

Form ADV Part 2A Brochure

SSGA Funds Management, Inc.
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March 30, 2020

This Brochure provides information about the qualifications and business practices of SSGA Funds Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 617-786-3000 or Compliance_Boston_SSGA@ssga.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information on SSGA Funds Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

SSGA Funds Management, Inc. is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended. This registration does not imply a certain level of skill or training.

Item 2 – Material Changes

This section describes the material changes to SSGA Funds Management, Inc.'s Brochure since its annual update on March 29, 2019.

This Brochure has been updated to reflect changes to the description of advisory services offered by SSGA Funds Management Inc. (Item 4) and changes to the description of investment strategies offered by SSGA Funds Management Inc. (Item 8).

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Item 4. Advisory Business

Established in 2001, SSGA Funds Management, Inc. (“SSGA FM” or the “Adviser”) is a global leader in asset management that sophisticated institutions worldwide rely on for their investment needs. The Adviser is registered with the United States (“U.S.”) Securities and Exchange Commission (“SEC”) as an investment adviser under Investment Advisers Act of 1940, as amended (the “Advisers Act”), and is an indirect wholly-owned subsidiary of State Street Corporation (“State Street”), a publicly traded financial holding company. SSGA FM is also registered as a commodity trading adviser (“CTA”) and commodity pool operator (“CPO”) with the National Futures Association and Commodity Futures Trading Commission. SSGA FM and certain other affiliates of State Street make up State Street Global Advisors, the investment management arm of State Street (“State Street Global Advisors”). As of December 31, 2019, SSGA FM had \$602,432,669,273 in regulatory assets under management on a discretionary basis.

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 (each a “Fund”, and 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 indexes, 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 ETF model portfolio services on a non-discretionary basis 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.

We also advise private limited partnerships, collective investment vehicles and other private funds that are sponsored by SSGA FM, or for which SSGA FM has been engaged to act as investment manager. These entities invest primarily in real estate, publicly-traded or privately-placed equity securities, debt securities, fixed income securities and currencies.

In addition, SSGA FM provides a range of investment management services with respect to certain alternatives investment management strategies (“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”). Alternatives also include investments in hedge fund strategies that SSGA FM directly manages, including defensive long/short equity, emerging markets currency and global fixed income. In addition, Alternatives include investments in pooled investment vehicles employing hedge fund strategies that are managed by third party investment advisers. In addition, SSGA FM provides investment management services with respect to investments in futures, options on futures and swaps or other derivatives instruments.

SSGA FM may receive services from certain affiliated entities, which may use the services of appropriate personnel of one or more of the other affiliated 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.

The following is a non-exhaustive list of services that SSGA FM provides to clients:

- **Investment Selection** — For the substantial majority of SSGA FM’s clients, SSGA FM has full investment discretion for each client that it manages and executes its investment selection decisions in accordance with each client’s investment objectives and policies, applicable legal and regulatory requirements, and the oversight of any client’s Board of Trustees or Directors (the “Board”). Additionally, we combine proprietary global research capabilities with intellectual capital in an effort to improve investment factor efficiencies and to solve investment problems for clients.

- **Trading** — SSGA FM, as part of its investment management services, provides trading services to its clients pursuant to which it sends orders for execution of client purchases and sales transactions to third-party broker-dealers and other trading venues.
- **Operations**— Investment operations is organized by function on a regional basis. The functional teams include client administration (including shareholder services) and portfolio services. The portfolio services team is responsible for oversight of functions provided by Investment Management Services (“IMS”) and Global Exchange, which includes portfolio administration, corporate actions, reconciliations, performance measurement and trade administration.
- **Securities Lending Program** —SSGA FM as investment manager provides oversight of the Securities Lending program for its clients. Oversight of the program includes 1) monitoring of the affiliated lending agent’s implementation of the program’s relevant policies and procedures, 2) assistance in evaluation of program performance, 3) coordination of independent third party advisors and consultants related to the program, and 4) evaluation and recommendations for improvements to the program for Board consideration, if applicable.
- **Compliance** — SSGA FM has committed substantial resources to establishing a compliance program and dedicates human capital to ensure that compliance requirements are satisfied. SSGA FM Compliance has a number of employees who devote a substantial portion of their time supporting its clients’ compliance with applicable law and regulations. This program involves testing and/or oversight of the clients’ service providers and operations, including, as applicable, fund accounting, custody, transfer agency services, portfolio management, investment operations, sales, distribution, and shareholder servicing.
- **Risk Management** — The Risk Management Group is comprised of investment, model, counterparty, liquidity, operational risk management, and COO Risk teams, and as such takes on a variety of roles with regards to monitoring, supporting and managing business risks taken through the organization. The Risk Management Group seeks to protect its clients from unintended risks by providing an independent assessment framework to evaluate risk exposures and process controls across asset classes.

