

# U.S. Fixed Income Index

## Strategy Disclosure Document

This Strategy Disclosure Document describes core characteristics, attributes, and risks associated with a number of related strategies, including pooled investment vehicles and funds.

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## I. Product Profile

### Investment Philosophy

We believe that our clients choose indexing for three main reasons. First, they want to gain broad-based market exposure. Second, they want predictable variance around a given benchmark. Third, they want this exposure at a low cost. Our philosophy is to manage every index portfolio in a manner that seeks to ensure that all three of these objectives are adhered to throughout the investment process - from the initial contribution to the ongoing management of the assets. We continually assess the tradeoffs between transaction costs and tracking error. The objective of this approach is to achieve a healthy balance between the competing goals of indexing, while always remaining mindful of maximizing client wealth.

Our size and experience in passive management provide important advantages. State Street Global Advisors ("SSGA") introduced its first passive strategy in 1978; we now manage strategies against numerous public and custom benchmarks across a variety of asset classes. We have a dedicated team of portfolio managers around the world, with experience in managing fixed income index strategies and equipped to provide guidance, research, and advice in designing our index products and customizing them to meet client needs. The size of our passive investment program allows us to devote significant analytical and operational resources to our products, and provides the potential for economies of scale and cost savings.

### Investment Process

We implement our investment philosophy through different indexing methodologies. For example, in some cases, it may be possible to replicate in a client account the entire portfolio of securities making up the applicable benchmark index, with the approximate weightings as those found in such benchmark index. The portfolio would be a near mirror-image of the benchmark index. Such a strategy would, of course, allow for small differences in weightings in the portfolio that have minimal impact on tracking error, recognizing that the cost of trading to avoid small differences in weightings may be greater than any potential improvement in tracking error.

However, in most cases we cannot efficiently build a portfolio holding all of the securities in the benchmark index - because, for example, the benchmark index is too broad, securities in the benchmark index are not available for purchase, the client account is too small, or an account has restrictions on holding certain securities. In those cases, we employ a sampling approach to construct a portfolio of fixed income securities that has the characteristics of the benchmark index and seeks to provide a return comparable to that of the benchmark index. Although, there can of course be no guarantee that the strategy will achieve a certain level of return or tracking error. Individual security selection is based upon security availability, and our analysis of its impact on the portfolio's weightings. Therefore, a portfolio may, in fact, hold few of the actual securities comprising the benchmark index.

Unlike many passive managers, SSGA typically seeks to implement its investment process through investments in the "cash" markets - actual

holdings of debt securities and other instruments - rather than through "notional" or "synthetic" positions achieved through the use of derivatives (except in the unusual case where SSGA believes that use of derivatives is necessary to achieve an exposure that is not readily available through the cash markets). If SSGA normally expects to use derivatives more actively in replicating index returns within a strategy that will be disclosed in the Investment Strategy Overview for such strategy.

In all of our index strategies, minimizing transaction costs is a key consideration and we attempt to execute transactions in the most cost-effective manner, relying on low-cost, often automated, external trading systems. Because of the scale of our investment operation, we may, consistent with client constraints and applicable law, effect portfolio transactions through internal crossing.

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### Risk Management

Our long experience, strong analytical capabilities, and research capabilities are important elements in limiting risk of significant tracking error. We monitor tracking error continuously across all of our passive portfolios, managing portfolio characteristics and transaction costs in a manner intended to provide a return as close as practicable to the benchmark return.

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### Investment Manager

Each of the U.S. Fixed Income Strategies is managed by State Street Global Advisors Trust Company, a global leader in providing investment management services to clients worldwide. SSGA has been selected by many worldwide industry leaders to provide premier investment management services. To learn more about SSGA, visit our website at [www.ssga.com](http://www.ssga.com). Please also refer to "Essential SSGA: Overview of US-Domiciled Commingled Funds and US-Managed Separately Managed Accounts" for additional important information regarding SSGA.

