence proxy voting with respect to other Clients' securities should be promptly reported to the CCO.

Palisade will not neglect its proxy voting responsibilities, but the Firm may abstain from voting if it deems that abstaining is in its Clients' best interests. In addition, Palisade may be unable to vote securities that have been lent by a Client's custodian (under a separate agreement between the Client and its custodian), as such securities generally do not generate a proxy. Because Palisade has no knowledge of when securities are loaned by a Client's custodian, loaned securities are not subject to these Procedures. Also, proxy voting in certain countries involves "share blocking", which limits Palisade's ability to sell the affected security during a blocking period that can last for several weeks. Palisade believes that the potential consequences of being unable to sell a security usually outweigh the benefits of participating in a proxy vote, so Palisade generally abstains from voting when share blocking is required. The Compliance Department will prepare and maintain memoranda describing the rationale for any instance in which Palisade does not vote a Client's proxy.

Conflicts of Interest

A conflict of interest exists when Palisade has knowledge of a situation where the Firm, its Supervised Persons or affiliates would enjoy a special or increased benefit from casting a Client proxy vote in a particular way. A conflict of interest may occur in the following cases; however this list is not all-inclusive:

- The issuer of securities that Palisade holds in Client accounts (and for which Palisade is required to vote Client proxies) is a Palisade Client.

- Palisade is soliciting new business from an issuer of securities that Palisade holds in Client accounts (and for which Palisade is required to vote Client proxies).

- A Palisade Supervised Person (or a Supervised Person of a Palisade affiliate) serves as a director of an issuer of securities that Palisade holds in Client accounts (and for which Palisade is required to vote Client proxies).

- A Private Equity Fund managed by Palisade owns equity or debt of an issuer of securities that Palisade holds in Client accounts (and for which Palisade is required to vote Client proxies).

When a material conflict of interest occurs, the proxy voting agent will be solely responsible for voting the affected Client proxy based on its Guidelines or specific Client restrictions, and Palisade will not be permitted to "override" the recommendation (as described above). When a non-material conflict occurs, Palisade's Conflicts of Interest Committee will be permitted to "override" the recommendation (as described above). As used above, a conflict of interest is presumed to be "material" if it involves 1% or more of Palisade's annual revenue. The definition of "material" is subject to change at Palisade's discretion.

Palisade will document all conflicts of interest, whether or not material, and keep the documentation with the Client's proxy records. Such documentation will be compiled by the Conflicts of Interest Committee and be attached to the proxy voting agent's certification and voting statement. All documentation in connection with a Palisade conflict of interest will be sent to the Client for whom there was a conflict.

Palisade maintains a list of securities and issuers (known as the "Restricted List") that cannot be traded in Client or employee personal accounts. The Restricted List minimizes the possibility of the occurrence of a material conflict of interest by prohibiting the trading of securities of issuers where Palisade possesses non-public information, or where Palisade deems it necessary or prudent for other compliance, business, or regulatory objectives. Palisade updates its Restricted List promptly as needed.

Disclosures to Clients and Investors

Palisade includes a description of its policies and procedures regarding proxy voting in Part 2A of Form ADV, along with a statement that Clients and Investors can contact Palisade to obtain a copy of these policies and procedures, and/or a record of proxy votes on their behalf.

Palisade generally does not disclose to Clients details regarding how proxies were voted for other Clients except in required regulatory filings.

Disclosures to Unaffiliated Third Parties

Any request for information about proxy voting from an unaffiliated third party should be promptly forwarded to the CCO. As a matter of policy, Palisade does not disclose how it expects to vote on upcoming proxies. Additionally, Palisade does not disclose the way it voted proxies to unaffiliated third parties not having a legitimate need to know such information.

Annual and Ongoing Reviews

The Compliance Department will review, no less frequently than annually, the adequacy of the Firm's proxy voting policies and procedures to make sure they have been implemented effectively, including whether the policies and procedures continue to be reasonably designed to ensure that proxies are voted in the best interests of Clients.

Summary of Champlain's Proxy Voting Policies and Procedures

Champlain, as a matter of policy and as a fiduciary to its clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Champlain maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about Champlain's firm's proxy policies and practices. Champlain's policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. A copy of Champlain's written proxy policy and procedures and/or the record of proxy votes for a client's portfolio will be provided to that client upon request.

Champlain's policy is to vote proxies for client accounts unless otherwise directed in writing. Champlain votes all proxies for all Champlain sponsored mutual funds and commingled funds.

Background

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Investment advisers registered with the SEC, and which exercise voting authority with respect to client securities, are required by Rule 206(4)-6 of the Advisers Act to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients; (b) to disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; (c) to describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients; and (d) maintain certain records relating to the adviser's proxy voting activities when the adviser does have proxy voting authority.

Responsibility

The proxy manager is the individual that has the responsibility for the implementation and monitoring of Champlain's proxy voting policy, practices, disclosures and record keeping, including outlining Champlain's voting guidelines in its procedures (the "Proxy Manager").

Procedure

Champlain has adopted comprehensive proxy voting procedures to implement the firm's investment policies on behalf of clients. Proxy policies and procedures will be monitored closely, and may be amended or updated when appropriate, to ensure the policies outlined below are effectively executed:

Voting Procedures

- All employees will forward any proxy materials received on behalf of clients to the Proxy Manager;
- The Proxy Manager will determine which client accounts hold the security to which the proxy relates;
- Absent material conflicts, the appropriate company analyst will determine how Champlain should vote the proxy in accordance with applicable voting guidelines. Proxy systems (i.e. Proxy Edge) may be used to aid in the voting process;
- Clients may provide proxy guidelines to Champlain, in which case the appropriate company analyst will vote in accordance with the applicable voting guidelines provided while adhering to the Conflicts of Interest section below;
- The Proxy Manager will complete the proxy and vote the proxy in a timely and appropriate manner.

Disclosure

- Champlain will conspicuously display information in its Disclosure Document summarizing the proxy voting policy and procedures, including a statement that clients may request information regarding how Champlain voted a client's proxies, and that clients may request a copy of these policies and procedures.

Client Requests for Information

- All client requests for information regarding proxy votes, or policies and procedures, received by any employee should be forwarded to the Proxy Manager.
- In response to any request, the Proxy Manager will prepare a written response to the client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how Champlain voted the client's proxy with respect to each proposal about which client inquired.

Voting Guidelines

<u>Proxy Voting Philosophy</u>

Champlain believes that its primary fiduciary responsibility is to maximize the financial returns of all managed accounts. With this goal in mind, we will engage in a rigorous appraisal and evaluation process in which Champlain's proxy voting will support corporate management practices that are strictly shareholder oriented and corporate policies, which are aligned with maximizing shareholder returns.

Fiduciary Responsibility

Champlain has the fiduciary responsibility to make all decisions (including those related to proxy issues) according to the best interests of the ultimate beneficiaries of accounts under management. Champlain will carefully review each proxy issue and evaluate the statements and views of competing parties, and vote proxies based solely on the best interests of Champlain's clients.

Using Management Guidance

The quality of corporate management is one of the most important considerations of Champlain portfolio managers and analysts when making investment decisions. Considerable weight is given to the recommendations of a company's management and directors with respect to proxy issues. In some cases, unless such recommendations conflict with the interests of clients, votes will be cast in accordance with management recommendations. However, in certain cases, company recommendations may be in conflict with Champlain's assessment of sound governance practices and therefore not in the interests of clients, leading to votes in opposition to management. Champlain will strive for consistency in its proxy voting, but also acknowledges that there are no hard and fast rules guiding all situations. Individual proxy issues are always evaluated on their particular merits, and where conflicts arise between the interests of corporate management and the interests of Champlain clients, resolution is always in favor of the clients.

Policy on Board of Directors

Champlain believes that meaningful, independent oversight of corporate managers is a critical function of a company's board of directors, and a cornerstone of sound corporate governance. To that end, Champlain will support proposals seeking a majority of independent directors for the board, as well as proposals requiring independent directors for nominating, audit and compensation committees. Votes on individual director nominees are made on a case-by-case basis examining such factors as board and committee composition, past attendance record and governance efficacy. Votes for director nominees may be withheld in cases where a lack of independence, lack of material financial interest in the company, or evidence of poor past governance practices exists.

Policy on Audit Committee

Champlain believes that audit committees should be comprised of directors who are independent and financially literate, and shall vote in favor of such a structure. The audit committee should have the exclusive authority to hire independent auditors. Champlain will generally withhold votes for audit committee members who approve significant non-audit relationships with outside auditors, as well as vote against ratification of the outside auditor when such relationships exist.

Policy on Proxy Contest Defenses / Anti-takeover Measures

Champlain generally opposes proxy contest defenses and anti-takeover measures since they tend to restrict shareholder rights and participation, and often limit the realization of maximum economic value. Champlain supports shareholder resolutions that reverse previously adopted anti-takeover measures or, in general, enhance shareholder rights. However, as with all proxy issues, Champlain conducts a full review of each proposal and vote in the best interests of clients.

Anti-takeover measures generally opposed:

- Classification of the Board of Directors
- Shareholder rights plans (poison pills)
- Greenmail
- Supermajority rules to approve mergers or amend charter or bylaws
- Authority to place stock with disproportionate voting rights
- Golden Parachutes

Shareholder resolutions generally supported:

- Rescind or prohibit any of the above anti-takeover measures
- Annual voting of directors; repeal classified boards.
- Adoption of confidential voting
- Adoption of cumulative voting
- Redeem shareholder rights plans
- Proposals that require shareholder approval of rights plans (poison pills)

Policy on Capital Structure

Champlain considers disciplined capital use an essential component of effective corporate management. Therefore we carefully consider proposals to authorize increased common shares, and generally limit authorization to funding needs for the next twelve months or for compelling management uses. Champlain will generally vote for proposals to increase common shares for a stock split. Other capital structure proposals, such as preferred stock, will be voted for on a case-by-case basis.

Policy on Executive and Director Compensation

Champlain believes stock based compensation plans must be very carefully analyzed to protect the economic interests of shareholders, while providing appropriate motivation for corporate managers. Such plans should be highly correlated to both individual and corporate performance. Champlain will oppose all option plans with excessive transfer of shareholder wealth, in the form of dilution to shareholder equity and voting power, to corporate directors, executives and employees. Champlain will consider factors such as other corporate incentives, corporate performance, industry practices, and terms and duration of the option program in its decision. Although each plan will be voted on a case-by-case basis, Champlain will generally vote against plans, which do not meet several criteria. Champlain standards for option plan approval include: (1) dilution of less than 2% per annum, (2) strike prices either indexed against a relevant industry or market benchmark, or set at a premium to the current stock price, (3) strike prices set systematically, (4) options cost expensed, and (5) any material revisions to plans requiring a shareholder vote. Champlain believes that these criteria will lead to votes in favor of plans that meet the ultimate goal of aligning management and shareholder interests, while providing reasonable economic incentives for managers. Champlain will vote for proposals requiring shareholder approval to reprice options, and will generally vote against option strike price repricing. Champlain withholds votes for director nominees in the event of option repricing without shareholder approval. Director compensation plans are viewed on a case-by-case basis, with the goal of protecting economic interests of shareholders and aligning interests of directors with shareholders. Employee Stock Purchase plans are voted on a case-by-case basis.

Policy on Mergers and Corporate Restructurings

All mergers, acquisitions and restructurings are voted on a case-by-case basis taking into account financial terms, benefits and acquisition price.