Item 5. Fees and Compensation

SSGA FM does not maintain a standardized fee schedule for its advisory services. Advisory or sub-advisory fees are negotiated with each client and may vary depending upon the size and type of client mandate, the strategy selected and the distribution channel in which the product is offered and sold. 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, 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-Based Fees and Side-By-Side Management* for an additional discussion regarding fees.

Private Funds: With respect to unregistered pooled investment vehicles advised by SSGA FM (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.

Alternatives: With respect to Alternatives investment management services, SSGA FM determine fees on a case-by-case basis depending upon the nature and the extent of the services requested by each 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 Private Equity 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 FM, which provides Alternatives services to this investor, receives compensation from such investor for the management services it provides to such Funds in connection with the Alternatives investment management services provided to this investor.

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, such as 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.

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 may, from time to time, enter into performance-based fee arrangements.

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 SSGA Trust Company, 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 Trust Company 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
- The execution of transactions shortly before or after related transactions in a different account

As discussed above, a potential conflict of interest may arise when the portfolio manager is responsible for client accounts that have different advisory fees. The difference in fees could create an incentive for the portfolio manager to favor one client 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.

SSGA FM has adopted policies and procedures to address and manage potential conflicts of interest that may arise when investment strategies and/or models are managed side-by-side with one or more single investment strategies.

The Adviser has established policies and procedures for allocating investment opportunities among client portfolios that are designed to provide a fair and equitable allocation. These policies permit SSGA FM 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, unless lot sizes or other aspects of the allocation require manual adjustment.

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 provides ETF model portfolio services on a non-discretionary basis 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. In addition, SSGA FM 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 utilizes several methods of investment analysis across a wide array of investment strategies when formulating investment advice or managing assets. SSGA FM does not rely on one type of investment analysis over another and does not recommend one particular type of security. SSGA FM seeks to utilize the most prudent methods of investment analysis based upon certain characteristics of the investment strategy and the current market conditions, as applicable.

Methods of Analysis: Each investment strategy described below uses various methods of investment analysis as needed. The methods of investment analysis include, but are not limited to:

- Quantitative
- Fundamental
- Technical
- Cyclical
- Indexing
- Arbitrage
- Charting
- Other strategy-specific methods described below

Investment Strategies: The investment strategies deployed by SSGA FM include, but are not limited to:

- Enhanced, Active, and Defensive Equity
- Index Equity
- Fixed Income
- Currency Management
- Cash Management
- Multi-Asset Class Solutions (Asset Allocation)
- Managed Futures

- ESG – Socially Responsible Investment Strategies
- Smart Beta
- Real Estate (including Direct Real Estate)
- Private Equity
- Senior Loans

The following section includes a description of the Adviser's investment strategies set forth in the list directly above and a discussion of the material risks of each such 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 a more detailed discussion of risks. Investing involves risk including the risk of loss of principal.

Enhanced, Active, and Defensive Equity

Strategy description: SSGA FM has teams managing active investment strategies designed to outperform relative to benchmarks, while maintaining appropriate risk exposure. Active equity investment strategies include enhanced equity, active and defensive quantitative strategies. The enhanced and active investment 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 indexes. The defensive strategy is benchmark-unaware 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.

