

Form ADV Part 2A Brochure

SSGA Funds Management, Inc.

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March 31, 2017

This Brochure provides information about the qualifications and business practices of SSGA Funds Management, Inc. ("SSGA FM" or the "Adviser"). If you have any questions about the contents of this Brochure, please contact us at 617-786-3000 and/or [Compliance Boston SSGA@ssga.com](mailto:Compliance_Boston_SSGA@ssga.com). The information in this Brochure has not been approved or verified by the United States ("U.S.") Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about SSGA FM is also available on the SEC's website at www.adviserinfo.sec.gov.

SSGA FM is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). SEC registration does not imply a certain level of skill or training.

Item 2 – Material Changes

This section describes the material changes to SSGA FM's Brochure since its last annual update on March 30, 2016.

This Brochure has been updated to reflect the acquisition of the asset management and advisory services business previously conducted by GE Asset Management Incorporated by State Street Corporation, the parent company of SSGA FM. Updates to this Brochure include information relating to private equity and real estate investing, the use of "soft" or commission dollars for the purchase of third party research and brokerage services, the provision of investment advice to pensions and profit sharing plans (other than plan participants), and the potential use of certain client solicitation agreements. This Brochure has also been updated to reflect the removal of an investment strategy SSGA FM no longer offers and to reflect that, as of the date of this Brochure, SSGA FM is no longer registered as a Commodity Pool Operator with the National Futures Association and the Commodities Futures Trading Commission.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	4
Item 6 – Performance-Based Fees and Side-By-Side Management	6
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	12
Item 10 – Other Financial Industry Activities and Affiliations	12
Item 11 – Code of Ethics	14
Item 12 – Brokerage Practices	15
Item 13 – Review of Accounts	18
Item 14 – Client Referrals and Other Compensation	19
Item 15 – Custody	19
Item 16 – Investment Discretion	19
Item 17 – Voting Client Securities	19
Item 18 – Financial Information	21
Item 19 – Requirements for State-Registered Advisers	21

Item 4 – Advisory Business

SSGA FM is a global leader in asset management that sophisticated institutions worldwide rely on for their investment needs. The Adviser is registered with the SEC as an investment adviser under the Advisers Act and is a wholly-owned subsidiary of State Street Corporation (“State Street”), a publicly traded financial holding company. SSGA FM was established in 2001.

SSGA FM’s investment advisory clients consist primarily of U.S. investment companies registered under the Investment Company Act of 1940, as amended (the “1940 Act”), including mutual funds offered through variable annuity products, and certain pooled investment vehicles exempt from registration under the 1940 Act (collectively, the “Funds”), for which SSGA FM is either the named investment adviser or sub-adviser. SSGA FM works with its clients to provide customized solutions to their investment management needs, which may include customized indices, model portfolios, and screened portfolios. Clients may impose restrictions on investing in certain securities or types of securities. Pursuant to certain advisory agreements between the Funds and SSGA FM, SSGA FM is authorized to engage one or more sub-advisers for the performance of any of the services contemplated to be rendered by SSGA FM.

SSGA FM also serves as sub-adviser to various Funds sponsored by unaffiliated third-parties, including Funds offered through variable annuity products. SSGA FM provides asset allocation models on both a discretionary and non-discretionary basis and related investment advice to investment advisers and other financial institutions that use such information provided by SSGA FM for use in or with various financial products offered to their clients. SSGA FM may conduct its investment management business through certain affiliated entities,

which may use the services of appropriate personnel of one or more of the other entities for client solicitation, investment advice, portfolio execution and trading, and client servicing, except to the extent contractually restricted by the client or not permitted under applicable law. Arrangements among these affiliates could include dual employee or delegation arrangements or formal sub-advisory or servicing agreements.

We also offer advice to partnerships or other collective investment vehicles which have been sponsored by SSGA FM that are organized to make investments primarily in real estate, publicly traded or private placement equity or debt securities.

SSGA FM offers a variety of investment strategies for its clients including¹:

- Active, Enhanced, and Passive Equity;
- Active and Passive Debt;
- Cash Management;
- Multi Asset Class Solutions;
- Real Estate (including Direct Real Estate);
- Senior Loans;
- Managed Futures; and
- Private Equity.

As of December 31, 2016, SSGA FM had \$405,968,674,513 in regulatory assets under management on a discretionary basis in 291 advisory accounts.

Item 5 – Fees and Compensation

SSGA FM does not maintain a standardized fee schedule for its advisory services. Advisory or subadvisory fees are negotiated with each client and may vary depending upon the size

¹ Note: SSGA FM does not participate in wrap fee programs by providing portfolio management services.

and type of the mandate, the strategy selected and the distribution channel in which the product is offered.

SSGA FM clients are not required to pay fees in advance.

Advisory Fees: Fees are typically expressed as an annual percentage of a client's average daily net assets managed by SSGA FM, calculated daily and paid either monthly or quarterly and deducted directly from client assets. For Funds where SSGA FM acts as sub-adviser, clients are billed for the fees. In certain situations, SSGA FM may agree to waive or reimburse a portion of its advisory fee. Please refer to *Item 6, – Performance Fees and Side-by-Side Management*, for an additional discussion regarding fees.

Private Funds: With respect to unregistered pooled investment vehicles advised by the Adviser (each a "Private Fund"), the applicable fees and expenses and the timing of such payments are as set forth in such Private Fund's subscription agreement, investment management agreement, and/or other governing agreement, as well as the Private Fund's offering materials.