Social and Environmental Issues

In recent years, a number of shareholder resolutions have been placed in corporate proxy statements that would require a company to alter its normal business practices in order to comply with the sponsor's view of corporate responsibility or citizenship. Examples of such proposals include requests that a company:

- allow shareholder control of corporate charitable contributions
- exit the nuclear power business
- adopt the MacBride Principles
- adopt the Ceres Principles
- stop doing business with the US Department of Defense
- stop using animals for product testing
- make donations to a pro-life or pro-choice advocate
- stop donations to a pro-life or pro-choice advocate
- move its annual meeting to a town with better public transportation

While Champlain directors, officers, employees and clients may have personal views with respect to each of these and other issues; it is Champlain's corporate policy not to favor resolutions that would impose mandatory constraints on a company's perceived ability to compete in the marketplace. In practice, this generally means voting against these shareholder resolutions.

Conflicts of Interest

- If there is a conflict of interest between the Champlain proxy voting policy and a client's expressed voting policy, Champlain will vote the proxy in the manner the client has articulated.
- Champlain will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Champlain with the issuer of each security to determine if Champlain or any of its employees has any financial, business or personal relationship with the issuer.
- If a material conflict of interest exists, the Proxy Manager will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.
- Champlain will maintain a record of the voting resolution of any conflict of interest.

Recordkeeping

The Proxy Manager shall retain the following proxy records in accordance with the SEC's five- year retention requirement:

- These policies and procedures and any amendments;
- A record of each vote that Champlain casts;
- A copy of each written request from a client for information on how Champlain voted such client's proxies, and a copy of any written response;
- Any document Champlain created that is material to making a decision on how to vote proxies, or that memorializes that decision;

Summary of GlobeFlex's Proxy Voting Procedures

GlobeFlex subscribes to a third party service provider (the "Proxy Service") with respect to proxy voting. Under a service agreement, the Proxy Service keeps GlobeFlex apprised of shareholder meeting dates of securities holdings, makes copies of proxy materials available for GlobeFlex's review upon request, and votes proxies in accordance with its guidelines or instructions. The Proxy Service maintains all necessary proxy voting records including documentation of why and how votes were cast for clients. The Proxy Service is notified of proxy guidelines provided by clients and is instructed to vote for those specific clients according to their custom policies. The Proxy Service will keep records of such custom policies and voting history.

The Proxy Service has formulated guidelines, based on their research, which set forth positions on recurring issues. GlobeFlex reviews these guidelines periodically, identifying changes and evaluating accordingly. The guidelines are not exhaustive and do not include all potential voting issues. Proposals not covered by the guidelines and contested situations are evaluated on a case-by-case basis, taking into consideration all of the relevant facts and circumstances at the time of the vote. GlobeFlex's voting decisions are then communicated to the Proxy Service.

Although GlobeFlex may consider the Proxy Service's recommendations on proxy issues, GlobeFlex bears the ultimate responsibility for proxy voting decisions. For ERISA plans for which GlobeFlex votes proxies, GlobeFlex is not relieved of its fiduciary responsibility by following directions of the Proxy Service or the ERISA plans' named fiduciaries or by delegating proxy voting responsibility to another person.

Identifying and resolving conflicts of interest

Potential conflicts of interest

A potential conflict of interest arises when GlobeFlex has business interests that may not be consistent with the best interests of its client. The following is a non-exhaustive list of potential conflicts of interests that could influence the proxy voting process:

- GlobeFlex retains an institutional client, or is in the process of retaining an institutional client that is (or is affiliated with) an issuer that is held in GlobeFlex's client portfolios.
- GlobeFlex retains a client, or is in the process of retaining a client that is an officer or director of an issuer that is held in GlobeFlex's client portfolios.
- GlobeFlex's employees maintain a personal and/or business relationship (not an advisory relationship) with issuers or individuals that serve as officers or directors of issuers.
- A GlobeFlex employee personally owns a significant number of an issuer's securities that are also held in GlobeFlex's client portfolios.

Identifying conflicts of interest

GlobeFlex realizes that due to the difficulty of predicting and identifying all material conflicts, it must rely on its employees to notify the Chief Compliance Officer ("CCO") of any material conflict that may impair GlobeFlex's ability to vote proxies in an objective manner. The CCO monitors for conflicts. GlobeFlex has also hired a third-party compliance consulting firm. GlobeFlex will consult with this firm and/or outside counsel if any possible conflicts arise. The compliance consultant will also review and attempt to identify additional proxy voting conflicts during its annual review of GlobeFlex.

In addition, any attempts by others within GlobeFlex to influence the voting of client proxies in a manner that is inconsistent with the Proxy Voting Policy shall be reported to the CCO. Further, any attempts by persons or entities outside GlobeFlex to influence the voting of client proxies shall be reported to the CCO. The CCO may then elect to report the attempt to the CEO, CIO and legal counsel.

Resolution of conflicts of interest

Upon detection of a material conflict of interest, the proxy in question will be voted in accordance with the pre-determined policy recommendation of the Proxy Service.

Recordkeeping

GlobeFlex shall maintain the following types of historical records:

Client requests to review proxy votes:

- Any request, whether written (including email) or oral, received by any employee of GlobeFlex, must be promptly reported to Client Service. All written requests must be retained in the permanent file.
- In order to facilitate the dissemination of proxy voting records to clients, Client Service may distribute to any client requesting proxy voting information the complete proxy voting record of that client for the period requested.
- Client Service will furnish the information requested, free of charge, to the client within a reasonable time period. GlobeFlex will maintain a copy of the written record provided in response to a client's written (including email) or oral request. A copy of the written response should be attached and maintained with the client's written request, if applicable, and maintained in the permanent file.
- Clients are permitted to request the proxy voting record for the 5-year period prior to their request.

Proxy voting policy and procedures:

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- GlobeFlex will maintain the current Proxy Voting Policy, as well as all past versions for the last 7 years.

Proxy voting records:

- A record of how client proxies were voted (such records are also maintained by the Proxy Service).
- Documents prepared or created by GlobeFlex that were material to making a decision on how to vote, or that memorialized the basis for the decision.
- Documentation or notes or any communications received from third parties, other industry analysts, third party service providers, company's management discussions and the like that were material in the basis for GlobeFlex's decision.

Disclosure

GlobeFlex will ensure that Part 2A of Form ADV is updated as necessary to reflect: (i) all material changes to the Proxy Voting Policy; and (ii) information about how clients may obtain information on how GlobeFlex voted their securities.

Proxy Solicitation

As a matter of practice, it is GlobeFlex's policy to not reveal or disclose to any unrelated third-parties or issuers how GlobeFlex may have voted or intends to vote on a particular proxy.

The CCO is to be promptly informed of the receipt of any solicitation from any person on how to vote proxies on behalf of clients, and the CCO shall handle all responses to such solicitations. At no time may any employee accept any remuneration in return for the voting of proxies.

Summary of Kennedy's Proxy Voting Policies and Procedures

Introduction

Rule 206(4)-6 under the Advisers Act is designed to ensure that investment advisers fulfill their fiduciary obligation when voting client proxies. Disclosure requirements include:

(i) investment advisers that exercise proxy voting authority for clients must describe the firm's proxy policies and procedures, and upon request, provide clients with a copy of those policies and procedures; and
(ii) advisers must describe how clients may obtain information on how their securities were voted.

Kennedy has adopted the following policies with respect to voting proxies on behalf of its clients:

1. Kennedy's written proxy voting policy, which is updated and supplemented from time-to-time, will be provided to each client for which Kennedy has been delegated the authority or responsibility to vote proxies;
2. Clients will be advised about how to obtain a copy of the proxy voting policy and information about how their securities were voted;
3. The proxy voting policy is consistently applied and records of votes maintained for each client;
4. Kennedy documents the reasons for voting, including exceptions;
5. Kennedy maintains records of such votes cast and client requests for proxy voting information for inspection by the client or governmental agencies;
6. Kennedy monitors such voting for any potential conflicts with the interests of its clients; and
7. Kennedy maintains systems to ensure that material conflicts will be resolved prior to voting, documenting in each case that its good faith determination was based on the clients' best interests and did not result from the conflict.

Conflicts of Interests

Kennedy is an investment adviser to pension plans, public and private companies, mutual funds and individual investors, and is a sub-adviser to wrap programs as described in Kennedy's Form ADV. The management fees collected from such clients are Kennedy's principal source of revenue. With respect to the fees received for advisory services rendered, conflicts of interest may occur when Kennedy must vote on ballot items of the public companies for which it manages the pension plan assets and, in certain cases, Kennedy may have a relationship with the proponents of proxy proposals or participants in proxy contests.

To mitigate potential conflicts of interest or the appearance of conflicts, Kennedy does not allow employees to sit on the board of directors of any public company without Senior Management approval. To the extent that such conflicts occur, Kennedy will generally follow the recommendation of the proxy voting service to ensure that the best interests of its clients are not subordinated to Kennedy's interests. Kennedy may, in selected matters, consult the Proxy Committee to obtain guidance to vote proxies. Routine matters shall not constitute a material conflict with respect to this procedure.

The Proxy Committee has a duty to make reasonable investigation of information relating to conflicts of interest. The Proxy Committee is chaired by the Chief Executive Officer and is comprised of the Chief Operating Officer, the Director of Research, the Chief Compliance Officer, the Manager of Portfolio and Trading Operations and such other members as may be amended from time-to-time as required by a majority vote of its current members, with three members serving as a quorum. The Proxy Committee will determine, prior to voting, whether any of the members of the Committee have a material personal or business conflict - in which case the committee member will abstain from voting.

Engagement of Service Provider

In order to facilitate the proxy voting process, Broadridge Investor Communication Solutions, Inc. ("Broadridge") has been retained to provide access to a selection of third-party providers that are available to provide proxy vote recommendations and research. Votes are cast through the Broadridge ProxyEdge® platform ("ProxyEdge®"). With the assistance of Broadridge, Glass Lewis & Co., LLC ("Glass Lewis") has been selected to provide vote recommendations based on its own internal guidelines. The services provided to Kennedy through Glass Lewis include access to Glass Lewis research analysis and their voting recommendations. Services provided to Kennedy through ProxyEdge® include receipt of proxy ballots, vote execution based upon the recommendations of Glass Lewis, access to the voting recommendations of Glass Lewis, as well as reporting, auditing, working with custodian banks, and consulting assistance for the handling of proxy voting responsibilities. ProxyEdge® also maintains proxy voting records and provides Kennedy with reports that reflect the proxy voting activities of client portfolios. Kennedy uses this information for appropriate monitoring of such delegated responsibilities.

Kennedy may, under soft dollar arrangements, pay for no more than the cost allocated to research services. The cost of that portion of the services not constituting "research" for the purposes of Section 28(e) ("mixed-use" services) will be reimbursed to the broker-dealer provider. Presently, Broadridge's services are not provided to Kennedy by a broker-dealer under a soft dollar arrangement.

Proxies are voted through the ProxyEdge® application in accordance with one of two proxy voting platforms offered by Kennedy. It is the client's decision as to which set of guidelines will be used to vote its proxies. Not all clients delegate proxy voting authority to Kennedy; however, Kennedy is deemed to have voting authority in the absence of a specific delegation of authority and will vote in accordance with the Standard Policy under such circumstances.

Platforms Available

- Standard policy - which is generally voted in conformity with the Glass Lewis Proxy Paper™ Policy Guidelines (the "Standard Policy").
- Catholic policy - which is generally voted in conformity with the Glass Lewis Catholic Policy, an addendum to the Glass Lewis Proxy Paper™ Policy Guidelines and based largely on the principles set forth by the United States Conference of Catholic Bishops (the "Catholic Policy").

The Standard Policy is the default policy to be used for voting proxies for all clients' accounts (both ERISA and non-ERISA related) unless the client specifically selects the Catholic Policy.

Kennedy generally votes proxy ballots for its clients using a proxy voting service to help fulfill voting obligations, although some clients may choose to retain voting responsibility. Unless otherwise instructed, Kennedy will undertake to vote proxies. Kennedy must make proxy voting decisions solely in the best interests of its clients and will place clients' interests above its own interests.