## II. Overview

SSGA implements each of the U.S. Fixed Income Strategies (each, a "Strategy") included in this Strategy Disclosure Document in various client portfolios (each of those is referred to herein as a "Portfolio"). The actual investments held in a Portfolio at any time may differ from those held in other Portfolios managed using the same Strategy, based on a number of factors, such as cash flows or individual investment requirements or limitations applicable to a Portfolio. References to "the Portfolio" are to each Portfolio separately; the description of a Strategy in this Strategy Disclosure Document is qualified by reference to any investment requirements or limitations that may apply to a particular Portfolio. SSGA may manage certain Portfolios in its capacity as trustee of those Portfolios. This Strategy Disclosure Document includes a separate Investment Strategy Overview for each Strategy (and for certain Portfolios), containing more detailed information about the Strategy. You should review the Investment Strategy Overview for a Strategy in connection with the more general information provided below. SSGA generally delegates commodities management for separately managed accounts to SSGA FM, a wholly owned subsidiary of State Street and an affiliate of SSGA. SSGA FM is registered as a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission and National Futures Association.

An investment in a Strategy is subject to a number of risks, including, but not limited to, those which are summarized in the "Selected Risk Factors" section. You should review those risks carefully.

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### Investment Objective

The Portfolio seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

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### Principal Investment Strategies

The Portfolio is managed using a "passive" or "indexing" investment strategy. Because a passive investment strategy seeks to approximate an index return, it differs from "active" investment management, where an investment manager buys and sells securities based on its own economic, financial, and market analysis and investment judgment.

The Portfolio may attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. However, due to the diverse composition of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the Portfolio to purchase all of the securities actually comprising the Index. In such a case, SSGA will select securities for the Portfolio (which may or may not be securities included in the Index) that SSGA expects will provide a return comparable to that of the Index.

The Portfolio (depending on the nature of the Index) may make direct investments in debt securities of any kind, including, for example, U.S. government securities; corporate debt securities; and mortgage-backed

(both residential and commercial) and other asset-backed securities. Securities in which the Portfolio invests may be fixed-rate securities, zero-coupon securities, or variable rate securities. The Portfolio may also purchase so-called "to-be-announced" securities.

SSGA expects that it will typically seek to approximate Index returns for the Portfolio through investments in the "cash" markets - actual holdings of debt securities and other instruments - rather than through "notional" or "synthetic" positions achieved through the use of derivatives, such as futures contracts or swap transactions (except in the unusual case where SSGA believes that use of derivatives is necessary to achieve an exposure that is not readily available through the cash markets). If, for a particular Portfolio, SSGA normally expects to use derivatives more actively in replicating Index returns, that will be reflected in the Investment Strategy Overview relating to the Portfolio.

The Portfolio's return may not match the return of the Index for a number of reasons. For example, the return on the securities and other investments selected by SSGA may not precisely match the return on the Index due to differences in weightings and the substitution of securities. The Portfolio incurs a number of operating expenses not applicable to the Index, and incurs costs in buying and selling securities and may incur costs in connection with its derivative investments. The Portfolio may not be fully invested at times, as a result of cash flows into or out of the Portfolio. The return on the sample of securities purchased by SSGA, or futures or other derivative positions taken by the Portfolio, to approximate the performance of the Index may not correlate precisely with the return on the Index.

Because the Portfolio seeks to achieve a return based on the return of the Index, it will continue to pursue the investment strategies described above, even during times when SSGA expects the level of the Index to decline.

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### Principal Investments

The Portfolio normally invests most of its assets in fixed income and other debt securities included in the Index or in a portfolio of securities (that may or may not be included in the Index) that SSGA expects will provide a return comparable to that of the Index. The Portfolio will not necessarily own all of the securities comprising the Index. The Portfolio may hold a portion of its assets in cash and cash instruments, including short-term investment vehicles managed by SSGA or an affiliate.