Outsourced Chief Investment Officer ("OCIO") services: Together, State Street Global Advisors ("SSGA") and SSGA FM provide a broad range of investment management services to U.S. and non-U.S. employee benefit plans, which services are commonly referred to as "total plan management" or OCIO services. SSGA FM's role in connection with these OCIO services relates to the investment of plan assets in futures, options on futures and swaps or other derivative instruments, and in various types of alternative investments ("Alternatives"). Alternatives may include direct investment in private placement equity or debt securities ("Private Equity") and real estate and/or real estate-related instruments

("Real Estate"), as well as indirect investment in such securities or instruments through partnerships, limited liability companies, corporations or other collective investment vehicles. Alternatives also include investments made pursuant to an enhanced alpha, long/short, special opportunity, distressed or any other unconstrained investment strategy that is typically referred to generically as a hedge fund strategy as well as partnerships, limited liability companies, corporations or other collective investment vehicles or separately managed single-owner accounts that are organized primarily to make investments pursuant to such strategies or to make investments in such vehicles (this latter case being, e.g., funds of hedge funds, etc.).

For OCIO services, SSGA and SSGA FM determine fees on a case-by-case basis depending upon the nature and the extent of the services requested by each plan client.

Private Equity Funds: SSGA FM currently manages two privately offered, closed-end private equity funds, the investors of which consist of U.S. and non-U.S. employee benefit plans and other institutions. These funds were established by a previous adviser that served as in-house asset manager for the employee benefit plan investor that holds the largest interest in the funds. This investor receives all of the fund management fees and any "carried interest" incentive fee that may be generated by the fund's investments. SSGA and SSGA FM, which provide OCIO services to this investor, receive compensation from such investor for the management services they provide to such funds in connection with the OCIO services provided to this investor.

Real Estate Funds: SSGA FM currently manages one privately offered, closed-end Real Estate fund for institutional investors. The management fees paid to SSGA FM, and the other fund expenses borne by investors in the

fund, are as set forth in the fund's subscription agreement, investment management agreement, and/or other governing documents of the fund.

Custodial, Administrative, Transfer Agency, or Securities Lending Agency Fees: Clients of SSGA FM are responsible for certain other fees and expenses, including, but not limited to, custodial, administrative, transfer agency, or securities lending agency fees. These fees may be paid to SSGA FM or affiliates of SSGA FM, for example, State Street Bank and Trust Company ("SSBT"). In addition, to the extent client assets are invested in registered investment companies, clients will bear their pro-rata share of such investment company expenses.

Private Funds also typically bear their own operating and other expenses, including, but not limited to: legal expenses (including litigation and indemnification costs), internal and external accounting expenses, audit and tax preparation expenses, and taxes, fees or other governmental charges.

SSGA FM clients will also incur brokerage and other transaction costs. Please refer to *Item 12 – Brokerage Practices*, for more information about brokerage.

SSGA FM does not have supervised persons that accept compensation from SSGA FM for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Employees of SSGA FM's affiliates may receive compensation in connection with the sale of SSGA FM-advised products.

SSGA FM's affiliates may have business relationships with, and purchase, distribute, or sell services or products from or to, distributors, consultants, and others who recommend, distribute, or have interests or relationships associated with sales or recommendations of Fund interests or portfolio transactions for the

Funds. For example, SSGA FM's affiliates regularly participate in industry and consultant sponsored conferences and may purchase related educational data or other services from consultants or other third parties that they deem to be of value to their employees and their businesses. In addition, SSGA FM's and its affiliates' employees may have board or advisory relationships with issuers, distributors, consultants, and charitable organizations that may own or that may recommend or distribute interests of the Funds or execute portfolio transactions for the Funds. As a result, those persons and institutions may have conflicts associated with the promotion of Fund securities and portfolio investment-related matters that could create incentives for them to promote such sales or raise other conflicts.

Please refer to *Item 14 – Client Referrals and Other Compensation*, for more information.

Item 6 – Performance-Based Fees and Side-By-Side Management

SSGA FM typically charges an asset-based fee for its investment management services. SSGA FM has entered into a performance-based fee arrangement subject to the requirements of Advisers Act and the 1940 Act.

Potential conflicts of interest may exist when portfolio managers manage accounts with similar investment objectives and strategies. The portfolio managers managing the Funds are generally dual employees of SSGA FM and State Street Global Advisors Trust Company, a wholly-owned subsidiary of SSBT, and may manage other accounts in addition to the Funds, such as bank commingled funds, private funds, or separate accounts, including actively managed accounts that are considered "hedge" funds or market neutral funds or funds that engage in short sales. Conflicts of interest may potentially arise in SSGA FM's side-by-side management of multiple accounts. SSGA and SSGA FM seek to

treat all client accounts fairly and equitably. Examples of circumstances that may give rise to such potential conflicts of interest or the appearance of conflicts of interest include, but are not limited to:

- Managing a portfolio that pays a performance fee alongside a portfolio that does not pay a performance fee;
- Managing accounts that have different advisory fees;
- Managing a registered investment company alongside a bank-maintained fund (e.g., a common trust fund or collective investment trust);
- Managing a separate account alongside a commingled fund;
- The use of “conflicting trades,” i.e., selling short for one client portfolio a security held long for another client portfolio; and
- The execution of transactions shortly before or after related transactions in a different account.

As discussed above, a potential conflict may arise when the portfolio manager is 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.

The Adviser has established processes and procedures for allocating investment opportunities among portfolios that are designed to provide a fair and equitable allocation. These policies permit portfolio managers to aggregate their clients’ trades where appropriate and require that aggregate client trades generally be allocated on a pro-rata basis where clients receive the

average price and commission when more than one trade is executed, or more than one broker is used to execute the transactions. This allocation is done electronically, in most cases without any direct human intervention.

Item 7 – Types of Clients

SSGA FM’s investment advisory clients consist primarily of U.S. investment companies registered under the 1940 Act and certain pooled investment vehicles exempt from such registration, for which SSGA FM is either the named investment adviser or sub-adviser. SSGA FM also provides asset allocation models on both a discretionary and non-discretionary basis to investment advisers and other financial institutions which use such information provided by SSGA FM for use in or with various financial products offered to their clients. SSGA FM also provides investment advice to pensions and profit sharing plans (other than plan participants).