Risks: The market prices of equity securities may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. 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, the possibility of greater political and economic instability, greater risk of volatility in currency exchange rates, and less developed securities markets as compared to those typically found in a developed market. The Adviser's judgments about the attractiveness, relative value, or potential appreciation of a particular sector, security, commodity or investment strategy may prove to be incorrect, and may cause the Fund to incur losses. There can be no assurance that the Adviser's investment techniques and decisions will produce the desired results.

Index Equity

Strategy description: SSGA FM offers index equity investment strategies covering various capitalization segments, style portfolios, and sector portfolios, indexing, developed markets indexing, emerging markets indexing, and specific country mandates. SSGA FM 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. The value of a security may decline for a number of reasons that may directly relate to the issuer and also may decline due to general industry or market conditions that are not specifically related to a particular company. 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, the possibility of greater political and economic instability, greater risk of volatility in currency exchange rates, and less developed securities markets as compared to those typically found in a developed market. An index-managed Fund is managed with an indexing 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, an index-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.

Fixed-Income

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

Risks: The values of fixed income securities may increase or decrease as a result of 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 fixed income 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 fixed income securities could trail the returns on other investment options, including investments in equity securities. Foreign securities are subject to greater 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, the possibility of greater political and economic instability, risk of greater volatility in currency exchange rates, and less developed securities markets as compared to those typically found in a developed market. An index-managed Fund is managed with an indexing 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, an index-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.

Currency Management

Strategy Description: Currency management investment strategies employ a variety of investing principles, which may include passive currency hedging, strategic hedging, currency smart beta, and absolute return strategies to manage the incidental, underlying currency exposure inherent with international portfolios.

Risks: The values of currency-related assets may fluctuate in response to, among other factors, interest rate changes, intervention (or failure to intervene) by national governments, central banks, or supranational entities such as the International Monetary Fund, the imposition of currency controls, and other political or regulatory developments. Currency values can decrease significantly both in the short term and over the long term in response to these and other developments. 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.

Cash Strategies

Strategy description: The Adviser manages money market funds subject to Rule 2a-7 under the 1940 Act ("Cash Strategies"). 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 Strategies seek to maintain a constant one dollar net asset value per share ("Stable NAV Cash Strategies"). Certain other Cash 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 a Stable NAV Cash Strategy will maintain a constant one dollar net asset value per share. The values of debt securities may increase or decrease as a result of the following: market fluctuations, market volatility, significant redemption activity, 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 (Asset Allocation)

Strategy description: Multi-Asset Class Solutions investment 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, such as strategic asset allocation, tactical asset allocation or exposure management, SSGA FM 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 investment strategies depends upon the successful allocation of assets among asset classes, geographical regions, industry sectors, and specific issuers and investments. There is no guarantee that SSGA FM's allocation techniques and decisions will produce the desired results. Subject to the multi-asset class solutions allocation strategy, the risks will be similar to those described in the other strategies.

Managed Futures

Strategy description: The Managed Futures investment 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 investment 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 liquidity preservation 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.

ESG - Socially Responsible Investment Strategies

Strategy Description: ESG investing is the assessment of material environmental, social and governance issues during the investment process. This complements traditional research such as analyzing financial statements, industry trends, and company growth strategies. As fiduciaries of our clients' assets, we are committed to identifying opportunities and mitigating risks to create long-term shareholder value.

We do not take a one-size-fits-all approach to ESG investing. Our approach varies between investment teams to reflect the ESG integration philosophies of each team and the specific nuances of each investment area. As such, in an effort to achieve better risk-adjusted returns, our investment teams each assess if and how financially material ESG issues are integrated into their investment analysis and decision-making processes.

Risks: A Fund's incorporation of ESG considerations in its investment process may cause it to make different investments than funds that have a similar investment universe and/or investment style but that do not incorporate such considerations in their strategy or investment processes. Under certain economic conditions, this could cause a Fund's investment performance to be worse than similar funds that do not incorporate such considerations in their investment strategies or processes.