Generally, Kennedy follows the recommendations of Glass Lewis. For proxies relating to issues not addressed in the guidelines, the vote will be referred back to Kennedy. A client is encouraged to vote its own proxies if the client seeks to impose client-specific voting guidelines that may be inconsistent with one of the two policies offered by Kennedy. Kennedy does not generally advise a client on proxy voting issues when the client retains authority to handle such matters itself. Kennedy may direct that proxies be voted in a manner different from that recommended by Glass Lewis. However, when Kennedy's interests conflict with the interests of its clients, the recommendation of the proxy voting service will be followed. Additionally, Kennedy may seek guidance from its Proxy Voting Committee to resolve material conflicts of interest.

Securities Lending Arrangements

Kennedy's clients may elect to participate in a securities lending program through the client's selected custodian. Under typical securities lending arrangements, securities on loan to a borrower on a proxy record date will not be voted by the lender. Therefore, Kennedy will not vote securities that are on loan as the responsibility to vote proxies will typically reside with the borrower of the shares.

International Constraints

Although it is Kennedy's policy to vote all proxies for the securities held in a client's account(s) for which it has been delegated proxy voting authority, in the case of non-U.S. issuers proxies are voted on a best efforts basis. Generally, research coverage of non-U.S. issuers is issued through Glass Lewis. Voting recommendations are not always provided with research; therefore, ballots for non-U.S. issuers are generally voted according to the chosen policy.

Custodian Considerations

A custodian may, in its sole discretion, determine that it will provide proxies to Broadridge for U.S. domestic companies, but not for non-U.S. issuers. Or, custodians may determine to provide proxies for non-U.S. issuers only to its selected proxy voting provider. In these instances, Broadridge is not able to vote proxies for non-U.S. issuers held in a client's account.

It is important to understand that from time-to-time custodian issues may arise which are beyond Kennedy's control. Upon account inception, it is Kennedy's responsibility to notify the client's custodian so that the custodian may begin to forward proxy materials directly to Broadridge. In the event a client delegates proxy voting authority to Kennedy, it remains the client's obligation to instruct their custodian to forward applicable proxy materials directly to Broadridge so that their shares can be voted. Although Kennedy makes its best efforts to make sure that the client's custodian has received Kennedy's instructions, it is the responsibility of the client's custodian to acknowledge receipt of the instructions and to establish the account correctly in order for proxy materials to be submitted to Broadridge in a timely manner. Kennedy is not able to vote shares if Broadridge does not receive proxy materials on a timely basis from the custodian.

It is within each custodian's discretion as to whether it will provide ballots to Broadridge for issuers whose stocks are held in each client's account. Instead, a custodian may select its own proxy voting provider and choose not to provide proxy ballots to Broadridge. In these instances, Broadridge is not able to vote proxies for the client's account and Kennedy will not be able to accept voting authority for the client's account.

When voting ballots, it is within each custodian's discretion as to whether it will aggregate shares, held on behalf of various clients, in an omnibus account instead of submitting individual ballots for segregated accounts. In these cases, a custodian must rely on its internal records to differentiate the various underlying holdings. In these instances, Broadridge will not be able to provide Kennedy with a detailed history of voting records at the individual client account level.

Kennedy maintains written proxy voting policies and procedures as required by Rule 206(4)-6 under the Advisers Act. A copy of Kennedy's complete proxy voting policy and procedures may be obtained by writing Kennedy Capital Management, Inc., 10829 Olive Blvd, St. Louis, MO 63141.

Except as otherwise required by law, the Firm has a general policy of not disclosing proxy voting records to an unaffiliated third party.

Summary of SouthernSun's Proxy Voting Policies and Procedures

Election of the Board of Directors

SouthernSun believes that good corporate governance generally starts with a board composed primarily of independent directors. SouthernSun will evaluate board structures on a case-by-case basis.

Approval of Independent Registered Public Accounting Firm

SouthernSun believes that the relationship between a company and its auditors should be limited primarily to the audit engagement, although it may include certain closely related activities that do not raise an appearance of impaired independence. SouthernSun will evaluate on a case-by-case basis instances in which the audit firm has a substantial non-audit relationship with a company to determine whether SouthernSun believes independence has been, or could be, compromised.

Equity-based Compensation Plans

SouthernSun believes that appropriately designed equity-based compensation plans, approved by shareholders, can be an effective way to align the interests of shareholders and the interests of directors, management, and employees by providing incentives to increase shareholder value. Conversely, SouthernSun is opposed to plans that substantially dilute ownership interests in the company, provide participants with excessive awards, or have inherently objectionable structural features. SouthernSun will generally support measures intended to increase stock ownership by executives and the use of employee stock purchase plans to increase company stock ownership by employees. SouthernSun may also consider many other factors, such as the nature of the industry and the size of the company, when assessing a plan's impact on ownership interests.

Corporate Structure

SouthernSun views the exercise of shareholders' rights, including the rights to act by written consent, to call special meetings and to remove directors, to be fundamental to good corporate governance. Because classes of common stock with unequal voting rights limit the rights of certain shareholders, SouthernSun generally believes that shareholders should have voting power equal to their equity interest in the company and should be able to approve or reject changes to a company's by-laws by a simple majority vote.

Because the requirement of a supermajority vote can limit the ability of shareholders to effect change, SouthernSun generally supports proposals to remove super-majority (typically from 66.7% to 80%) voting requirements for certain types of proposals and oppose proposals to impose super-majority requirements.

Shareholder Rights Plans

While SouthernSun recognizes that there are arguments both in favor of and against shareholder rights plans which when triggered by a hostile acquisition attempt give shareholders share purchase or sale rights so far out of line with the market as to advantage certain shareholders at the risk of diminution of wealth to the company, also known as poison pills, such measures may tend to entrench current management, which SouthernSun may consider to have a negative impact on shareholder value. SouthernSun believes the best approach is for a company to seek shareholder approval of rights plans and it generally supports shareholder resolutions requesting that shareholders be given the opportunity to vote on the adoption of rights plans.

Records Retention

SouthernSun will maintain the following records:

- Copies of all policies and procedures written
- A copy of each proxy statement received
- A record of each vote cast
- A copy of any document created that was material to making a decision on how to vote proxies or that memorializes the basis for that decision.

SouthernSun will maintain a copy of each written client request for information on voted proxies on behalf of such fund, and a copy of any written response to any (written or oral) client request for information on how it voted proxies on behalf of the requesting client fund.

SouthernSun will maintain records of its proxy voting and any document created that was material in determining the vote for at least five years (two years on site).

Summary of SSGA FM's Proxy Voting Policies and Procedures

The Board has adopted the proxy voting policies and procedures of SSGA FM, the S&P 500 Index Fund's sub-adviser, and, subject to GEAM's and the Board's continuing oversight, delegates the responsibility of voting proxies for the S&P 500 Index Fund to SSGA FM. SSGA FM's Proxy Voting Policy will be presented to the Board at least annually, and SSGA FM will notify GEAM and the Board of any material changes to SSGA FM's proxy policy at the next regular Board meeting after the material change occurs.

SSGA FM has undertaken to vote proxies with respect to the S&P 500 Index Fund's underlying securities holdings and retains the final authority and responsibility for such voting. SSGA FM, at the direction of SSGA FM's Investment Committee, retains ISS, a firm with expertise in proxy voting and corporate governance, to support SSGA's voting process. SSGA FM uses ISS's services in three ways: (1) as SSGA FM's proxy voting agent (providing SSGA FM with vote execution and administration services); (2) applying SSGA FM's Proxy Voting Guidelines; and (3) providing research and analysis relating to general corporate governance issues and specific proxy items. SSGA FM has instructed the voting agent to follow the voting guidelines as set by SSGA FM's Investment Committee. The implementation of SSGA FM's Proxy Voting Guidelines is overseen by SSGA FM's Global Proxy Review Committee ("SSGA FM PRC"). The SSGA FM PRC reports to SSGA's Investment Committee and may refer certain significant proxy items to that Committee. Oversight of the proxy voting process is ultimately the responsibility of SSGA's Investment Committee.

The following represents a summary of SSGA FM's Proxy Voting Policy and Proxy Voting Guidelines, and is qualified in its entirety by reference to the full Proxy Voting Policy and Proxy Voting Guidelines.

SSGA FM generally supports management on routine corporate governance matters such as election of independent directors who do not appear to have been remiss in the performance of their oversight responsibilities, who do not simultaneously serve on an unreasonable (as determined by SSGA FM) (other than those affiliated with the issuers) number of other boards, who have attended at least 75% of board meetings, and who have not served exceedingly long tenure terms on the board, approval of auditors, directors' and auditors' compensation, directors' liability and indemnification, discharge of board members' duties, discharge of auditors, approval of financial statements and allocation of income, dividend payouts that are greater than or equal to country and industry standards, authorization of share repurchase programs, general updating of or corrective amendments to charter, change in corporation name, exclusive forum provisions and elimination of cumulative voting.

SSGA FM generally votes in support of management on the following items, which have potentially substantial financial or best-interest impact: capitalization changes that eliminate other classes of stock and/or unequal voting rights, changes in capitalization authorization for stock splits, stock dividends, and other specified needs which are no more than 50% of the existing authorization for U.S. companies and no more than 100% of existing authorization for non-U.S. companies; elimination of pre-emptive rights for a share issuance of less than a given percentage (country specific—ranging from 5% to 20%) of the outstanding shares; elimination of “poison pill” rights; stock purchase plans with an exercise price of not less than 85% of fair market value, stock option plans that are incentive based and not excessively dilutive; other stock-based plans that are appropriately structured; reductions in super-majority vote requirements; and the adoption of anti- “greenmail” provisions. SSGA FM generally supports management proposals on executive compensation where there is a strong relationship between executive pay and performance over a five-year period. In addition, SSGA FM supports an annual advisory vote on executive compensation.

SSGA FM generally votes against management on matters such as capitalization changes that add “blank check” classes of stock or classes that dilute the voting interests of existing shareholders, changes in capitalization authorization where management does not offer an appropriate rationale or that are contrary to the best interest of existing shareholders, anti-takeover and related provisions that serve to prevent the majority of shareholders from exercising their rights or effectively deter appropriate tender offers and other offers, amendments to bylaws that would require super-majority shareholder votes to pass or repeal certain provisions; elimination of shareholders’ right to call special meetings; establishment of classified boards of directors; quorum requirement reductions below a majority of outstanding shares absent compelling reasons; proposals that reduce shareholders’ rights or have the effect of entrenching incumbent management; adjournment of meeting to solicit additional votes in connection with a merger or transaction; “other business as properly comes before the meeting,” proposals which extend “blank check” powers to those acting as proxy; and proposals requesting re-election of insiders or affiliated directors who serve on audit, compensation, and nominating committees.

SSGA FM evaluates mergers and acquisitions on a case-by-case basis in order to seek the best value for the S&P 500 Index Fund. SSGA FM generally votes against offers with potentially damaging consequences for minority shareholders because of illiquid stock, especially in some non-US markets and offers where SSGA FM believes there is a reasonable prospect for an enhanced bid or other bidders and offers where, at the time of voting, the current market price of the security exceeds the bid price. SSGA FM generally votes in favor of transactions that maximize shareholder value. Some of the considerations include, but are not limited to, the offer premium, strategic rationale, board oversight of the process for the recommended transaction, and, offers in which the secondary market price is substantially lower than the net asset value.

SSGA FM generally supports shareholder proposals on issues such as establishing the annual election of directors unless the board is comprised of a supermajority of independent directors, the board’s key committees (auditing, nominating and compensation) are comprised of independent directors, as well as considering other governance factors such as antitakeover devices; requiring majority vote for director election; and mandating that changes to the bylaws or charter have shareholder approval. SSGA also supports special meeting and written consent proposals if certain criteria are met; proposals requiring the disclosure of executive retirement benefits in the absence of an independent compensation committee, the disclosure of auditor and consulting relationships when the same or related entities are conducting both activities; the establishment of a selection committee responsible for the final approval of significant management consultant contract awards where existing firms are already acting in an auditing function are also generally supported.