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

As an investment adviser, SSGA FM engages numerous methods of analysis across a wide array of investment strategies when formulating investment advice or managing assets.

SSGA FM does not rely on one type of analysis over another and does not recommend one particular type of security. SSGA FM seeks to utilize the most prudent methods of analysis based on the particular characteristics of the investment strategy and the current market conditions, as applicable.

Methods of Analysis: Each strategy described below uses various methods of analysis as necessary for the respective strategy. The methods of analysis include, but are not limited to:

- Quantitative;
- Fundamental;

- Technical;
- Cyclical;
- Indexing;
- Arbitrage;
- Charting; and
- Other strategy specific methods described below.

Investment Strategies: The investment strategies deployed by SSGA FM are:

- Active, Enhanced, and Passive Equity;
- Active and Passive Debt;
- Cash Management;
- Multi Asset Class Solutions (Asset Allocation);
- Real Estate (including Direct Real Estate);
- Senior Loans;
- Managed Futures; and
- Private Equity.

The following section includes a description of the Adviser's investment strategies and a discussion of the material risks of each strategy. The description of material risks listed under each strategy description below is not a complete enumeration or explanation of all the risks involved in purchasing shares of any Fund. An investment in a Fund employing one of the strategies described below may be subject to a number of risks not specifically mentioned. Clients should refer to a Fund's prospectus and other offering documents for more detailed discussion of risks. Investing in securities involves risk of loss that clients should be prepared to bear.

Active, Enhanced, and Passive Equity

Strategy description: The Adviser has teams managing active strategies designed to outperform relative to benchmarks while maintaining appropriate risk exposure. Active equity strategies include enhanced equity and active quantitative strategies. Strategies offered cover capitalization and style segments of the

market including large cap core, large cap growth, large cap value, mid cap, small cap, small cap value, all cap, and long-short equity (for example 130% long-30% short), using country, regional, and global indices. The teams also manage long-short strategies with beta less than one, such as 100% long-30% short and long-short market neutral strategies with betas of approximately zero. They also manage strategies with betas less than one that do not use shorting and are managed on a total risk basis, rather than a benchmark-relative risk basis.

In addition to the Active and Enhanced strategies, the Adviser offers Passive or Index Equity strategies covering various capitalization segments; style portfolios; and sector portfolios, including U.S. indexing, global indexing, developed markets indexing, emerging markets indexing, and specific country mandates. The Adviser manages equity index portfolios to seek broad-based equity exposure and predictable variance around a relevant benchmark.

Risks: The market prices of equity securities may go up or down, sometimes rapidly or unpredictably, for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions. Foreign securities are subject to political, regulatory, and economic risks not present in domestic investments, including risks associated with currency controls and differing accounting, auditing, legal and financial report standards. Investments in emerging markets are generally subject to a greater risk of loss than investments in developed markets due to, among other things, greater political and economic instability, greater volatility in currency exchange rates, and less developed securities markets as compared to those typically found in a developed market. A passively-managed fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of

securities, regardless of the current or projected performance of the index or of the actual securities comprising the index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, a passively-managed Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the index will affect the performance, volatility, and risk of the index and, consequently, the performance, volatility, and risk of the Fund.

Active and Passive Debt

Strategy description: The Adviser's debt strategies seek to meet its clients' investment objectives by controlling risk, while diversifying sources of excess return where appropriate. The Adviser offers a broad range of investment styles from passive to active, short to long duration, tax-exempt, sovereign to high yield, and single country to global. Most passive strategies use a stratified sampling methodology, building a portfolio with the same characteristics as the index using quantitative and fundamental methods. Core bond portfolios seek to add consistent returns over the relevant benchmark by concentrating on sector and issue selection, as well as term structure management.

Risks: The values of debt securities may increase or decrease as a result of the following: market fluctuations, increases in interest rates, actual or perceived inability or unwillingness of issuers, guarantors, or liquidity providers to make scheduled principal or interest payments or illiquidity in debt securities markets; the risk of low rates of return due to reinvestment of securities during periods of falling interest rates or repayment by issuers with higher coupon or interest rates; and/or the risk of low income due to falling interest rates. Returns on investments in debt securities could trail the returns on other

investment options, including investments in equity securities. Foreign securities are subject to political, regulatory, and economic risks not present in domestic investments, including risks associated with currency controls and differing accounting, auditing, legal, and financial report standards. Investments in emerging markets are generally subject to a greater risk of loss than investments in developed markets due to, among other things, greater political and economic instability, greater volatility in currency exchange rates, and less developed securities markets as compared to those typically found in a developed market. A passively-managed fund is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the index or of the actual securities comprising the index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, a passively-managed Fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the index will affect the performance, volatility, and risk of the index and, consequently, the performance, volatility, and risk of the Fund.

Cash Management

Strategy description: The Adviser manages money market funds subject to Rule 2a-7 under the 1940 Act. The Adviser develops solutions to meet a client's liquidity needs, investment constraints, and risk parameters. Cash strategies seek to generate current income while preserving capital and liquidity by investing in diversified portfolios of short-term securities. Certain of the Cash Management strategies seek to maintain a constant one dollar net asset value per share. Certain other Cash Management strategies have a

“floating” net asset value, meaning that the net asset value per share will fluctuate with changes in the value of the Fund’s portfolio securities.

Risks: There is no assurance that Cash Management strategies which seek to maintain a constant one dollar net asset value per share will so maintain the Fund’s net asset value per share. The Cash Management strategies seek to maintain a constant one dollar unit value, although there is no assurance that a constant unit value will be maintained. The values of debt securities may increase or decrease as a result of the following: market fluctuations, increases in interest rates, actual or perceived inability or unwillingness of issuers, guarantors, or liquidity providers to make scheduled principal or interest payments or illiquidity in debt securities markets; the risk of low rates of return due to reinvestment of securities during periods of falling interest rates or repayment by issuers with higher coupon or interest rates; and/or the risk of low income due to falling interest rates. Returns on investments in debt securities could trail the returns on other investment options, including investments in equity securities.