Although most Portfolios will seek to replicate Index returns through cash market investments, a Portfolio may buy and sell fixed income related futures contracts and may enter into other exchange-traded or over-the-counter derivatives transactions. (See the Investment Strategy Overview relating to the Portfolio for information about the extent to which SSGA expects to use derivatives in managing the Portfolio.) Although certain of the investments described above may exhibit characteristics of leverage transactions, SSGA will not borrow money or use derivatives for the Portfolio in a manner that SSGA considers to have the purpose

## **II. Overview (continued)**

of creating investment leverage. (Investments made by SSGA to hedge or reduce risk or to enhance the Portfolio's correlation with the Index will not be considered to have been made for the purpose of creating investment leverage; SSGA generally will determine whether an investment has the effect of creating investment leverage by evaluating the effect of the investment on the exposure and risk profile of the Portfolio as a whole.)

Certain Portfolios may lend their portfolio securities, and may compensate SSGA or an affiliate of SSGA for services provided in connection with effecting securities loans and investing related collateral. The Portfolio may enter into repurchase agreements and other investment transactions in connection with the investment of securities lending collateral, including repurchase agreement transactions with SSGA or an affiliate of SSGA. Please refer to the governing documents for each Portfolio for information about such Portfolio's authority to lend its securities. See Selected Risk Factors - "Securities Lending Risk; Risks of Investment of Cash Collateral".

The Portfolio may pay SSGA or an affiliate fees and expenses related to the provision of custodial, administrative, bookkeeping, and accounting services, transfer agency and shareholder servicing, and other services that SSGA may from time to time consider necessary or appropriate. The Portfolio may invest in other pooled investment vehicles, including without limitation registered investment companies, private investment pools, and collective and common trust funds, including entities sponsored, managed, or otherwise affiliated with SSGA. (In the case of a Portfolio whose assets constitute "plan assets" of any investor subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, ("ERISA") or Section 4975 of the Internal Revenue Code (an "ERISA Portfolio"), investments in vehicles managed by SSGA or an affiliate will be made consistent with ERISA rules and regulations, including any applicable prohibited transaction exemptions.) See Selected Risk Factors - "Conflicts of Interest Risk" and "ERISA Disclosure."

Compliance by any investment with the requirements of any investment guideline, strategy, or limitation applicable to the Portfolio will apply only at the time of investment. The investment objective, principal investment strategies, and principal investments of the Portfolio may be changed at any time by SSGA, in its discretion. Under normal circumstances, existing investors in the Portfolio will receive notice in advance of any change SSGA considers to be material, unless, in SSGA's judgment, it would be in the interests of the Portfolio or its investors to implement a change immediately and prior to its providing such notice. State Street Global Advisors Trust Company is excluded from registration and regulation under the Commodity Exchange Act as a commodity pool operator in connection with certain Portfolios.

### III. Selected Risk Factors

The Portfolio is designed as a long-term investment. The Portfolio does not constitute a complete investment program. Due to the uncertainty in all investments, there can be no assurance that the Portfolio will achieve its investment objective. The Portfolio may lose money. The Portfolio is not insured by the FDIC or by another governmental agency; an investment in a Portfolio is not an obligation of the FDIC nor is it a deposit or obligation of or guaranteed by State Street Global Advisors Trust Company, State Street Bank and Trust Company or any of their affiliates. Investors can lose money by investing in a Portfolio. Not all risks apply to all of the Portfolios or to all Portfolios to the same extent.

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#### **Below Investment Grade Securities Risk**

Securities rated below investment-grade and unrated securities of comparable credit quality (commonly known as “high-yield bonds” or “junk bonds”) lack strong investment characteristics, are considered predominantly speculative with respect to the issuer’s continuing ability to make principal and interest payments, and are subject to greater levels of credit, liquidity and market risk than higher-rated securities. They can involve a substantially greater risk of default than higher-rated securities, and their values can decline significantly over short periods of time. The lower ratings of junk bonds reflect a greater possibility that actual or perceived adverse changes in the financial condition of the issuer or in general economic conditions, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. If this were to occur, the values of such securities held by the Portfolio may fall substantially and the Portfolio could lose some or all of the value of its investment. Lower-quality debt securities tend to be more sensitive to adverse news about the issuer, or the market or economy in general, than higher quality debt securities. The market for lower quality debt securities can be less liquid than for higher quality debt securities, especially during periods of recession or general market decline, which could make it difficult at times for the Portfolio to sell certain securities at prices used in calculating the Portfolio’s net asset value. These securities may have significant volatility.