Smart Beta

Strategy Description: Smart Beta investment strategies target specific factor exposures with the goal of achieving better risk-adjusted returns and capturing excess performance in a more cost-effective way. Portfolios are designed to invest in securities based on a single factor (i.e. valuation, capitalization, volatility, quality or momentum) or on a multi-factor profile, combining two or more target characteristics, with the goal of providing enhanced performance and diversification.

Risks: A Smart Beta investment strategy does not seek to replicate the performance of a specified cap-weighted index and as such, may underperform such an index. The factors to which a Smart Beta investment strategy seeks to deliver exposure to may undergo cyclical performance themselves. As such, a Smart Beta investment strategy may underperform the market or other Smart Beta investment strategies exposed to similar or other targeted factors. Smart Beta Funds invest securities based on a single factor, or on multiple factors, by sampling the underlying index, holding a range of securities that, in the aggregate, approximate the full underlying index in terms of key risk factors and other characteristics. This may cause a Fund to experience tracking error relative to performance of the underlying index.

Real Estate (including Direct Real Estate)

Strategy description: SSGA FM serves as investment adviser to certain clients that invest directly in real estate properties and to real estate funds organized as limited partnerships. SSGA FM also serves as investment adviser to Funds employing both index and actively managed Real Estate Investment Trust ("REIT") investing strategies..

Risks: Investments in real estate, whether made directly by an investor or through Fund investments (e.g., limited partnerships or REITs), are subject to a range of risks connected to the operations of the underlying properties owned and/or operated by the direct investor or the Fund, including, by way of example, the possibility of declines in the value of real estate, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, environmental liability, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. A variety of economic and other factors may adversely affect a lessee's ability to meet its obligations to a direct investor or Fund. In the event of a default by a lessee, the direct investor or Fund may experience delays in enforcing its rights as a lessor and may incur substantial costs associated in protecting its investments.

Some real estate Funds have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Real estate Funds are dependent upon specialized management skills. Real estate Funds are also subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of capital markets. REITs are subject to the risks associated with investing in the securities of real property companies. In addition, a REIT could fail to qualify for favorable regulatory treatment.

Private Equity

Strategy description: The Private Equity investment strategies pursue long-term success through rigorous partner selection, thorough evaluation of quality investment opportunities and fundamental, research-driven insights. The Private Equity investment strategies make direct investments or co-investments across sectors, as well as fund investments. We seek to 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 or separate account materials and other offering documents for a more detailed discussion of the risks particular to that separate 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 of or all of the their 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 or separate accounts for a more detailed discussion about investment related risks.

Senior Loan

Strategy description: The Adviser serves as investment adviser to a Fund that employs senior loan investing strategies. An unaffiliated sub-adviser directs the investments of this Fund on a daily basis.

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 loan 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.

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 registered as a CTA and a CPO with the NFA and the CFTC. SSGA Trust Company has delegated the management of commodity interests to SSGA FM with respect to certain of SSGA Trust Company's separately managed accounts that do not invest in Alternatives (collectively, the "Accounts"). SSGA FM does not provide any securities investment advisory services to the Accounts. With respect to the Accounts, SSGA Trust Company is the named investment manager, and provides all securities advice to the Accounts, including collateral management services related to SSGA FM's commodity interest trading advice. State Street Global Advisors, Cayman is an affiliate of SSGA FM and serves as general partner of two Private Equity Funds.

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 ("FINRA"), 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 would only use 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 would comply 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.

SSGA FM is also affiliated with State Street Global Advisors Funds Distributors, LLC (“SSGA FD”), an indirect wholly-owned subsidiary of State Street. SSGA FD is registered as a broker-dealer with the SEC, and is a member of FINRA and SIPC. SSGA FD currently serves as a principal underwriter and distributor for the SSGA Funds, the 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, State Street Variable Insurance Series Funds, Inc., the SPDR Series Trust, the SPDR Index Shares Funds, 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, 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 Money Market Fund, the Elfun Income Fund, the Elfun International Equity Fund, the Elfun Tax Exempt Income Fund, the Elfun Trusts, State Street Variable Insurance Series Funds, Inc., the Select Sector SPDR Trust, the SPDR Series Trust, the SPDR Index Shares Funds, SSGA Master Trust, and the 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 interest.