Multi Asset Class Solutions

Strategy description: The Multi Asset Class Solutions strategies employ an asset allocation model as a method of diversification that aims to position assets among major investment categories. When employing a certain asset allocation methodology, the Adviser will have discretion to adjust portfolio positioning. This method is used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

Risks: The investment performance of Multi Asset Class Solutions strategies depends upon the successful allocation by the Adviser of a

Fund’s assets among asset classes, geographical regions, industry sectors, and specific issuers and investments. There is no guarantee that the Adviser’s allocation techniques and decisions will produce the desired results. Subject to the asset class allocation, the risks will be similar to those described in the other strategies.

Real Estate

Strategy description: The Adviser serves as investment adviser to Funds employing both passive and actively managed Real Estate Investment Trust (“REIT”) investing strategies.

Risks: REITs are subject to the risks associated with investing in the securities of real property companies. In particular, REITs may be affected by changes in the values of the underlying properties that they own or operate. Further, REITs are dependent upon specialized management skills, and their investments may be concentrated in relatively few properties, or in a small geographic area or a single property type. REITs are also subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of capital markets. A variety of economic and other factors may adversely affect a lessee’s ability to meet its obligations to a REIT. In the event of a default by a lessee, the REIT may experience delays in enforcing its rights as a lessor and may incur substantial costs associated in protecting its investments. In addition, a REIT could fail to qualify for favorable regulatory treatment.

The investment technique for Direct Real Estate may vary with the particular strategy’s investment objective and would be specifically described along with applicable risks in the offering document for the applicable pooled investment vehicle, or, in the case of a separate account, pursuant to the investment management agreement.

Senior Loans

Strategy description: The Adviser serves as investment adviser to a fund that employs senior loan investing strategies. An un-affiliated sub- adviser directs the investments of this fund.

Risks: Investments in senior loans are subject to credit risk and general investment risk.

Credit risk refers to the possibility that the borrower of a senior loan will be unable and/or unwilling to make timely interest payments and/or repay the principal on its obligation. Default in the payment of interest or principal on a senior loan will result in a reduction in the value of the senior loan and consequently a reduction in the value of a Fund's investments and a potential decrease in the net asset value of the Fund. Senior loans are also subject to the risk that the value of the collateral securing a senior loan may decline, be insufficient to meet the obligations of the borrower or be difficult to liquidate. In addition, the fund's access to the collateral may be limited by bankruptcy or other insolvency laws. Some senior loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate the senior loans to presently existing or future indebtedness of the borrower or take other action detrimental to lenders, including the fund, such as invalidation of senior loans or causing interest previously paid to be refunded to the borrower.

Managed Futures

Strategy description: The Managed Futures strategy pursues its investment objective by allocating its assets using two principal investment strategies: a "managed futures" strategy and a "fixed income" strategy. The managed futures strategy is intended to capture returns tied to global macroeconomic trends in the commodity futures (including

futures contracts on financial products such as currencies, broad-based indices and Treasury bills) markets, taking both long and short positions in such markets. The fixed income strategy is intended to generate interest income and capital appreciation to add diversification to the returns generated by the managed futures strategy.

Risks: Derivative transactions can create investment leverage and may have significant volatility. It is possible that a derivative transaction will result in a much greater loss than the principal amount invested, and a Fund may not be able to close out a derivative transaction at a favorable time or price.

Commodity prices can have significant volatility, and exposure to commodities can cause the net asset value of a Fund to decline or fluctuate in a rapid and unpredictable manner. A liquid secondary market may not exist for certain commodity investments, which may make it difficult for a Fund to sell them at a desirable price or at the price at which it is carrying them.

Private Equity

Strategy description: The Private Equity strategies pursue long-term success through rigorous partner selection, thorough evaluation of quality investment opportunities and fundamental, research-driven insights. The strategies makes direct or co-investments across sectors, as well as fund investments. We originate/lead growth directs and co-lead or follow on mid-market change of control transactions. We also partner with fund sponsors with strong industry expertise, operating management orientation and differentiated origination capabilities.

Risks: Current and prospective investors should clearly understand the significant degree of risk involved with investing in any alternative investment strategy and refer to the Fund's prospectus and other offering documents for a

more detailed discussion of the risks particular to that account or Fund. These risks may include the following: the strategy may use leverage, is speculative, involves a high degree of risk, and may not provide diversification; performance can be volatile, and an investor could lose a substantial amount or all of the investor's investment; the investor does not retain any trading authority over assets placed with the Adviser; an investor's account may not be liquid or transferable; fees and expenses may offset investment profits; and the strategy may execute a substantial portion of the investments in foreign markets creating exposure to currency fluctuations.

Please refer to the prospectus, statement(s) of additional information, private placement memoranda, or other offering documents for the funds for more detailed discussion about risks.

Item 9 – Disciplinary Information

SSGA FM has no material legal or disciplinary events to report.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

SSGA FM is an affiliate of SSGA. On August 31, 2012, SSGA FM's registration as a commodity trading advisor ("CTA") became effective with the National Futures Association ("NFA") and the Commodities Futures Trading Commission ("CFTC"). Effective the same date, SSGA delegated the management of futures, options on futures, and swaps, as applicable, to SSGA FM, with respect to certain of SSGA's separately managed accounts (collectively, the "Accounts"). SSGA FM does not provide any investment advisory services to the Accounts. Rather, SSGA is the named investment manager for the Accounts, and provides all securities advice to the Accounts, including

collateral management services related to SSGA FM's commodity interest trading advice.