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#### **Call/Prepayment Risk**

Call/prepayment risk is the risk that an issuer will exercise its right to pay principal on an obligation held by the Portfolio earlier than expected or required. This may occur, for example, when there is a decline in interest rates, and an issuer of bonds or preferred stock redeems the bonds or stock in order to replace them with obligations on which it is required to pay a lower interest or dividend rate. It may also occur when there is an unanticipated increase in the rate at which mortgages or other receivables underlying mortgage- or asset-backed securities held by the Portfolio are prepaid. In any such case, the Portfolio may be forced to invest the prepaid amounts in lower-yielding investments, resulting in a decline in the Portfolio’s income.

#### **Cash Position Risk**

The Portfolio may hold a significant portion of its assets in cash or cash equivalents in SSGA’s discretion. If the Portfolio holds a significant cash position, its investment returns may be adversely affected, and the Portfolio may not achieve its investment objective.

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#### **Conflicts of Interest Risk**

An investment in the Portfolio may be subject to a number of actual or potential conflicts of interest. For example:

- SSGA or its affiliates may provide services to the Portfolio, such as securities lending agency services, custodial, administrative, bookkeeping, and accounting services, transfer agency, and shareholder servicing, and other services for which the Portfolio would compensate SSGA and/or such affiliates.
- The Portfolio may enter into securities transactions with SSGA or an affiliate, where SSGA or the affiliate acts as agent for the Portfolio in connection with the purchase or sale of securities, or as principal, where SSGA or an affiliate sells securities to the Portfolio or buys securities from the Portfolio for its own account.
- SSGA on behalf of the Portfolio may enter into repurchase agreements and derivatives transactions with or through SSGA or one of its affiliates.
- The Portfolio may invest in other pooled investment vehicles sponsored, managed, or otherwise affiliated with SSGA.

There is no assurance that the rates at which the Portfolio pays fees or expenses to SSGA or its affiliates, or the terms on which it enters into transactions with SSGA or its affiliates or on which it invests in any such other investment vehicles will be the most favorable available in the market generally or as favorable as the rates SSGA makes available to other clients. There will be no independent oversight of prices, fees, or expenses paid to, or services provided by, SSGA or its affiliates. Because of its financial interest, SSGA may have an incentive to enter into transactions or arrangements on behalf of the Portfolio with itself or its affiliates in circumstances where it might not have done so in the absence of that interest.

SSGA and its affiliates serve as investment adviser to other clients and may make investment decisions for their own accounts and for the accounts of others that may be different from those that will be made by SSGA on behalf of the Portfolio. For example, SSGA may provide asset allocation advice to some clients that may include a recommendation to invest or redeem from a particular issuer or Portfolio while not providing that same recommendation to all clients invested in the same or similar issuers. SSGA may (subject to applicable law) be simultaneously seeking to purchase (or sell) investments for the Portfolio and to sell (or purchase) the same investment for accounts, funds or structured products for which it serves as asset manager now or in the future, or for other clients or affiliates.

SSGA and its affiliates may invest for their own accounts and for the accounts of clients in various securities that are senior, *pari passu* or

### III. Selected Risk Factors (continued)

junior to, or have interests different from or adverse to, the securities that are owned by the Portfolio. In addition, SSGA and its affiliates may buy securities from or sell securities to the Portfolio, if permitted by applicable law. SSGA, in connection with its other business activities, may acquire material non-public confidential information that may restrict SSGA from purchasing securities or selling securities for itself or its clients (including the Portfolio) or otherwise using such information for the benefit of its clients or itself.