SSGA FM generally votes against shareholder proposals on issues such as limits to tenure of directors; requirements that candidates for directorships own large amounts of stock before being eligible to be elected; restoration of cumulative voting in the election of directors; and proposals asking companies to adopt full tenure holding periods for their executives. SSGA FM will typically vote against or abstain from voting on environmental or social proposals absent a compelling economic impact on shareholder value.

From time to time, SSGA FM will review a proxy which may present a potential conflict of interest. SSGA has a standalone conflicts policy that is designed to prevent undue influence on SSGA's voting activities that may arise from relationships between proxy issuers or companies and State Street Corporation, SSGA, SSGA affiliates, SSGA Funds or SSGA Fund affiliates. In general, SSGA FM does not believe matters that fall within its Proxy Voting Guidelines and are voted consistently with the Proxy Voting Guidelines present any potential conflicts, since the vote on the matter has effectively been determined without reference to any soliciting entity; however, where matters do not fall within SSGA FM's Proxy Voting Guidelines or where SSGA FM believes that voting in accordance with the Proxy Voting Guidelines is unwarranted, SSGA FM conducts an additional review to determine whether there is a conflict of interest as defined by our policy.

In circumstances where either (i) the matter does not fall clearly within the Proxy Voting Guidelines or (ii) SSGA FM determines that voting in accordance with such policies or guidance is not in the best interests of its clients, the Head of SSGA FM's Corporate Governance Team will determine whether a Material Relationship exists. If so the matter is referred to the SSGA FM PRC. The SSGA FM PRC then reviews the matter and determines whether a conflict of interest exists, and if so, how to best resolve such conflict. For example, the SSGA FM PRC may (i) determine that the proxy vote does not give rise to a conflict due to the issues presented, (ii) refer the matter to SSGA's Investment Committee for further evaluation or (iii) retain an independent fiduciary to determine the appropriate vote.

Summary of CenterSquare's Proxy Voting Policies and Procedures

CenterSquare exercises voting authority for clients in accordance with ISS recommendations, and has retained ISS to vote client proxies. As such, CenterSquare's proxy voting policies and procedures are intended to give precedence to its clients' best interests. Based on ISS' recommendations, proposals assessed to positively impact shareholders will be voted in favor of and proposals that would appear to have adverse impact on shareholders will be voted against. In the event that there are material conflicts of interest, client proxies will be voted in accordance with the recommendations of ISS, rather than CenterSquare's interpretation as to what may be in the best interest of any client. CenterSquare will monitor the voting delegated to ISS.

Summary of BlackRock's Proxy Voting Policies and Procedures

Philosophy on corporate governance

BlackRock's corporate governance program is focused on protecting and enhancing the economic value of the companies in which it invests on behalf of clients. BlackRock does this through engagement with boards and management of investee companies and, for those clients who have given BlackRock authority, through voting at shareholder meetings.

BlackRock believes that there are certain fundamental rights attached to share ownership. Companies and their boards should be accountable to shareholders and be structured with appropriate checks and balances to ensure that they operate in shareholders' interests. Effective voting rights are central to the rights of ownership and there should be one vote for one share. Shareholders should have the right to elect, remove and nominate directors, approve the appointment of the auditor and to amend the corporate charter or by-laws. Shareholders should be able to vote on matters that are material to the protection of their investment including but not limited to changes to the purpose of the business, dilution levels and pre-emptive rights, the distribution of income and the capital structure. In order to exercise these rights effectively, BlackRock believes shareholders have the right to sufficient and timely information to be able to take an informed view of the proposals, and of the performance of the company and management.

BlackRock's focus is on the board of directors, as the agent of shareholders, which should set the company's strategic aims within a framework of prudent and effective controls which enables risk to be assessed and managed. The board should provide direction and leadership to the management and oversee management's performance. BlackRock's starting position is to be supportive of boards in their oversight efforts on BlackRock's behalf and we would generally expect to support the items of business they put to a vote at shareholder meetings. Votes cast against or withheld from resolutions proposed by the board are a signal that BlackRock is concerned that the directors or management have either not acted in the interests of shareholders or have not responded adequately to shareholder concerns regarding strategy or performance.

These principles set out BlackRock's approach to engaging with companies, provide guidance on BlackRock's position on corporate governance and outline how these views might be reflected in BlackRock's voting decisions. Corporate governance practices vary internationally and BlackRock's expectations in relation to individual companies are based on the legal and regulatory framework of each market. However, as noted above, BlackRock does believe that there are some overarching principles of corporate governance that apply globally. BlackRock assesses voting matters on a case-by-case basis and in light of each company's unique circumstances. BlackRock is interested to understand from the company's reporting its approach to corporate governance, particularly where it is different from the usual market practice, and how it benefits shareholders.

BlackRock also believes that shareholders have responsibilities in relation to monitoring and providing feedback to companies, sometimes known as stewardship. These ownership responsibilities include, in BlackRock's view, engaging with management or board members on corporate governance matters, voting proxies in the best long- term economic interests of shareholders and engaging with regulatory bodies to ensure a sound policy framework consistent with promoting long-term shareholder value creation. Institutional shareholders also have responsibilities to their clients to have appropriate resources and oversight structures. BlackRock's approach to oversight in relation to its corporate governance activities is set out in the section below titled "BlackRock's oversight of its corporate governance activities."

Corporate governance, engagement and voting

BlackRock recognizes that accepted standards of corporate governance differ between markets but BlackRock believes that there are sufficient common threads globally to identify an overarching set of principles. The primary objective of BlackRock's corporate governance activities is the protection and enhancement of the value of BlackRock's clients' investments in public corporations. Thus, these principles focus on practices and structures that BlackRock considers to be supportive of long-term value creation. BlackRock discusses below the principles under six key themes. In BlackRock's regional and market-specific voting guidelines BlackRock explains how these principles inform its voting decisions in relation to specific resolutions that may appear on the agenda of a shareholder meeting in the relevant market.

The six key themes are:

- Boards and directors
- Auditors and audit-related issues
- Capital structure, mergers, asset sales and other special transactions
- Remuneration and benefits
- Social, ethical and environmental issues
- General corporate governance matters

At a minimum BlackRock would expect companies to observe the accepted corporate governance standard in their domestic market or to explain why doing so is not in the interests of shareholders. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with BlackRock's view of what is in the best interests of shareholders, BlackRock will engage with the company and/or use its vote to encourage a change in practice. In making voting decisions, BlackRock takes into account research from proxy advisors, other internal and external research, information published by the company or provided through engagement and the views of BlackRock's equity portfolio managers.

BlackRock views engagement as an important activity; engagement provides BlackRock with the opportunity to improve its understanding of investee companies and their governance structures, so that BlackRock's voting decisions may be better informed. Engagement also allows BlackRock to share its philosophy and approach to investment and corporate governance with companies to enhance their understanding of BlackRock's objectives. There are a range of approaches BlackRock may take in engaging companies depending on the nature of the issue under consideration, the company and the market.

Boards and directors

The performance of the board is critical to the economic success of the company and to the protection of shareholders' interests. Board members serve as agents of shareholders in overseeing the strategic direction and operation of the company. For this reason, BlackRock focuses on directors in many of its engagements and sees the election of directors as one of its most important responsibilities in the proxy voting context.

BlackRock expects the board of directors to promote and protect shareholder interests by:

- establishing an appropriate corporate governance structure;

- supporting and overseeing management in setting strategy;

- ensuring the integrity of financial statements;

- making decisions regarding mergers, acquisitions and disposals;

- establishing appropriate executive compensation structures; and

- addressing business issues including social, ethical and environmental issues when they have the potential to materially impact company reputation and performance.

There should be clear definitions of the role of the board, the sub-committees of the board and the senior management such that the responsibilities of each are well understood and accepted. Companies should report publicly the approach taken to governance (including in relation to board structure) and why this approach is in the interest of shareholders. BlackRock will engage with the appropriate directors where BlackRock has concerns about the performance of the board or the company, the broad strategy of the company or the performance of individual board members. Concerns about directors may include their role on the board of a different company where that board has performed poorly and failed to protect shareholder interests.

BlackRock believes that directors should stand for re-election on a regular basis. BlackRock assesses directors nominated for election or re-election in the context of the composition of the board as a whole. There should be detailed disclosure of the relevant credentials of the individual directors in order that shareholders can assess the caliber of an individual nominee. BlackRock expects there to be a sufficient number of independent directors on the board to ensure the protection of the interests of all shareholders. Common impediments to independence may include but are not limited to:

- current employment at the company or a subsidiary;
- former employment within the past several years as an executive of the company;
- providing substantial professional services to the company and/or members of the company's management;
- having had a substantial business relationship in the past three years;

- having, or representing a shareholder with, a substantial shareholding in the company;
- being an immediate family member of any of the aforementioned; and
- interlocking directorships.

BlackRock believes that the operation of the board is enhanced when there is a clearly independent, senior non-executive director to lead it. Where the chairman is also the CEO or is otherwise not independent the company should have an independent lead director. The role of this director is to enhance the effectiveness of the independent members of the board through shaping the agenda, ensuring adequate information is provided to the board and encouraging independent participation in board deliberations. The lead independent board director should be available to shareholders if they have concerns that they wish to discuss.

To ensure that the board remains effective, regular reviews of board performance should be carried out and assessments made of gaps in skills or experience amongst the members. BlackRock believes it is beneficial for new directors to be brought onto the board periodically to refresh the group's thinking and to ensure both continuity and adequate succession planning. In identifying potential candidates, boards should take into consideration the diversity of experience and expertise of the current directors and how that might be augmented by incoming directors. BlackRock believes that directors are in the best position to assess the optimal size for the board, but BlackRock would be concerned if a board seemed too small to have an appropriate balance of directors or too large to be effective.

There are matters for which the board has responsibility that may involve a conflict of interest for executives or for affiliated directors. BlackRock believes that shareholders' interests are best served when the independent members of the board form a sub-committee to deal with such matters. In many markets, these sub-committees of the board specialize in audit, director nominations and compensation matters. An ad hoc committee might also be formed to decide on a special transaction, particularly one with a related party.

Auditors and audit-related issues

BlackRock recognizes the critical importance of financial statements which should provide a complete and accurate picture of a company's financial condition. BlackRock will hold the members of the audit committee or equivalent responsible for overseeing the management of the audit function. BlackRock takes particular note of cases involving significant financial restatements or ad hoc notifications of material financial weakness.

The integrity of financial statements depends on the auditor being free of any impediments to being an effective check on management. To that end, BlackRock believes it is important that auditors are, and are seen to be, independent. Where the audit firm provides services to the company in addition to the audit the fees earned should be disclosed and explained. Audit committees should also have in place a procedure for assuring annually the independence of the auditor.

Capital structure, mergers, asset sales and other special transactions

The capital structure of a company is critical to its owners, the shareholders, as it impacts the value of their investment and the priority of their interest in the company relative to that of other equity or debt investors. Pre-emption rights are a key protection for shareholders against the dilution of their interests.

In assessing mergers, asset sales or other special transactions, BlackRock's primary consideration is the long-term economic interests of shareholders. Boards proposing a transaction need to clearly explain the economic and strategic rationale behind it. BlackRock will review the proposed transaction to determine the degree to which it enhances long term shareholder value. BlackRock would prefer that proposed transactions have the unanimous support of the board and have been negotiated at arm's length. BlackRock may seek reassurance from the board that executive and/or board members' financial interests in a given transaction have not affected their ability to place shareholders' interests before their own. Where the transaction involves related parties BlackRock would expect the recommendation to support it to come from the independent directors and would prefer only non-conflicted shareholders to vote on the proposal.