SSGA FM also sub-advises a mutual fund which pursues its managed futures strategy primarily by investing up to 25% of its total assets in a wholly-owned and controlled subsidiary formed under the laws of the Cayman Islands (the "Subsidiary"). The Subsidiary invests the majority of its assets in limited liability companies or other business entities (each a "Trading Entity" and collectively the "Trading Entities"), the trading of each of which is managed on a discretionary basis by a different third-party CTA (a "Trading Advisor") pursuant to such Trading Advisor's commodity-related investment program (a "managed futures program"). SSGA FM allocates the assets of the Subsidiary among the Trading Entities to provide exposure to managed futures programs that the sub-advisor believes to be complementary to one another and consistent with the aim of moderating risk by diversifying the fund's exposure to futures contracts and other derivative instruments across trading methodologies, trading time horizons, sectors, and geography.

SSGA FM serves as an investment adviser to the Private Funds. SSGA FM also serves as a managing member of a Private Fund organized as a limited liability company. In addition employees of SSGA serve as directors to a Private Fund organized as a Cayman exempt Limited Company.

Other Financial Industry Affiliations

SSGA FM has relationships or arrangements with various related persons including: broker-dealers, various SEC registered investment companies, banking institutions, and other investment advisers.

SSGA FM is affiliated with State Street Global Markets, LLC ("SSGM"), a wholly-owned subsidiary of State Street. SSGM is registered as

a broker-dealer with the SEC, and is a member of the Financial Industry Regulatory Authority, the NFA, the Municipal Securities Rulemaking Board, Securities Investors Protection Corporation (“SIPC”), and various exchanges.

SSGA FM may use the services of SSGM to effect securities transactions for its clients. SSGA FM may also, either directly or in connection with effecting transactions with SSGM, use the services of other State Street subsidiaries or joint ventures involving State Street or its affiliates (or similar businesses involving State Street) whose businesses are designed to facilitate the purchase and sale of portfolio assets of client accounts.

SSGA FM only uses SSGM in cases where SSGA FM would need the authorization of a client before using SSGM to effect securities transactions for a client. SSGA FM would first obtain such authorizations to execute transactions for its clients in compliance with applicable laws, regulations, and SSGA FM and client specific policies. Specifically, in the event that SSGA FM places trades for the funds through SSGM on an agency basis, SSGA FM complies with the procedures adopted by the funds pursuant to Section 17(e) and Rule 17e-1 under the 1940 Act or otherwise effects such trades in accordance with applicable law.

SSGM currently serves as a principal underwriter and distributor for the SSGA Funds, the State Street Navigator Securities Lending Trust, the State Street Master Funds, the State Street Institutional Investment Trust, the State Street Institutional Funds, the Elfun Diversified Fund, the Elfun Government Monet Market Fund, the Elfun Income Fund, the Elfun International Equity Fund, the Elfun Tax Exempt Income Fund, the Elfun Trusts, the SPDR Series Trust, the SPDR Index Shares Funds, the SSGA Master Trust, and the SSGA Active Trust.

SSGA FM serves as the investment adviser to

various funds that are sponsored by it or its affiliates including the: SSGA Funds, State Street Navigator Securities Lending Trust, State Street Master Funds, State Street Institutional Investment Trust, the State Street Institutional Funds, the Elfun Diversified Fund, the Elfun Government Money Market Fund, the Elfun Income Fund, the Elfun International Equity Fund, the Elfun Tax Exempt Income Fund, the Elfun Trusts, The Select Sector SPDR Trust, SPDR Series Trust, SPDR Index Shares Funds, SSGA Master Trust, and SSGA Active Trust.

In addition to advisory fees received from funds sponsored by unaffiliated third parties, SSGA FM may also receive advisory fees from any investment made by these funds in the funds sponsored by SSGA FM or its affiliates.

Please refer to *Item 6 – Performance Based Fees and Side-by-Side Management*, for a discussion of potential conflicts of interests.

SSGA FM is affiliated with SSBT, a state chartered bank, which, in accordance with applicable law, provides custody, accounting, securities lending, transfer agency, and administrative services to certain of the funds. In addition, SSBT became a provisionally registered swap dealer in December of 2012.

SSGA FM is affiliated with SSGA. SSGA and its advisory affiliates comprise the investment management arm of State Street. The advisory activities of SSGA FM are performed by individuals who are employees of both SSGA FM and SSGA or its affiliates, and have the same or similar duties with respect to clients of SSGA FM, SSGA and other affiliates. Because SSGA FM’s employees are employees of SSGA, SSGA FM’s investment teams often manage various other SSGA accounts, including separate accounts and private funds, according to the same or similar investment strategies.

SSGA FM is affiliated with several SEC-registered and non-registered investment advisers. In

some instances, one or more of these advisers may assist SSGA FM in the management of a client portfolio. For example, State Street Global Advisors Limited is a sub-adviser to several funds for which SSGA FM is the named adviser.

Please refer to Item 11– *Code of Ethics*, for a discussion of additional conflicts of interests.

Item 11 – Code of Ethics

SSGA FM has adopted a Code of Ethics (the “Code”) that is designed to comply with the requirements of Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act. The Code imposes restrictions on the purchase or sale of securities for SSGA FM’s employees’ own accounts and the accounts of certain affiliates of employees.

The Code imposes substantive trading restrictions, including the requirement to pre-clear trades in Covered Securities, a prohibition on participating in IPOs, a requirement to pre-clear private placements, a 60 day short term profit prohibition (with some exceptions), and a blackout rule that prohibits an Investment Person from trading a Covered Security within seven days (before or after) of a trade in the same or equivalent security in a client portfolio with which such Investment Person is associated (subject to a de minimis exception of \$5,000). In addition, the Code requires employees to pre-clear and report transactions and holdings in mutual funds advised or sub-advised by SSGA FM and certain affiliates. Employees are required to report transactions and holdings in Covered Securities in initial, quarterly and annual reports. On an annual basis, each employee is required to certify that he or she has read, understands and is in compliance with the Code.