The foregoing does not purport to be a comprehensive list or complete explanation of all potential conflicts of interests which may affect the Portfolio. The Portfolio may encounter circumstances, or enter into transactions, in which conflicts of interest that are not listed or discussed above may arise. Please also refer to "Essential SSGA: Overview of US-Domiciled Commingled Funds and US-Managed Separately Managed Accounts" for additional important information regarding potential conflicts of interest.

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#### Counterparty Risk

The Portfolio will be subject to credit risk with respect to the counterparties with which the Portfolio enters into derivatives contracts and other transactions such as repurchase agreements or reverse repurchase agreements and securities lending transactions. The Portfolio's ability to profit from these types of investments and transactions will depend on the willingness and ability of its counterparty to perform its obligations. If a counterparty fails to meet its contractual obligations, the Portfolio may be unable to terminate or realize any gain on the investment or transaction, resulting in a loss to the Portfolio. The Portfolio may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganization proceeding involving its counterparty (including recovery of any collateral posted by it) and may obtain only a limited recovery or may obtain no recovery in such circumstances. If the Portfolio holds collateral posted by its counterparty, it may be delayed or prevented from realizing on the collateral in the event of a bankruptcy or insolvency proceeding relating to the counterparty. Contractual provisions and applicable law may prevent or delay the Portfolio from exercising its rights to terminate an investment or transaction with a financial institution experiencing financial difficulties, or to realize on collateral, and another institution may be substituted for that financial institution without the consent of the Portfolio. If the credit rating of a derivatives counterparty declines, the Portfolio may nonetheless choose or be required to keep existing transactions in place with the counterparty, in which event the Portfolio would be subject to any increased credit risk associated with those transactions.

Counterparty risk with respect to derivatives has been and may continue to be affected by new rules and regulations affecting the derivatives market. Some derivatives transactions are required to be centrally cleared, and a party to a cleared derivatives transaction is subject to the credit risk of the clearing house and the clearing member through which it holds its cleared position, rather than the credit risk of its original counterparty to the derivatives transaction. Credit risk of

market participants with respect to derivatives that are centrally cleared is concentrated in a few clearing houses, and it is not clear how an insolvency proceeding of a clearing house would be conducted, what effect the insolvency proceeding would have on any recovery by the Portfolio, and what impact an insolvency of a clearing house would have on the financial system more generally.

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#### Credit Risk

Credit risk is the risk that an issuer, guarantor or liquidity provider of a fixed-income security held by the Portfolio may be unable or unwilling, or may be perceived (whether by market participants, ratings agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. It includes the risk that the security will be downgraded by a credit rating agency; generally, lower credit quality issuers present higher credit risks. An actual or perceived decline in creditworthiness of an issuer of a fixed-income security held by the Portfolio may result in a decrease in the value of the security. It is possible that the ability of an issuer to meet its obligations will decline substantially during the period when the Portfolio owns securities of the issuer or that the issuer will default on its obligations or that the obligations of the issuer will be limited or restructured.

The credit rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition and does not reflect an assessment of an investment's volatility or liquidity. Securities rated in the lowest category of investment grade are considered to have speculative characteristics. If a security held by the Portfolio loses its rating or its rating is downgraded, the Portfolio may nonetheless continue to hold the security in the discretion of SSGA. In the case of asset-backed or mortgage-related securities, changes in the actual or perceived ability of the obligors on the underlying assets or mortgages to make payments of interest and/or principal may affect the values of those securities.

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#### Custodial Risk

There are risks involved in dealing with the custodians or brokers who hold the Portfolio's investments or settle the Portfolio's trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, the Portfolio would be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets. In recent insolvencies of brokers or other financial institutions, the ability of certain customers to recover their assets from the insolvent's estate has been delayed, limited, or prevented, often unpredictably, and there is no assurance that any assets held by the Portfolio with a custodian or broker will be readily recoverable by the Portfolio. In addition, there may be limited recourse against non-U.S. sub-custodians in those situations in which the Portfolio invests in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, and the assets of



### III. Selected Risk Factors (continued)

the Portfolio have been entrusted to such sub-custodians. SSGA or an affiliate may serve as the custodian of the Portfolio.