BlackRock believes that shareholders have a right to dispose of company shares in the open market without unnecessary restriction. In BlackRock's view, corporate mechanisms designed to limit shareholders' ability to sell their shares are contrary to basic property rights. Such mechanisms can serve to protect and entrench interests other than those of the shareholders. BlackRock believes that shareholders are broadly capable of making decisions in their own best interests. BlackRock would expect any so-called 'shareholder rights plans' being proposed by a board to be subject to shareholder approval on introduction and periodically thereafter for continuation.

Remuneration and benefits

BlackRock expects a company's board of directors to put in place a compensation structure that incentivizes and rewards executives appropriately and is aligned with shareholder interests, particularly long-term shareholder returns. BlackRock would expect the compensation committee to take into account the specific circumstances of the company and the key individuals the board is trying to incentivize. BlackRock encourages companies to ensure that their compensation packages incorporate appropriate and challenging performance conditions consistent with corporate strategy and market practice. BlackRock uses third party research, in addition to its own analysis, to evaluate existing and proposed compensation structures. BlackRock holds members of the compensation committee or equivalent accountable for poor compensation practices or structures.

BlackRock believes that there should be a clear link between variable pay and company performance as reflected in returns to shareholders. BlackRock is not supportive of one-off or special bonuses unrelated to company or individual performance. BlackRock supports incentive plans that pay out rewards earned over multiple and extended time periods. BlackRock believes consideration should be given to building claw back provisions into incentive plans such that executives would be required to repay rewards where they were not justified by actual performance. Compensation committees should guard against contractual arrangements that would entitle executives to material compensation for early termination of their contract. Finally, pension contributions should be reasonable in light of market practice.

Outside directors should be compensated in a manner that does not risk compromising their independence or aligning their interests too closely with those of the management, whom they are charged with overseeing.

Social, ethical, and environmental issues

BlackRock's fiduciary duty to clients is to protect and enhance their economic interest in the companies in which BlackRock invests on their behalf. It is within this context that BlackRock undertakes its corporate governance activities. BlackRock believes that well-managed companies will deal effectively with the social, ethical and environmental ("SEE") aspects of their businesses.

BlackRock expects companies to identify and report on the material, business-specific SEE risks and opportunities and to explain how these are managed. This explanation should make clear how the approach taken by the company best serves the interests of shareholders and protects and enhances the long-term economic value of the company. The key performance indicators in relation to SEE matters should also be disclosed and performance against them discussed, along with any peer group benchmarking and verification processes in place. This helps shareholders assess how well management is dealing with the SEE aspects of the business. Any global standards adopted should also be disclosed and discussed in this context.

BlackRock may vote against the election of directors where BlackRock has concerns that a company might not be dealing with SEE issues appropriately. Sometimes BlackRock may reflect such concerns by supporting a shareholder proposal on the issue, where there seems to be either a significant potential threat or realized harm to shareholders' interests caused by poor management of SEE matters. In deciding BlackRock's course of action, BlackRock will assess whether the company has already taken sufficient steps to address the concern and whether there is a clear and material economic disadvantage to the company if the issue is not addressed.

More commonly, given that these are often not voting issues, BlackRock will engage directly with the board or management. The trigger for engagement on a particular SEE concern is BlackRock's assessment that there is potential for material economic ramifications for shareholders.

BlackRock does not see it as its role to make social, ethical or political judgments on behalf of clients. BlackRock expects investee companies to comply, at a minimum, with the laws and regulations of the jurisdictions in which they operate. They should explain how they manage situations where such laws or regulations are contradictory or ambiguous.

General corporate governance matters

BlackRock believes that shareholders have a right to timely and detailed information on the financial performance and viability of the companies in which they invest. In addition, companies should also publish information on the governance structures in place and the rights of shareholders to influence these. The reporting and disclosure provided by companies helps shareholders assess whether the economic interests of shareholders have been protected and the quality of the board's oversight of management. BlackRock believes shareholders should have the right to vote on key corporate governance matters, including on changes to governance mechanisms, to submit proposals to the shareholders' meeting and to call special meetings of shareholders.

BlackRock's oversight of its corporate governance activities

BlackRock holds itself to a very high standard in its corporate governance activities, including in relation to executing proxy votes. This function is executed by a team of dedicated BlackRock employees without sales responsibilities (the "Corporate Governance Group"), and which is considered an investment function. BlackRock maintains three regional oversight committees ("Corporate Governance Committees") for the Americas, Europe, the Middle East and Africa (EMEA) and Asia-Pacific, consisting of senior BlackRock investment professionals. All of the regional Corporate Governance Committees report to a Global Corporate Governance Oversight Committee which is a risk-focused committee composed of senior representatives of the active and index equity investment businesses, the Deputy General Counsel, the Global Executive Committee member to whom the Corporate Governance Group reports and the head of the Corporate Governance Group. The Corporate Governance Committees review and approve amendments to their respective proxy voting guidelines ("Guidelines") and grant authority to the Global Head of Corporate Governance ("Global Head"), a dedicated BlackRock employee without sales responsibilities, to vote in accordance with the Guidelines. The Global Head leads the Corporate Governance Group to carry out engagement, voting and vote operations in a manner consistent with the relevant Corporate Governance Committee's mandate. The Corporate Governance Group engages companies in conjunction with the portfolio managers in discussions of significant governance issues, conducts research on corporate governance issues and participates in industry discussions to keep abreast of the field of corporate governance. The Corporate Governance Group, or vendors overseen by the Corporate Governance Group, also monitor upcoming proxy votes, execute proxy votes and maintain records of votes cast. The Corporate Governance Group may refer complicated or particularly controversial matters or discussions to the appropriate investors and/or regional Corporate Governance Committees for their review, discussion and guidance prior to making a voting decision. BlackRock's Equity Policy Oversight Committee (EPOC) is informed of oversees certain aspects of the work of the Global Corporate Governance Oversight Committee and the Corporate Governance Group.

Vote execution

BlackRock carefully considers proxies submitted to funds and other fiduciary accounts ("Funds") for which it has voting authority. BlackRock votes (or refrains from voting) proxies for each Fund for which it has voting authority based on BlackRock's evaluation of the best long-term economic interests of shareholders, in the exercise of its independent business judgment, and without regard to the relationship of the issuer of the proxy (or any dissident shareholder) to the Fund, the Fund's affiliates (if any), BlackRock or BlackRock's affiliates.

When exercising voting rights, BlackRock will normally vote on specific proxy issues in accordance with its Guidelines for the relevant market. The Guidelines are reviewed regularly and are amended consistent with changes in the local market practice, as developments in corporate governance occur, or as otherwise deemed advisable by BlackRock's Corporate Governance Committees. The Corporate Governance Committees may, in the exercise of their business judgment, conclude that the Guidelines do not cover the specific matter upon which a proxy vote is requested or that an exception to the Guidelines would be in the best long-term economic interests of BlackRock's clients.

In the uncommon circumstance of there being a vote with respect to fixed income securities or the securities of privately held issuers the decision generally will be made by a Fund's portfolio managers and/or the Corporate Governance Group based on their assessment of the particular transactions or other matters at issue.

In certain markets, proxy voting involves logistical issues which can affect BlackRock's ability to vote such proxies, as well as the desirability of voting such proxies. These issues include but are not limited to: (i) untimely notice of shareholder meetings; (ii) restrictions on a foreigner's ability to exercise votes; (iii) requirements to vote proxies in person; (iv) "share-blocking" (requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting); (v) potential difficulties in translating the proxy; and (vi) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions. BlackRock is not supportive of impediments to the exercise of voting rights such as shareblocking or overly burdensome administrative requirements.

As a consequence, BlackRock votes proxies in these markets only on a "best-efforts" basis. In addition, the Corporate Governance Committees may determine that it is generally in the best interests of BlackRock clients not to vote proxies of companies in certain countries if the committee determines that the costs (including but not limited to opportunity costs associated with shareblocking constraints) associated with exercising a vote are expected to outweigh the benefit the client would derive by voting on the issuer's proposal.

While it is expected that BlackRock, as a fiduciary, will generally seek to vote proxies over which BlackRock exercises voting authority in a uniform manner for all BlackRock clients, the relevant Corporate Governance Committee, in conjunction with the portfolio manager of an account, may determine that the specific circumstances of such an account require that such account's proxies be voted differently due to such account's investment objective or other factors that differentiate it from other accounts. In addition, BlackRock believes portfolio managers may from time to time legitimately reach differing but equally valid views, as fiduciaries for their funds and the client assets in those funds, on how best to maximize economic value in respect of a particular investment. Accordingly, portfolio managers retain full discretion to vote the shares in the funds they manage based on their analysis of the economic impact of a particular ballot item.

Conflicts management

BlackRock maintains policies and procedures that are designed to prevent undue influence on BlackRock's proxy voting activity that might stem from any relationship between the issuer of a proxy (or any dissident shareholder) and BlackRock, BlackRock's affiliates, a Fund or a Fund's affiliates. Some of the steps BlackRock has taken to prevent conflicts include, but are not limited to:

- BlackRock has adopted a proxy voting oversight structure whereby the Corporate Governance Committees oversee the voting decisions and other activities of the Corporate Governance Group, and particularly its activities with respect to voting in the relevant region of each Corporate Governance Committee's jurisdiction.

- The Corporate Governance Committees have adopted Guidelines for each region, which set forth the firm's views with respect to certain corporate governance and other issues that typically arise in the proxy voting context. The Corporate Governance Committees receive periodic reports regarding the specific votes cast by the Corporate Governance Group and regular updates on material process issues, procedural changes and other matters of concern to the Corporate Governance Committees.

- BlackRock's Global Corporate Governance Oversight Committee oversees the Global Head, the Corporate Governance Group and the Corporate Governance Committees. The Global Corporate Governance Oversight Committee conducts a review, at least annually, of the proxy voting process to ensure compliance with BlackRock's risk policies and procedures.

- BlackRock maintains a reporting structure that separates the Global Head and Corporate Governance Group from employees with sales responsibilities. In addition, BlackRock maintains procedures intended to ensure that all engagements with corporate issuers or dissident shareholders are managed consistently and without regard to BlackRock's relationship with the issuer of the proxy or dissident shareholder. Within the normal course of business, the Global Head or Corporate Governance Group may engage directly with BlackRock clients, and with employees with sales responsibilities, in discussions regarding general corporate governance policy matters, and to otherwise ensure that proxy- related client service levels are met. The Global Head or Corporate Governance Group does not discuss any specific voting matter with a client prior to the disclosure of the vote decision to all applicable clients after the shareholder meeting has taken place, except if the client is acting in the capacity as issuer of the proxy or dissident shareholder and is engaging through the established procedures independent of the client relationship.

- In certain instances, BlackRock may determine to engage an independent fiduciary to vote proxies as a further safeguard to avoid potential conflicts of interest or as otherwise required by applicable law. The independent fiduciary may either vote such proxies or provide BlackRock with instructions as to how to vote such proxies. In the latter case, BlackRock votes the proxy in accordance with the independent fiduciary's determination. Use of an independent fiduciary has been adopted for voting the proxies related to any company that is affiliated with BlackRock or any company that includes BlackRock employees on its board of directors.

With regard to the relationship between securities lending and proxy voting, BlackRock's approach is driven by its clients' economic interests. The evaluation of the economic desirability of recalling loans involves balancing the revenue producing value of loans against the likely economic value of casting votes. Based on BlackRock's evaluation of this relationship, BlackRock believes that generally the likely economic value of casting most votes is less than the securities lending income, either because the votes will not have significant economic consequences or because the outcome of the vote would not be affected by BlackRock recalling loaned securities in order to ensure they are voted. Periodically, BlackRock analyzes the process and benefits of voting proxies for securities on loan, and will consider whether any modification of its proxy voting policies or procedures is necessary in light of future conditions. In addition, BlackRock may in its discretion determine that the value of voting outweighs the cost of recalling shares, and thus recall shares to vote in that instance.