The foregoing discussion is a summary and it is qualified in its entirety by the Code. Each client or prospective client is provided with a

copy of the Code upon request.

SSGA FM follows *State Street’s Political Contributions and Activities Policy*, which contains provisions related to “pay-to-play” laws, including Rule 206(4)-5 under the Investment Advisers Act of 1940, as amended from time to time. The policy sets forth the basic principles and practices concerning State Street and its affiliates with regard to corporate and personal political contributions and other political activities. The policy requires pre-clearance of personal political contributions for certain employees, including employees of SSGA FM.

Potential Conflicts: The Adviser has identified conflicts that arise in the ordinary course of its investment advisory activities. Generally, these conflicts include those relating to the Adviser’s employees’ personal trading activities; relationships that the Adviser has with, and/or payments it may receive from, affiliated entities; trading in multiple client accounts in the same or similar investment strategies; the fee structure of certain accounts; and proxy voting. The Adviser has adopted policies and procedures to address these topics.

Conflicts may arise from the personal trading activities of the Adviser’s employees. These potential conflicts of interest are primarily addressed in the Code (described above) and the *State Street Standard of Conduct* (the “Standard of Conduct”). The Standard of Conduct also contains important provisions pertaining to insider trading and tipping and supplements the Adviser’s inside information/information barriers policy and procedure.

Conflicts may arise as a result of the Adviser’s dealings with affiliated entities. SSGA FM’s affiliates are among the service providers for SSGA FM’s clients. A conflict may exist because

SSGA FM may earn more revenue if a client selects a service provider affiliated with SSGA FM. These affiliations are disclosed to clients.

Conflicts may arise as a result of the aggregation of clients' trades and allocations to client accounts. There is a potential conflict when transactions in a specific security may not be effected for all client accounts at the same time or at the same price for various reasons. There could be incentive to allocate transactions in a manner that favors one client over another.

Conflicts may arise as a result of the allocation of scarce investment opportunities, such as in demand securities, because of the possibility that the Adviser could allocate scarce investment opportunities in a manner that favors one client over another. There is theoretically an incentive to allocate desirable securities to clients that pay a performance fee.

Conflicts may arise as a result of principal trading and cross trading activities. The potential conflict is that the Adviser could use these transactions for the benefit of the Adviser or to favor one client over another.

Conflicts may arise as a result of trading errors and the correction of such errors. The potential conflict is that the Adviser may seek to protect its own economic interest by not acknowledging that errors have occurred, by failing to fully compensate clients for damages they incur as a result of such errors (by not covering their losses), or by keeping client gains.

Conflicts may arise as a result of simultaneous management of multiple accounts by the Adviser's investment professionals. For example, differences in the advisory fee structure may create the appearance of actual or potential conflicts of interest because such differences could create pecuniary incentives for the Adviser to favor one account over another. Please refer to *Item 6 – Performance-*

Based Fees and Side-By-Side Management.

Conflicts may arise as a result of exercising proxies. For example, the Adviser or its affiliates may provide services to a company whose management is soliciting proxies, or to another entity which is a proponent of a particular proxy proposal. Another example could arise when SSGA or an affiliate has business or other relationships with participants involved in proxy contests, such as a candidate for a corporate directorship. Please refer to *Item 17 – Voting Client Securities* for information about the Adviser's Proxy Voting Policy.

Item 12 – Brokerage Practices

SSGA FM seeks best execution of client transactions, subject to any client-imposed restrictions (*e.g.*, if the client has mandated the use of specified counterparties for certain transactions) viewed in terms either of the particular transaction or in terms of SSGA FM's overall responsibilities with respect to the accounts as to which it exercises investment discretion and has the authority to select the executing broker-dealer or other counterparty.

- SSGA FM refers to and selects from the list of approved trading counterparties maintained by SSGA Credit Risk Management. In selecting a trading counterparty for a particular trade, the Adviser seeks to weigh relevant factors including, but not limited to the following: Prompt and reliable execution;
- The competitiveness of commission rates and spreads, if applicable;
- The financial strength, stability, and/or reputation of the broker-dealer;
- The willingness and ability of the executing broker-dealer to execute transactions (and commit capital) of size in liquid and illiquid markets

without disrupting the market for the security;

- Local laws, regulations, or restrictions;
- The ability of the executing broker-dealer to maintain confidentiality;
- The availability and capability of execution venues, including electronic communications networks for trading and execution management systems to SSGA FM;
- Market share;
- Liquidity;
- Price;
- History of execution of orders;
- Likelihood of execution and settlement;
- Order size and nature;
- Clearance and settlement capabilities, especially in high volume market environments;
- Sophistication of the broker-dealer's trading capabilities and infrastructure/facilities;
- The operational efficiency with which transactions are processed and cleared, taking into account the order size and complexity;
- Responsiveness to SSGA FM;
- Access to IPOs and other offerings;
- Access to secondary markets; – The "broker vote" process;
 - The relative value SSGA places on the proprietary research provided by various broker-dealers;
 - Counterparty exposure; and
 - Any other consideration relevant to the execution of the order.

In selecting a trading counterparty, the price of the transaction and costs related to the

execution of the transaction typically merit a high relative importance, depending on the circumstances. The Adviser does not necessarily select a trading counterparty based upon price and costs but may take other relevant factors into account if it believes that these are important in taking reasonable steps to obtain the best possible result for the client under the circumstances. The following matters may influence the relative importance that the Adviser places upon the relevant factors:

- The nature and characteristics of the order or transaction. For example, size of order, market impact of order, limits, or other instructions relating to the order.
- The characteristics of the financial instrument(s) or other assets which are the subject of that order. For example, whether the order pertains to an equity, debt, derivative or convertible instrument.
- The characteristics of the execution venues to which that order can be directed, if relevant. For example, availability and capabilities of electronic trading systems.
- Whether the transaction is a 'delivery versus payment' or 'over the counter' transaction. The creditworthiness of the trading counterparty, the amount of existing exposure to a trading counterparty and trading counterparty settlement capabilities may be given a higher relative importance in the case of 'over the counter' transactions.
- Any other circumstances relevant at the time.