SSGA FM is affiliated with SSBT, a state chartered bank, which, in accordance with applicable law, provides custody, accounting, securities lending, transfer agency, shareholder servicing 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 Trust Company. SSGA Trust Company and certain of its 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 Trust Company or its affiliates, and have the same or similar duties with respect to clients of SSGA FM, SSGA Trust Company and other affiliates. Because SSGA FM’s employees are employees of SSGA Trust Company, SSGA FM’s investment teams often manage various other State Street Global Advisors client accounts, including separately managed accounts and bank-sponsored, commingled 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, an SEC-registered investment adviser that is authorized and regulated by the U.K. Financial Conduct Authority, is a sub-adviser to two funds for which SSGA FM is the named adviser.

SSGA FM and its affiliates may compile, create, sponsor or maintain indexes (each a “State Street Global Advisors-Sponsored Index”). Some of the ETFs for which SSGA FM acts as an investment adviser seek to track the performance of the State Street Global Advisors-Sponsored Indexes. SSGA FM and its affiliates have established policies and procedures that are designed to address potential conflicts of interest that may arise in connection with the operation of the State Street Global Advisors-Sponsored Indexes and the ETFs that seek to track the State Street Global Advisors-Sponsored Indexes. Such policies and procedures include establishing certain information barriers and other policies to address the sharing of information between personnel responsible for maintaining the State Street Global Advisors-Sponsored Indexes and those involved in decision-making for the ETFs that seek to track the State Street Global Advisors-Sponsored Indexes. Please refer to *Item 11. Code of Ethics* for a discussion of additional conflicts of interest.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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 but not limited to the requirement to pre-clear trades in certain security types (“Covered Securities”), a prohibition on participating generally 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 certain investment personnel from trading a Covered Security within seven days before or after a trade in the same or equivalent security in a client portfolio with which such investment personnel are 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/or 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 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 Advisers Act. 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 of Interest: The Adviser has identified potential conflicts of interest that arise in the ordinary course of its investment advisory activities. Generally, these conflicts of interest 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.

SSGA FM employs a variety of mechanisms designed to manage and mitigate identified potential conflicts of interest that are deemed to be material, including: (1) disclosing such conflicts of interest to clients; (2) implementing policies, procedures and controls; and (3) monitoring for ongoing compliance with those policies, procedures and controls.

SSGA FM also maintains a conflicts of interest register, which is a tool designed to assist in the identification, monitoring and mitigation of conflicts at SSGA FM. This register is reviewed periodically and updated as necessary to reflect any changes to those previously identified conflicts of interest, changes in the regulatory environment and changes to SSGA FM’s business.

In addition, SSGA FM has put in place a framework that sets forth guidelines for SSGA FM personnel to follow in order to address and manage potential conflicts of interest involving Global Fiduciary Solutions, SSGA FM’s internal team that provides outsourced investment management services, and the Investment Solutions Group, SSGA FM’s internal advisory group that provides investment solutions or services to clients. This framework aids in separating Global Fiduciary Solutions and the Investment Solutions Group from other areas of SSGA FM in an effort to mitigate the potential conflicts of interest those business models may present when managed side by side with SSGA FM’s other portfolio management teams.

Conflicts of interest 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 of interest 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 or its affiliates may earn more revenue if a client selects a service provider affiliated with SSGA FM. These affiliations are disclosed to clients.

Conflicts of interest may arise as a result of the aggregation of clients’ trades and allocations to client accounts. There is a potential conflict of interest 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 account over another.

Conflicts of interest 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 account over another. There is theoretically an incentive to allocate desirable securities to clients that pay a performance fee.