Voting guidelines

The issue-specific voting Guidelines published for each region/country in which BlackRock votes are intended to summarize BlackRock's general philosophy and approach to issues that may commonly arise in the proxy voting context in each market where it invests. These Guidelines are not intended to be exhaustive. BlackRock applies the Guidelines on a case-by-case basis, in the context of the individual circumstances of each company and the specific issue under review. As such, these Guidelines do not provide a guide to how BlackRock will vote in every instance. Rather, they share BlackRock's view about corporate governance issues generally, and provide insight into how BlackRock typically approach issues that commonly arise on corporate ballots.

Reporting

BlackRock reports its proxy voting activity directly to clients and publically as required. In addition, BlackRock publishes for clients a more detailed discussion of its corporate governance activities, including engagement with companies and with other relevant parties.

Reporting a Material Conflict of Interest

If a Material Conflict of Interest does arise, such conflict will be documented by GEAM or each Sub-Adviser, as applicable, on a Material Conflict of Interest form and the Board will be notified of such Material Conflict of Interest at the next regular board meeting after the Material

Conflict of Interest occurs.

Additional Information

Should a shareholder of a Fund wish to obtain information, free of charge, regarding how proxies received by a particular Fund were voted during the most recent 12-month period ending June 30 of each year, please call 1-800-242-0134 during business hours or visit http://www.geam.com. A shareholder may also view such information on the SEC's website at www.sec.gov, under the Company's filing on Form N-PX.

Custodian

State Street Bank is the Company's custodian. State Street Bank's principal office is located at One Lincoln Street, Boston, Massachusetts 02111. Under a custody agreement with the Company, State Street Bank maintains the portfolio securities acquired by the Company, administers the purchases and sales of portfolio securities, collects interest and dividends and other distributions made on the securities held in the Funds.

State Street Bank may segregate securities of the Funds on which call options are written and cash or liquid assets in amounts sufficient to cover put options written on securities by "tagging" such securities or assets and not permitting them to be sold. Likewise, such segregation may be used in connection with the covering of put and call options written on futures contracts. Assets of certain of the Funds constituting margin deposits with respect to financial futures contracts generally are held in the custody of FCMs through which such transactions are effected. These Funds may also be required to post margin deposits with respect to covered call and put options written on stock indices and for this purpose certain assets of the Fund may be segregated pursuant to similar arrangements with the brokers involved.

Transfer Agent

U.S. Bancorp Fund Services, LLC, located at 615 East Michigan Street, Milwaukee, WI 53202, serves as the transfer agent of the Fund's Investments, effective November 11, 2013. As transfer agent, U.S Bancorp Fund Services, LLC, is responsible for processing purchase and redemption requests and crediting dividends to the accounts of shareholders of the Funds. For its services, U.S Bancorp Fund Services, LLC, receives monthly fees charged to the Funds, plus certain charges for securities transactions.

Distributor

GE Investment Distributors, Inc., located at 1600 Summer Street, Stamford, CT 06905, serves as the distributor of Fund shares on a continuing best efforts basis.

NET ASSET VALUE

The Company will not calculate the NAV of a Fund’s shares on days that the NYSE is closed. The following holidays are observed: New Year’s Day, Martin Luther King, Jr. Day, President’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. On those days, securities held by a Fund may nevertheless be actively traded, and the value of the Fund’s shares could be significantly affected. The value of the portfolio securities held by each Fund may change on such days when shareholders will not be able to purchase or redeem the Fund’s shares.

Under the 1940 Act, and the rules thereunder, a Fund may suspend redemptions and/or postpone the payment of sale proceeds during any period when (i) the NYSE is closed for trading (other than customary weekend and holiday closings) or, as determined by the SEC, trading on the NYSE is restricted; (ii) an emergency exists, as determined by the SEC, which makes the disposal of securities owned by a Fund or the fair value determination of the Fund’s assets not reasonably practicable; or (iii) the SEC, by order, permits the suspension of the right of redemption and/or the payment of sale proceeds.

Fund shares are sold and redeemed at NAV. The NAV for each Fund’s shares is calculated as of the close of regular trading on the NYSE, normally 4:00 p.m. Eastern time, each day the NYSE is open for trading. If the NYSE closes early unexpectedly, GEAM’s valuation committee may establish the fair value of certain securities using procedures approved by the Company’s Board of Directors. Because of the need to obtain prices as of the close of trading on various exchanges throughout the world, the calculation of the NAV of certain Funds may not take place contemporaneously with the determination of the prices of many of their portfolio securities used in the calculation. Normally, this means that a Fund will use prices for foreign securities from market closings that occur earlier than when the NAV is calculated, but this may also mean that securities may be priced with closing prices from a market that closes shortly after the NYSE closes, such as for some ETFs traded on the NYSE Amex Equities (or any other exchange) and exchange traded index futures contracts and options, which normally close trading at 4:15 p.m. Eastern time. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for the security. All assets and liabilities of the Funds initially expressed in foreign currency values will be converted into U.S. dollar values at the WM/Reuters 11:00 a.m. Eastern time exchange rate. If quotations are not readily available for a portfolio security, or if it is believed that the price or quotation for a portfolio security does not represent its fair value, the security may be valued using procedures approved by the Board that are designed to more accurately reflect the “fair value” of that portfolio security. An affected portfolio security held by any Fund could be valued using these procedures.

The NAV per share class for each Fund is determined by adding the value of the Fund’s investments, cash, and other assets attributable to that class, subtracting its liabilities, and then dividing the result by the number of that class’ outstanding shares.

A Fund's portfolio securities are valued generally on the basis of market quotations. Equity securities generally are valued at the last reported sales price on the primary market in which they are traded. Portfolio securities listed on NASDAQ are valued using the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If no sales occurred on the exchange or NASDAQ that day, the portfolio security generally is valued using the last reported bid price.

Debt securities (other than short-term securities described below) generally are valued at an evaluated bid price as reported by an independent pricing service. The pricing services use various pricing models for each asset class. The inputs and assumptions to the models of the pricing services are derived from market observable sources, which may include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and other market related data. Since many fixed income securities do not trade on a daily basis, the methodology of the pricing service may also use other available information such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, as applicable. Thus, certain securities may not be priced using market quotations, but rather determined from market observable information. In the absence of a reliable bid price from such a pricing service, debt securities may be valued based on broker or dealer supplied valuations or quotations.

A Fund may use non-binding broker or dealer quotes for valuation when there is limited or no relevant market activity for a specific investment or for other investments that share similar characteristics, and a price is not provided by a pricing service or is deemed not to be reliable.

Any short-term securities of sufficient credit quality held by any Fund with remaining maturities of sixty days or less at the time of purchase are typically valued on the basis of amortized cost. Amortized cost valuation involves initially valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the effect of fluctuating interest rates on the market value of the instrument.

If prices are not readily available for a portfolio security, or if it is believed that the price for a portfolio security does not represent its fair value, the security may be valued using procedures approved by the Board that are designed to establish its "fair value". Those procedures require that the fair value of a security be established by a valuation committee of GEAM. The valuation committee follows different protocols for different types of investments and circumstances. The fair value procedures may be used to value any investment of any Fund in the appropriate circumstances.

Foreign securities may be valued with the assistance of an independent fair value pricing service in circumstances where it is believed that they have been or would be materially affected by events occurring after the close of the portfolio securities primary market and before the close of regular trading on the NYSE. This independent fair value pricing service uses a proprietary model to identify affected securities, taking into consideration various factors and the fair value of such securities may be something other than the last available quotation or other market price.

Fair value determinations generally are used for securities whose value is affected by a significant event that may materially affect the value of a security, and which occurs subsequent to the time of the close of the principal market on which such security trades but prior to the calculation of the Fund's NAV.

The value established for such a portfolio security valued other than by use of a market quotation (as described above) may be different than what would be produced through the use of market quotations or another methodology. Portfolio securities that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their value from one day to the next than would be the case if market quotations were used. In addition, there is no assurance that a Fund could sell a portfolio security for the value established for it at any time and it is possible that the Fund would incur a loss because a portfolio security is sold at a discount to its established value. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Listed derivative instruments such as exchange traded futures and options are typically valued at the settlement or close price on the exchange in which they trade, and if no close price is available, then at the last sale price. Non-listed over-the-counter derivative instruments are typically valued by an approved independent pricing service or broker-dealer.

Portfolio securities that are valued using techniques other than market quotations, particularly securities that are "fair valued," are subject to valuation risk.

Dividends, Distributions and Taxes

Federal Tax Status of the Funds

The following discussion of the federal tax status of the Funds is a general and abbreviated summary based on tax laws and regulations in effect on the date of this statement of additional information. Tax law is subject to change by legislative, administrative or judicial action. This is a general discussion only and does not constitute tax advice.

Qualification as Regulated Investment Company

Each Fund is treated as a separate taxpayer for federal income tax purposes. The Company intends for each Fund to elect to be treated as a regulated investment company under Subchapter M of Chapter 1 of the Code and to qualify as a regulated investment company each year. If a Fund distributes to its shareholders at least 90% of its investment company taxable income (including for this purpose its net ordinary investment income and realized net short-term capital gains) and 90% of its tax-exempt interest income (reduced by certain expenses) (the "90% distribution requirement"), and meets the other qualification requirements for a regulated investment company, then under the provisions of Subchapter M of the Code the Fund generally should have little or no liability for federal income taxes. In particular, a Fund will not be subject to federal income tax on the portion of its investment company taxable income and net capital gain (*i.e.,* realized net long-term capital gain in excess of realized net short-term capital loss) it distributes to shareholders (or treats as having been distributed to shareholders).

Each Fund generally will endeavor to distribute (or treat as deemed distributed) to shareholders all of its investment company taxable income and its net capital gain, if any, for each taxable year so that it will not incur federal income taxes on its earnings.

A Fund must meet several requirements to maintain its status as a regulated investment company. These requirements include the following: (1) at least 90% of its gross income for each taxable year must be derived from (a) dividends, interest, payments with respect to loaned securities, gains from the sale or disposition of securities (including gains from related investments in foreign currencies), and other income (including gains from options, futures or forward contracts) derived with respect to its business of investing in such securities or currencies, and (b) net income derived from an interest in a "qualified publicly traded partnership"; and (2) at the close of each quarter of the Fund's taxable year, (a) at least 50% of the value of the Fund's total assets must consist of cash, cash items, securities of other regulated investment companies, U.S. Government securities and other securities (provided that no more than 5% of the value of the Fund may consist of such other securities of any one issuer, and the Fund may not hold more than 10% of the outstanding voting securities of any issuer), and (b) the Fund must not invest more than 25% of its total assets in the securities of any one issuer (other than U.S. Government securities or the securities of other regulated investment companies), the securities of two or more issuers that are controlled by the Fund and that are engaged in the same or similar trades or businesses or related trades or businesses, or the securities of one or more "qualified publicly traded partnerships."

Distributions to Avoid Federal Excise Tax

A regulated investment company generally must distribute in each calendar year an amount equal to at least the sum of: (1) 98% of its ordinary taxable income for the year, (2) 98.2% of its capital gain net income for the 12 months ended on October 31 of that calendar year, and (3) any ordinary income or net capital gain income not distributed for prior years (the "excise tax avoidance requirements"). To the extent that a regulated investment company fails to do this, it is subject to a 4% nondeductible federal excise tax on undistributed earnings. However, the excise tax does not apply to a regulated investment company, such as a Fund, whose only shareholders during the year are segregated asset accounts of life insurance companies supporting variable life insurance contracts or variable annuity contracts, or parties that contributed in aggregate $250,000 or less in seed money to the Fund. The Funds are therefore not subject to the excise tax.