The process by which trading counterparties are selected to effect transactions is designed to exclude consideration of: the value of any credits generated or to be generated by trading through a broker-dealer; any third party services

that SSGA may receive from utilizing such credits; or the sales efforts conducted by broker-dealers in relation to mutual funds managed by SSGA FM.

Research and Other Soft Dollar Benefits: For certain client accounts, SSGA FM uses “soft” or commission dollars for the purchase of third party research and brokerage services consistent with the parameters of section 28(e) of the Securities Exchange Act of 1934, as amended. SSGA FM will obtain research and brokerage services as needed for servicing managed accounts directly from broker-dealers and vendors (and directly from broker-dealers as a result of equity commissions as described below). Research and brokerage services obtained by the Adviser may be used in furnishing investment or other advice to all or some subset of the Adviser’s (and/or its affiliates) clients. The Adviser may share some or all of the brokerage and research services received by each of them with affiliates.

In addition, in respect of certain client accounts SSGA FM employs a standard negotiated equity commission schedule. All equity commission rates are the same regardless of account, market, or broker, including a prime broker. SSGA FM does not pay any broker-dealer a greater commission than any other broker-dealer for a similar execution as compensation for the value of any proprietary research that broker-dealer may provide to SSGA FM. However, these negotiated equity commission rates are not “execution-only” rates and may include an amount of compensation for brokerage and research services provided by the broker-dealers, which is often unsolicited. Proprietary research received by the Adviser and its affiliate(s) in this way typically includes research reports and analysis, stock and sector specific research, market color and/or certain trade analytics, and market data. The value attributed to any research is

determined, in part, by a “broker vote” process.

Products and Services: SSGA FM and SSGA receive proprietary research or brokerage services on the basis of transactions effected with or through broker-dealers on behalf of their clients. Proprietary research received by SSGA FM and SSGA typically includes research reports and analysis, stock specific and sector research, market color, regulatory analysis, trade analytics, and market structure updates. In addition, SSGA receives similar third-party research and brokerage services on the basis of transactions effected by it for its clients. Transactions effected for clients of SSGA FM may be aggregated with those transactions, although SSGA FM client transactions do not give rise to credits used to obtain those third-party services. SSGA FM and its clients may or may not benefit from those services. SSGA FM and SSGA may share some or all of the brokerage and research services received or generated by each of them with affiliates.

The process by which broker-dealers are selected is designed to limit consideration of the value of any third-party services that SSGA and SSGA FM may receive from broker-dealers.

Brokerage for Client Referrals: SSGA FM does not consider whether it or a related person receives client referrals from a broker-dealer or third party in selecting or recommending broker-dealers. SSGA FM may use broker-dealers that invest, or whose clients invest, in pooled vehicles sponsored or advised by SSGA FM or its affiliates, or may provide other consideration to those broker dealers.

Directed Brokerage: SSGA FM does not currently recommend, request, or require that clients direct the execution of transactions to specified executing broker-dealers.

From time to time, clients may direct SSGA FM

to use a particular broker/dealer to effect transactions consistent with SSGA's internal policies, as they may be in effect from time to time. If a client directs SSGA FM to use a specific broker-dealer, it may pay higher transaction costs and SSGA FM may not be able to achieve the most favorable execution. For example, a client may pay higher transaction costs because SSGA FM may not be able to aggregate the client's orders with other orders. A client might miss investment opportunities because the broker-dealer to whom a transaction is directed may not have access to certain securities, such as new issues or limited inventory bonds. Directed brokerage may affect the timing of the client's transaction (for example, there may be times when the client's trade will not be effected until all non-directed brokerage orders are completed), and may affect the processing of the transaction. The direction of transactions may result in additional credit and/or settlement risk.

Trade Aggregation: SSGA and SSGA FM may identify investment transactions that may be appropriate for two or more accounts for purpose of execution. If an aggregated investment transaction is consistent with SSGA and SSGA FM's duties to each such account and permitted by applicable laws and regulations, advisory contracts and investment objectives, then SSGA and SSGA FM will attempt, but is not required, to acquire or sell a sufficient amount of securities to satisfy all such accounts. SSGA and SSGA FM may consider the tax status, the nature and size of the aggregated investment, excess cash, and other appropriate factors under the circumstances. When a trade for the same security is placed for more than one account, which also may include accounts and funds of advisory affiliates, it is SSGA and SSGA FM's normal practice that such trades will be placed as a block.

Item 13 – Review of Accounts

All investment management accounts are reviewed regularly by the portfolio managers for performance and compliance with applicable investment objectives, guidelines, restrictions, and applicable regulatory requirements. Accounts are also routinely reviewed by SSGA FM's compliance personnel for compliance with investment guidelines, restrictions, and applicable regulatory requirements. Each investment strategy is also reviewed regularly by the SSGA Investment Committee.

The Board of Trustees/Directors of the Funds periodically receive reports that include a summary of relevant market conditions that have affected the Funds during the reporting period and may affect the Funds in the future. The Boards also have the opportunity to review fund performance at their respective meetings. An investment management account may be reviewed on other than periodic basis as part of an individual portfolio manager performance review at the request of the SSGA Investment Committee or as part of a random sampling approach. The criteria for a review may vary by group and may include performance, risk exposure, holdings, or changes in personnel.

Reporting: SSGA FM provides clients with reports and information as agreed to with the client. The frequency (daily, monthly, or quarterly) is determined by the nature of the report and the needs of the client. Reports may include data relating to purchases and sales, specific regulatory requirements, account holdings, performance, market values and issuer/ sector / country exposures as well as commentary on the market and the applicable investment mandate. Reports and information provided vary from client to client and are most often provided in a format requested by the client.