Conflicts of interest may arise in the course of evaluating potential trade errors. Where there may have been a trade error in a client's account, a potential conflict of interest exists that the Adviser may seek to protect its own economic interest in evaluating the resolution of such trade error.

Conflicts of interest may arise as a result of simultaneous investment management of multiple client 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 client account over another. Please refer to *Item 6. Performance-Based Fees and Side-By-Side Management*.

Conflicts of interest 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 that is a proponent of a particular proxy proposal. Another example could arise when SSGA FM 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

In placing a portfolio transaction, SSGA FM seeks to achieve best execution. SSGA FM's duty to seek best execution requires SSGA FM to take reasonable steps to obtain for the client as favorable an overall result as possible for Fund portfolio transactions, taking into account various factors that are relevant to the particular transaction, under the circumstances.

SSGA FM refers to and selects from the list of approved trading counterparties maintained by SSGA's Credit Risk Team. In selecting a trading counterparty for a particular trade, SSGA FM 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 trading counterparty
- The willingness and ability of the executing trading counterparty 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 trading counterparty to maintain confidentiality
- The availability and capability of execution venues, including electronic communications networks for trading and execution management systems made available to Adviser
- Market share
- Liquidity
- Price
- Execution related costs
- History of execution of orders
- Likelihood of execution and settlement
- Order size and nature
- Clearing and settlement capabilities, especially in high volatility market environments
- Availability of lendable securities
- Sophistication of the trading counterparty's trading capabilities and infrastructure/facilities

- The operational efficiency with which transactions are processed and cleared, taking into account the order size and complexity
- Speed and responsiveness to SSGA FM
- Access to secondary markets
- Counterparty exposure
- Any other consideration SSGA FM believes is 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. SSGA FM 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 a Fund under the circumstances. Consequently, SSGA FM may cause a client to pay a trading counterparty more than another trading counterparty might have charged for the same transaction in recognition of the value and quality of the brokerage services provided. The following matters may influence the relative importance that SSGA FM places upon the relevant factors:

- (i) 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.
- (ii) 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, fixed income, derivative or convertible instrument.
- (iii) The characteristics of the execution venues to which that order can be directed, if relevant. For example, availability and capabilities of electronic trading systems.
- (iv) 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.
- (v) Any other circumstances relevant SSGA FM believes is relevant at the time.

The process by which trading counterparties are selected to effect transactions is designed to exclude consideration of the sales efforts conducted by broker-dealers in relation to the Funds.

SSGA FM uses the same negotiated equity commission schedule with each broker-dealer per market/region, and applies these for each account it trades for¹. SSGA FM's negotiated equity commission rates are execution service rates and take into account considerations such as liquidity, market conditions or trading expertise needed to achieve execution. They do not take into account the value of any research received. SSGA FM may periodically receive unpriced proprietary research from the broker-dealers it trades with on behalf of client accounts. The receipt of such research by SSGA FM is not factored in the decision to trade with one broker-dealer over another. Please see below in this Item 11 for additional disclosure regarding commission rates as pertinent to SSGA FM's soft dollar program.

Soft Dollars: With respect only to its Stamford, Connecticut-based Active Fundamental Equity business, SSGA FM uses "soft" or equity commission dollars for the purchase of third party research permissible under Section 28(e) of the Securities Exchange Act of 1934, as amended (this soft dollar program hereinafter referred to as the "Program"). For SSGA FM clients participating in the Program, a "tack on" rate is applied exclusively to generate soft dollar credits used by SSGA FM to obtain research services for the benefit of such clients.² Research services received by SSGA FM on behalf of its Stamford, Connecticut-based Active Fundamental Equity business typically includes among other things, research reports and analysis, stock specific and sector research, market color, market data and regulatory analysis.

As discussed above, SSGA FM currently implements a soft dollar program only with respect to its Stamford, Connecticut-based Active Fundamental Equity business. However, SSGA FM may decide to engage in commission sharing arrangements with additional client accounts in the future and will provide clients with notice prior to doing so. For this Program, and any potential future soft dollar program, when a broker-dealer provides or makes available research and

¹ In certain situations, SSGA FM may use a commission rate that is not on that schedule due to the circumstances (nature, timing, market dynamics) of the trade - for example, in the case of secondary offerings, short settling and/or block trades. Certain alternative strategy accounts may employ a different commission schedule.