Section 817(h) Diversification Requirements

Each Fund also intends to comply with Section 817(h) of the Code and the regulations issued thereunder, which impose certain investment diversification requirements on life insurance companies' separate accounts that are used to support variable life insurance contracts and variable annuity contracts. A separate account may meet these requirements by investing solely in the shares of a regulated investment company registered under the 1940 Act as an open-end management investment company (such as the Funds) provided that such regulated investment company satisfies the diversification requirements (as well as certain other requirements) of Section 817(h) of the Code and the regulations issued thereunder. These requirements are in addition to the diversification requirements of Subchapter M and of the 1940 Act, and may affect the securities in which a Fund may invest. In order to comply with future requirements of Section 817(h) (or related provisions of the Code), a Fund may be required, for example, to alter its investment objectives.

The Section 817(h) requirements place certain limitations on the assets of each separate account (or underlying regulated investment company) that may be invested in securities of a single issuer. Specifically, the regulations provide that, except as permitted by a "safe harbor" described below, as of the end of each calendar quarter, or within 30 days thereafter:

- no more than 55% of a Fund's total assets may be represented by any one investment
- no more than 70% by any two investments
- no more than 80% by any three investments
- no more than 90% by any four investments

Section 817(h) provides, as a safe harbor, that a separate account (or underlying regulated investment company) will be treated as being adequately diversified if the diversification requirements under Subchapter M are satisfied and no more than 55% of the value of the account's total assets are cash and cash items, government securities, and securities of other regulated investment companies. For purposes of Section 817(h), all securities of the same issuer, all interests in the same real property project, and all interests in the same commodity are treated as a single investment. In addition, each U.S. Government agency or instrumentality is treated as a separate issuer, while the securities of a particular foreign government and its agencies, instrumentalities, and political subdivisions are considered securities issued by the same issuer.

Compliance with Applicable Requirements

If for any taxable year a Fund fails to qualify as a regulated investment company or fails to satisfy the 90% distribution requirement, then all of its taxable income becomes subject to federal, and possibly state, income tax at regular corporate rates (without any deduction for distributions to its shareholders). In addition, if for any taxable year a Fund fails to qualify as a regulated investment company, owners of variable life insurance contracts and variable annuity contracts who have indirectly invested in the Fund might be taxed currently on the investment earnings under their contracts and thereby lose the benefit of tax deferral. Likewise, if a Fund fails to comply with the diversification (or other) requirements of Section 817(h) of the Code and the regulations thereunder, owners of variable life insurance contracts and variable annuity contracts who have indirectly invested in the Fund would be taxed on the investment earnings under their contracts and thereby lose the benefit of tax deferral. Accordingly, compliance with the above requirements is carefully monitored by the Funds' investment advisers and sub-advisers and each Fund intends to comply with these requirements as they exist or as they may be modified from time to time. Compliance with the tax requirements described above may result in lower total return for a Fund than would otherwise be the case, since, to comply with the above requirements, the investments utilized (and the time at which such investments are entered into and closed out) may be different from what the Fund's investment adviser and sub-advisers might otherwise select.

Capital Loss Carryforwards

As of December 31, 2015, the following Funds have capital loss carryforwards as indicated below. The capital loss carryforwards of each such Fund are available to offset that Fund's future capital gains realized prior to the expiration of the applicable carryforwards to the extent provided in the Code and regulations thereunder. Under the tax law, capital losses do not expire and must be carried over by the Funds without limitation. If any Fund sustains capital losses in future years, these losses may be utilized prior to the expiring losses listed in the table below. Therefore, it is possible that the capital losses listed below may expire unused.

	Amount		
Fund	**Short-Term**	**Long-Term**	**Expiration Dates:**

			December 31,
Income Fund	$55,665	$0	2016
	$7,409,447	$0	2017
S&P 500 Index Fund	$1,042,413	$0	2018

Investments in Foreign Securities

Investment income received from sources within foreign countries, or capital gains earned by a Fund investing in securities of foreign issuers, may be subject to foreign income taxes withheld at the source. In this regard, withholding tax rates in countries with which the United States does not have a tax treaty are often as high as 35% or more. The United States has entered into tax treaties with many foreign countries that may entitle a Fund to a reduced rate of tax or exemption from tax on this related income and gains. The effective rate of foreign tax cannot be determined at this time since the amount of a Fund's assets to be invested within various countries is not now known. The Company intends that each Fund will operate so as to qualify for applicable treaty-reduced rates of tax.

If a Fund acquires stock in certain foreign corporations that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, rents, royalties or capital gain) or hold at least 50% of their total assets in investments producing such passive income ("passive foreign investment companies"), that Fund could be subject to federal income tax and additional interest charges on "excess distributions" received from such companies or gain from the sale of stock in such companies, even if all income or gain actually received by the Fund is timely distributed to its shareholders. The Fund would not be able to pass through to its shareholders any credit or deduction for such a tax. Certain elections may, if available, ameliorate these adverse tax consequences, but any such election may require the applicable Fund to recognize taxable income or gain without the concurrent receipt of cash. Any Fund that acquires stock in foreign corporations may limit and/or manage its holdings in passive foreign investment companies to minimize its tax liability.

Foreign exchange gains and losses realized by a Fund in connection with certain transactions involving non-dollar debt securities, certain foreign currency futures contracts, foreign currency option contracts, foreign currency forward contracts, foreign currencies, or payables or receivables denominated in a foreign currency are subject to Code provisions that generally treat such gains and losses as ordinary income and losses and may affect the amount, timing and character of distributions to shareholders. Any such transactions that are not directly related to a Fund's investment in securities (possibly including speculative currency positions or currency derivative instruments not used for hedging purposes) could, under future Treasury regulations, produce income not among the types of "qualifying income" from which the Fund must derive at least 90% of its annual gross income.

Investments with Original Issue Discount

Each Fund that invests in certain payment-in-kind instruments, zero coupon securities or certain deferred interest securities (and, in general, any other securities with original issue discount or with market discount if the Fund elects to include market discount in current income) must accrue income on such investments prior to the receipt of the corresponding cash. However, because each Fund must meet the 90% distribution requirement to qualify as a regulated investment company, a Fund may have to dispose of its portfolio investments under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing the cash, to satisfy distribution requirements.

Options, Futures, and Swaps

A Fund's transactions in options contracts and futures contracts are subject to special provisions of the Code that, among other things, may affect the character of gains and losses realized by the Fund (that is, may affect whether gains or losses are ordinary or capital), accelerate recognition of income to the Fund and defer losses of the Fund. These rules (1) could affect the character, amount and timing of distributions to shareholders of a Fund, (2) could require the Fund to "mark to market" certain types of the positions in its portfolio (that is, treat them as if they were closed out) and (3) may cause the Fund to recognize income without receiving cash with which to make distributions in amounts necessary to satisfy the 90% distribution requirement and the excise tax avoidance requirements described above. To mitigate the effect of these rules and prevent disqualification of a Fund as a regulated investment company, the Company seeks to monitor transactions of each Fund, seeks to make the appropriate tax elections on behalf of each Fund and seeks to make the appropriate entries in each Fund's books and records when the Fund acquires any option, futures contract or hedged investment.

The federal income tax rules applicable to interest rate swaps, caps and floors are unclear in certain respects, and a Fund may be required to account for these transactions in a manner that, in certain circumstances, may limit the degree to which it may utilize these transactions.

Investor Taxation

Under current law, owners of variable life insurance contracts and variable annuity contracts and employee benefit plan participants who are indirectly invested in a Fund generally are not subject to federal income tax on Fund earnings or distributions or on gains realized upon the sale or redemption of Fund shares until they are withdrawn from the contract or plan. *For information concerning the federal income tax consequences to the owners of variable life insurance contracts and variable annuity contracts, see the prospectus for such contracts. For information concerning the federal income tax consequences to plan participants, see the summary plan description or contact your plan administrator.*

CAPITAL STOCK

The Company was incorporated in the Commonwealth of Virginia on May 14, 1984. The authorized capital stock of the Company consists of 11,700,300,000 shares of capital stock, par value one cent ($0.01) per share.

Each issued and outstanding share of a Fund is entitled to participate equally in dividends and distributions declared by the respective Fund and, upon liquidation or dissolution, in net assets allocated to the shares attributable to such Fund remaining after satisfaction of outstanding liabilities. The shares of each Fund are fully paid and non-assessable and have no preemptive or conversion rights.

Multiple Class Plan

The Company has adopted a Multiple Class Plan (the "Multiple Class Plan") under Rule 18f-3 of the 1940 Act, pursuant to which the Company may offer Class 1 shares of the following Funds: the U.S. Equity Fund, S&P 500 Index Fund, Premier Growth Equity Fund, Income Fund, Core Value Equity Fund, Small-Cap Equity Fund and Real Estate Securities Fund. The Company may also offer the following classes of shares of the Total Return Fund: Class 1 and Class 3.

Class 1 shares are offered without the imposition of any front-end sales charges or deferred sales charge and do not (with the exception of the Total Return Fund) bear any asset-based class expenses for sales services and investor services.

Total Return Fund:

Class 1 and Class 3 shares are offered with an investor service plan that provides for an investor service expense at an annual rate of 0.20% of the average daily net assets of the Total Return Fund attributable to Class 1 shares and Class 3 shares, respectively. Class 1 and Class 3 shares are each offered without the imposition of any front-end sales charges or deferred sales charge but with a Distribution and Service Plan adopted pursuant to Rule 12b-1 under the 1940 Act. The Class 3 Distribution and Service Plans provide for expenses for sales and investor services at the annual rate of 0.25%, of the average daily net assets of the Total Return Fund attributable to Class 3 shares.

All Applicable Funds:

Each of these Classes represents an equal fractional undivided interest in the same portfolio of securities held by a Fund. Dividends are calculated in the same manner for each Class and are declared and paid on all Classes on the same days and at the same times. In addition, each Class also shares in the expenses of a Fund, except with respect to those expenses that are specific to a particular Class. Furthermore, each of these Classes has equal voting rights, except that each Class has exclusive voting rights with respect to matters that exclusively affect such Class.

PRINCIPAL STOCKHOLDERS

As of March 31, 2016, the following persons owned of record or beneficially 5% or more of the noted class of each of the following Funds:

Name	Fund	Percentage Ownership
Genworth Life Insurance Company of New York 6610 W. Broad Street Bldg. 3, 5th Floor Richmond, VA 23230-1702	Real Estate Securities Fund Total Return Fund (Class 3) Income Fund Core Value Equity Fund	6.7% 5.7% 5.2% 5.0%
Genworth Life Insurance Company 6610 W. Broad Street Bldg. 3, 5th Floor Richmond, VA 23230-1702	U.S. Equity Fund Premier Growth Equity Fund	7.1% 5.9%

As of March 31, 2016, the following persons owned of record or beneficially 25% or more of the outstanding shares of beneficial interest of the Fund, and therefore may be presumed to "control" the Funds, as that term is defined in the 1940 Act. To the extent a shareholder "controls" a specified Fund, it may not be possible for matters subject to a vote of a majority of the outstanding voting securities of a Fund to be approved without the affirmative vote of such shareholder, and it may be possible for such matters to be approved by such shareholder without the affirmative vote of any other shareholders.

Name	Fund	Percentage Ownership
Genworth Life and Annuity Insurance Company 6610 W. Broad Street Bldg. 3, 5th Floor Richmond, VA 23230-1702	Income Fund Premier Growth Equity Fund Real Estate Securities Fund S&P 500 Index Fund Small-Cap Equity Fund Total Return Fund (Class 1) Total Return Fund (Class 3) U.S. Equity Fund Core Value Equity Fund	93.8% 91.6% 93.2% 95.3% 95.3% 98.8% 59.2% 90.8% 95.0%
Pacific Life Insurance Company 700 Newport Center Drive Newport Beach, CA 92660-6397	Total Return Fund (Class 3)	30.0%

As of March 31, 2016, officers and directors of the Company together beneficially owned (*i.e.*, as owners of variable annuity or variable life insurance contracts) less than 1% of each class of each Fund.