Clients who invest in the real estate and private placement partnerships we manage receive quarterly and annual reports showing the financial performance of such partnerships and the client's limited partnership interest.

Item 14 – Client Referrals and Other Compensation

The Adviser may make payments to affiliates or non-affiliates associated with investments in investment company clients of the Adviser. These payments are made from the Adviser's own resources and not from the assets of any investment company client. The Adviser is not aware of any preferential treatment that it or its affiliates receive from these intermediaries in exchange for these payments. Consistent with applicable regulations, SSGA FM may also from time to time reimburse SSGM to cover various costs arising from activities that may result in the sale of advisory products or services. We may enter into certain client solicitation agreements. Pursuant to such agreements, third parties will be compensated in the event that we are retained as an investment adviser by a client introduced to us by such third party. Pursuant to rules issued by the SEC, neither we nor an affiliate may compensate a solicitor for obtaining clients unless certain conditions are met. The amount of any compensation paid by SSGA FM to a solicitor with respect to any client will be approved by senior management within SSGA FM and disclosed to such client in writing prior to our providing service.

Item 15 – Custody

SSGA FM is affiliated with SSBT, which provides custody services to certain of the funds. Clients will receive account statements from SSBT and clients should carefully review those statements. Investors in the Private Funds will receive the applicable Fund's annual financial statements in accordance with the Advisers Act. Such Fund's custodian will deliver to the

investor a quarterly statement as required pursuant to the Advisers Act or, in the case of limited partnerships ("LP") subject to an audit, SSGA FM or the LPs custodian will provide an annual financial statement within 120 days of each LP's fiscal year end.

Item 16 – Investment Discretion

SSGA FM generally has full investment discretion for each Fund that it manages, subject to the Fund's investment objectives, policies, guidelines, and restrictions, as well as certain securities, tax and other laws that may, for example, require diversification of investments and impose other limitations. SSGA FM also has clients for which it only provides investment advice and is not responsible for brokerage execution or account management.

Item 17 – Voting Client Securities

As an investment manager, SSGA FM has discretionary proxy voting authority over most of its client accounts, and SSGA FM votes these proxies in the manner that we believe will best protect and promote the long-term economic value of client investments.

Oversight: The SSGA Asset Stewardship Team is responsible for implementing the Proxy Voting Guidelines, case-by-case voting items, issuer engagement activities, and research and analysis of governance and sustainability-related issues. The implementation of the Proxy Voting Guidelines is overseen by the SSGA Global Proxy Review Committee ("SSGA PRC"), a committee of investment, compliance and legal professionals, who provide guidance on proxy issues as described in greater detail below. Oversight of the proxy voting process is ultimately the responsibility of the SSGA Investment Committee. The SSGA Investment

Committee reviews and approves amendments to the Proxy Voting Guidelines. The SSGA PRC reports to the SSGA Investment Committee, and may refer certain significant proxy items to that committee.

Proxy Voting Process: In order to facilitate SSGA FM's proxy voting process, SSGA FM retains Institutional Shareholder Services Inc. ("ISS"), a firm with expertise in proxy voting and corporate governance. SSGA FM utilizes ISS's services in three ways: (1) as SSGA FM's proxy voting agent (providing SSGA FM with vote execution and administration services); (2) for applying SSGA FM's Proxy Voting Guidelines; and (3) as providers of research and analysis relating to general corporate governance issues and specific proxy items.

The SSGA Asset Stewardship Team reviews its Proxy Voting Guidelines with ISS on an annual basis or on a case-by-case basis as needed. ISS affects the proxy votes in accordance with SSGA FM's Proxy Voting Guidelines. Voting matters that are nuanced or that require additional analysis are referred to and reviewed by members of SSGA's Asset Stewardship Team. SSGA ESG analysts evaluate the proxy solicitation to determine how to vote based on facts and circumstances, and consistent with SSGA FM's Proxy Voting Guidelines, that seeks to maximize the value of our client accounts.

In some instances, the SSGA Asset Stewardship Team may refer significant issues to the SSGA PRC for a determination of the proxy vote. In addition, in determining whether to refer a proxy vote to the SSGA PRC, the SSGA Asset Stewardship Team will consider whether a material conflict of interest exists between the interests of our client and those of SSGA or its affiliates.

SSGA FM will review a proxy which may present a potential conflict of interest. Although various

relationships could be deemed to give rise to a conflict of interest, SSGA FM has determined that a material conflict of interest is a conflict between the interests of our client and those of SSGA or its affiliates. In circumstances where either (i) the matter does not fall clearly within the Proxy Voting Guidelines or (ii) SSGA determines that voting in accordance with such policies or guidance is not in the best interests of its clients, the SSGA Asset Stewardship Team will determine whether a material relationship exists. If so the matter is referred to the SSGA PRC, which 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 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 the SSGA Investment Committee for further evaluation, or (iii) retain an independent fiduciary to determine the appropriate vote.

SSGA FM votes in all markets where it is feasible; however, SSGA FM may refrain from voting meetings when power of attorney documentation is required, where voting will have a material impact on our ability to trade the security, or where issuer-specific special documentation is required or various market or issuer certifications are required. SSGA FM is unable to vote proxies when certain custodians, used by our clients, do not offer proxy voting in a jurisdiction or when they charge a meeting specific fee in excess of the typical custody service agreement.

Information about how SSGA FM voted a Fund's proxies during the most recent 12-month period ended June 30 can be obtained on the SEC's website at <http://www.sec.gov>.

A copy of *SSGA FM's Proxy Voting Guidelines* is provided to each client.

Item 18 – Financial Information

SSGA FM has no financial commitment or condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

SSGA FM is not registering or registered with any state securities authorities.