² The "tack on" rate is separate and distinct from the equity commission rates discussed above in this Item 11.

brokerage services to SSGA FM generated by transactions effected with or through that broker-dealer on behalf of clients, SSGA FM benefits because SSGA FM did not have to pay for those services or incur any costs to develop the research.

Research services furnished to SSGA FM with respect to the Program may be used in furnishing investment or other advice to all or some subset of the clients of SSGA FM's Stamford, Connecticut-based Active Fundamental Equity business. With respect to the Program, services received from a broker-dealer that executed transactions for a particular client will not necessarily be used by SSGA FM specifically in servicing that particular account.

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 FM'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 trade orders with other trade 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 trade 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 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 FM's duties to each such account and permitted by applicable laws and regulations, advisory contracts and investment objectives, then SSGA FM will attempt, but is not required, to acquire or sell a sufficient amount of securities to satisfy all such accounts. 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 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. Client accounts are also routinely reviewed by SSGA FM's investment oversight personnel for compliance with investment guidelines, restrictions, and applicable regulatory requirements. Each investment strategy is also reviewed regularly by the State Street Global Advisors Investment Strategy Review Committee with specific emphasis on risk and return characteristics and performance evaluation.

Boards 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. In addition to periodic reviews, SSGA FM may perform reviews of investment management accounts as it deems appropriate or as otherwise required. Additional reviews may be triggered by client request, compliance monitoring, industry factors, market developments, statutory and regulatory changes and any issues that may have been identified with respect to an account.

Client 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. SSGA

FM 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

SSGA FM may make payments to affiliates or non-affiliates associated with investments in investment company clients of the Adviser. These payments are made from the SSGA FM's own resources and not from the assets of any investment company client. Consistent with applicable regulations, SSGA FM may also from time to time reimburse SSGA FD 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 SSGA FM 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 the Funds' custodian or transfer agent, and clients should carefully review those statements. Investors in the Private Funds will receive the applicable Private Fund's annual financial statements in accordance with the Advisers Act. Each Private Fund's custodian will deliver to the investor a quarterly statement as required pursuant to the Advisers Act or, in the case of Private Funds subject to an audit, SSGA FM or the Private Fund's custodian will provide an annual financial statement within 120 days of each Private Fund'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 regulatory requirements 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 client 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 those proxies in a manner that SSGA FM believe will best protect and promote the long-term economic value of client investments.

Oversight: State Street Global Advisors' Asset Stewardship Team (the "Stewardship Team") is responsible for implementing the Proxy Voting Guidelines, case-by-case proxy 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 State Street Global Advisors' Global Proxy Review Committee ("State Street Global Advisors PRC"), a committee of investment, compliance and legal professionals, who provide guidance on proxy voting issues as described in greater detail below. Oversight of the proxy voting process is ultimately the responsibility of the State Street Global Advisors Investment Committee. State Street Global Advisors' Investment Committee reviews and approves amendments to the Proxy Voting Guidelines. State Street Global Advisors' PRC is a sub-committee to State Street Global Advisors' Investment Committee, and may refer significant proxy items to that committee for review and guidance.

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'

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

In some instances, the Stewardship Team may refer significant proxy voting matters to State Street Global Advisors' PRC for a determination of the proxy vote. In addition, in determining whether to refer a proxy vote to the State Street Global Advisors PRC, the Stewardship Team will consider whether a material conflict of interest exists between the interests of our client and those of SSGA FM or its affiliates. SSGA FM will review a proxy solicitation 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 FM or its affiliates. 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 Stewardship Team will determine whether a material relationship exists. If so, the matter is referred to State Street Global Advisors' 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, State Street Global Advisors' 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 State Street Global Advisors' 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.