FUND HISTORY AND ADDITIONAL INFORMATION

General Information

The Company is an open-end management investment company incorporated under the laws of the Commonwealth of Virginia on May 14, 1984. The Company currently consists of eight separate investment portfolios (the "Funds" or a "Fund"), each of which is, in effect, a separate mutual fund. The Company issues a separate class of capital stock for each Fund representing fractional undivided interests in that Fund. An investor, by investing in a Fund, becomes entitled to a pro-rata share of all dividends and distributions arising from the net income and capital gains on the investments of that Fund. Likewise, an investor shares pro-rata in any losses of that Fund.

Pursuant to investment advisory agreements and subject to the authority of the Company's Board, GEAM serves as the Company's investment adviser and administrator and conducts the business and affairs of the Company. GEAM has engaged SSGA FM as the investment sub-adviser to provide day-to-day portfolio management to the S&P 500 Index Fund; has engaged CenterSquare as the investment sub-adviser to provide day-to-day portfolio management to the Real Estate Securities Fund; has engaged Palisade, Champlain, GlobeFlex, Kennedy and SouthernSun to provide day-to-day portfolio management to the Small-Cap Equity Fund; and has engaged BlackRock to provide day-to-day portfolio management to the Total Return Fund. (As used herein, "Adviser" shall refer to GEAM and, where applicable, either BlackRock, SSGA FM, CenterSquare, Palisade, Champlain, GlobeFlex, Kennedy or SouthernSun in their respective roles.)

The Company currently offers each class of its capital stock to separate accounts (the "Accounts") of various life insurance companies as funding vehicles for certain variable annuity contracts and variable life insurance contracts ("variable contracts") issued by such life insurers through the Accounts. Certain of these life insurance companies may be affiliates of the Company or GEAM.

The Company does not offer its stock directly to the general public. As of the date of this SAI, each Account (with one exception) is registered as an investment company with the SEC and a separate prospectus describing each such Account and variable contract being offered through that Account will accompany the Prospectus when shares of the Company are offered as a funding vehicle for such variable contracts. The one Account that is not registered as an investment company with the SEC has a separate disclosure document (rather than a prospectus) describing the Account and the variable contracts being offered through that Account which will accompany the Prospectus when shares of the Company are offered as a funding vehicle for such variable contracts. The Company may, in the future, offer any class of its capital stock directly to qualified pension and retirement plans.

Prior History

On May 1, 1993, pursuant to shareholder approval obtained on April 20, 1993, the name and the investment objectives, policies and fundamental restrictions of the S&P 500 Index Fund (prior to that time, the Common Stock Portfolio) were changed. The investment objective of the Common Stock Portfolio was intermediate and long-term growth of capital, with reasonable income a consideration. The Common Stock Portfolio sought to achieve this objective by investing principally in common stocks and securities convertible into or with rights to purchase common stocks. From May 1, 1993 until April 30, 1997, the S&P 500 Index Fund was called the Common Stock Index Portfolio. On May 1, 1997, it changed its name (but not its investment objectives) to the S&P 500 Index Fund.

On April 30, 2012, pursuant to Board approval obtained on December 9, 2011, the assets of the International Equity Fund were liquidated and the Fund ceased operations.

On August 3, 2012, pursuant to Board approval obtained on May 25, 2012, the assets of the Mid-Cap Equity Fund and Money Market Fund were liquidated and the Funds ceased operations.

On January 23, 2013, pursuant to Board approval obtained on September 19, 2012, in connection with the Total Return Fund's portfolio restructuring, the investment management of the Fund's underlying strategies changed from active management to passive management.

Voting Rights

All shares of capital stock have equal voting rights, except that only shares representing interests in a particular Fund will be entitled to vote on matters affecting only that Fund. Similarly, only shares representing interests in a particular class of a Fund will be entitled to vote on matters affecting only that class. The shares do not have cumulative voting rights. Accordingly, owners of variable annuity or variable life insurance contracts having voting interests in more than 50% of the shares of the Company voting for the election of directors could elect all of the directors of the Company if they choose to do so, and in such event, contract owners having voting interests in the remaining shares would not be able to elect any directors. Genworth Life and Annuity Insurance Company, Genworth Life Insurance Company of New York, Genworth Life Insurance Company, Pacific Life Insurance Company, Transamerica Life Insurance Company, Transamerica Financial Life Insurance Company and GEAM (directly or through the Accounts) currently own all shares of the Company. Genworth Life and Annuity Insurance Company, Genworth Life Insurance Company of New York, Genworth Life Insurance Company, Pacific Life Insurance Company, Transamerica Life Insurance Company, Transamerica Financial Life Insurance Company and GEAM will vote all shares of the Company (or a Fund) as described in the Prospectus.

Counsel

Goodwin Procter LLP, 901 New York Avenue, N.W., Washington, D.C. 20001 serves as counsel for the Company.

Independent Registered Public Accounting Firm

KPMG LLP, 2 Financial Center, 60 South Street, Boston, MA 02111, serves as the Company's independent registered public accounting firm.

FINANCIAL STATEMENTS

The Annual Report dated December 31, 2015, and Semi-Annual Report dated June 30, 2015, which either accompany this SAI or have previously been provided to the person to whom this SAI is being sent, are incorporated herein by reference with respect to all information other than the information set forth in the Letters to Shareholders included in the Annual Report and Semi-Annual Report. The Company will furnish, without charge, a copy of the Annual Report and Semi-Annual Report, upon request to the Company at P.O. Box 7900, Stamford, CT 06904-7900, or by calling 1-800-242-0134.

APPENDIX – RATING CATEGORIES

The following is a description of certain ratings assigned by S&P and Moody's.

S&P

An S&P issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

Issue credit ratings can be either long term or short term. Short-term ratings are generally assigned to those obligations considered short-term in the relevant market. In the U.S., for example, that means obligations with an original maturity of no more than 365 days—including commercial paper. Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. Medium-term notes are assigned long-term ratings.

Long-Term Issue Credit Ratings. Issue credit ratings are based, in varying degrees, on S&P's analysis of the following considerations:

- Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;

- Nature of and provisions of the obligation; and the promise we impute.

- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

Issue ratings are an assessment of default risk, but may incorporate an assessment of relative seniority or ultimate recovery in the event of default. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation may apply when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company and holding company obligations.)

An obligation rated "**AAA**" has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

An obligation rated "**AA**" differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

An obligation rated "**A**" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

An obligation rated "**BBB**" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Obligations rated "**BB**," "**B**," "**CCC**," "**CC**," and "**C**" are regarded as having significant speculative characteristics.

"BB" indicates the least degree of speculation and "C" the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

An obligation rated "**BB**" is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

An obligation rated "**B**" is more vulnerable to nonpayment than obligations rated "BB," but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

An obligation rated "**CCC**" is currently vulnerable to nonpayment, and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

An obligation rated "**CC**" is currently highly vulnerable to nonpayment. The "**CC**" rating is used when a default has not yet occurred, but S&P expects default to be a virtual certainty, regardless of the anticipated time to default.

An obligation rated "**C**" is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared to obligations that are rated higher.

An obligation rated "**D**" is in default or in breach of an imputed promise. For non-hybrid capital instruments, the "**D**" rating category is used when payments on an obligation are not made on the date due, unless S&P believes that such payments will be made within five business days in the absence of a stated grace period or within the earlier of the started grace period or 30 calendar days. The "**D**" rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to "**D**" if it is subject to a distressed exchange offer.

An "**NR**" indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that S&P does not rate a particular obligation as a matter of policy.

Note: The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<u>Short-Term Issue Credit Ratings</u>. A short-term obligation rated "**A-1**" is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

A short-term obligation rated "**A-2**" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

A short-term obligation rated "**A-3**" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

A short-term obligation rated "**B**" is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

A short-term obligation rated "**C**" is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

A short-term obligation rated "**D**" is in default or in breach of an imputed promise. For non-hybrid capital instruments, the "**D**" rating category is used when payments on an obligation are not made on the date due, unless S&P believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The "**D**" rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to "**D**" if it is subject to a distressed exchange offer.

<u>Municipal Short-Term Note Ratings Definitions</u>. An S&P US municipal note rating reflects S&P's opinion about the liquidity factors and market access risks unique to the notes. Notes due in three years or less will likely receive a note rating. Notes with an original maturity of more than three years will most likely receive a long-term debt rating. In determining which type of rating, if any, to assign, S&P analysis will review the following considerations:

- Amortization schedule—the larger the final maturity relative to other maturities, the more likely it will be treated as a note; and

- Source of payment—the more dependent the issue is on the market for its refinancing, the more likely it will be treated as a note.

Note rating symbols are as follows:

SP-1 Strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation.

SP-2 Satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes.

SP-3 Speculative capacity to pay principal and interest.

<u>Moody's</u>

<u>Long-Term Obligations Ratings and Definitions</u>. Moody's long-term obligation ratings are forward-looking opinions of the relative credit risks of financial obligations with an original maturity of one year or more. Such ratings reflect both the likelihood of default on contractually promised payments and the expected financial loss suffered in the event of default.

Obligations rated "**Aaa**" are judged to be of the highest quality, subject to the lower level of credit risk.

Obligations rated "**Aa**" are judged to be of high quality and are subject to very low credit risk.

Obligations rated "**A**" are considered upper-medium grade and are subject to low credit risk.

Obligations rated "**Baa**" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Obligations rated "**Ba**" are judged to be speculative and are subject to substantial credit risk.

Obligations rated "**B**" are considered speculative and are subject to high credit risk.

Obligations rated "**Caa**" are judged to be speculative of poor standing and are subject to very high credit risk.

Obligations rated "**Ca**" are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

Obligations rated "**C**" are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

Short-Term Ratings. Moody's short-term ratings are forward-looking opinions of the relative credit risk of financial obligations with an original maturity of thirteen months or less. Such ratings reflect the likelihood of default on contractually promised payments and the expected financial loss suffered in the event of default.

Moody's employs the following designations to indicate the relative repayment ability of rated issuers:

P-1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

P-2 Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

P-3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.

NP Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

US Municipal Short-Term Debt and Demand Obligation Ratings.

Short-Term Obligation Ratings. Moody's uses the Municipal Investment Grade ("MIG") scale to rate U.S. municipal bond anticipation notes of up to three years maturity. Municipal notes rated on the MIG scale may be secured by either pledged revenues or proceeds of a take-out financing received prior to note maturity. MIG ratings expire at the maturity of the obligation, and the issuer's long-term rating is only one consideration in assigning the MIG rating. MIG ratings are divided into three levels—"MIG-1" through "MIG-3" while speculative grade short-term obligations are designated "SG".

MIG 1 This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

MIG 2 This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.

MIG 3 This designation denotes acceptable credit quality. Liquidity and cash flow protection may be narrow, and market access for refinancing is likely to be less well-established.

SG This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

Demand Obligation Ratings. In the case of variable rate demand obligations ("VRDOs"), a two-component rating is assigned; a long- or short-term debt rating and a demand obligation rating. The first element represents Moody's evaluation of risk associated with scheduled principal and interest payments. The second element represents Moody's evaluation of risk associated with the ability to receive purchase price upon demand ("demand feature"). The second element uses a rating from the variation of the MIG scale called the Variable Municipal Investment Grade ("VMIG") scale.

VMIG 1 This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 2 This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 3 This designation denotes acceptable credit quality. Adequate protection is afforded by the satisfactory short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

SG This designation denotes speculative-grade credit quality. Demand features rated in this category may be supported by a liquidity provider that does not have an investment grade short-term rating or may lack the structural and/or legal protections necessary to ensure the timely payment of purchase price upon demand.