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#### Cybersecurity Risk

With the increased use of technologies such as the Internet and the dependence on computer systems to perform business and operational functions, portfolios (such as the Portfolio) and their service providers (including SSGA) may be prone to operational and information security risks resulting from cyber-attacks and/or technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Portfolio, SSGA, or a custodian, transfer agent, or other affiliated or third-party service provider may adversely affect the Portfolio or its shareholders. For instance, cyber-attacks or technical malfunctions may interfere with the processing of shareholder or other transactions, affect a Portfolio's ability to calculate its net asset value, cause the release of private shareholder information or confidential Portfolio information, impede trading, cause reputational damage, and subject the Portfolio to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. Cyber-attacks or technical malfunctions may render records of Portfolio assets and transactions, shareholder ownership of Portfolio shares, and other data integral to the functioning of the Portfolio inaccessible or inaccurate or incomplete. The Portfolio may also incur substantial costs for cybersecurity risk management in order to prevent cyber incidents in the future. The Portfolio and its underlying owners could be negatively impacted as a result. While SSGA has established business continuity plans and systems designed to minimize the risk of cyber-attacks through the use of technology, processes and controls, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified given the evolving nature of this threat. Each Portfolio relies on third-party service providers for many of its day-to-day operations, and will be subject to the risk that the protections and protocols implemented by those service providers will be ineffective to protect the Portfolio from cyber-attack. Similar types of cybersecurity risks or technical malfunctions also are present for issuers of securities in which a Portfolio invests, which could result in material adverse consequences for such issuers, and may cause a Portfolio's investment in such securities to lose value.

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#### Debt Securities Risk

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. To the extent that interest rates rise, certain underlying obligations may be paid off substantially slower than originally anticipated and the value of those securities may fall sharply. The U.S. is experiencing historically low interest rate levels. However, economic recovery and the tapering of the Federal Reserve Board's quantitative easing program increase the likelihood that interest rates will rise in the future. A rising interest rate environment may cause the value of a Portfolio's fixed income securities to decrease, a decline in the Portfolio's income and yield, an adverse impact on the liquidity of the Portfolio's fixed income securities, and increased volatility of the fixed income markets. If the principal on a debt obligation is prepaid before expected, the prepayments of principal may have to be reinvested in obligations paying interest at lower rates. During periods of falling interest rates, the income received by the Portfolio may decline. Changes in interest rates will likely have a greater effect on the values of debt securities of longer durations. Returns on investments in debt securities could trail the returns on other investment options, including investments in equity securities.

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#### Defensive Investing/Temporary Defensive Positions

In certain situations or market conditions, the Portfolio may temporarily depart from its normal investment policies and strategies, provided that the alternative is consistent with the Portfolio's investment objective and is in the best interest of the Portfolio. For example, the Portfolio may make larger than normal investments in derivatives to maintain exposure to its Index if it is unable to invest directly in a component security.

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#### Derivatives Risk

A derivative is a financial contract the value of which depends on, or is derived from, the value of an underlying asset, interest rate, or index. Derivative transactions typically involve leverage and may have significant volatility. It is possible that a derivative transaction will result in a loss greater than the principal amount invested, and the Portfolio may not be able to close out a derivative transaction at a favorable time or price. Risks associated with derivative instruments include potential changes in value in response to interest rate changes or other market developments or as a result of the counterparty's credit quality; the potential for the derivative transaction not to have the effect SSGA anticipated or a different or less favorable effect than SSGA anticipated; the failure of the counterparty to the derivative transaction to perform its obligations under the transaction or to settle a trade; possible mispricing or improper valuation of the derivative instrument; imperfect correlation in the value of a derivative with the asset, rate, or index underlying the derivative; the risk that the Portfolio may be required to post collateral or margin with its counterparty, and will not be able to recover the collateral or margin in the event of the counterparty's insolvency or bankruptcy; the risk that the Portfolio will experience losses on its derivatives investments and on its other portfolio investments, even when the derivatives investments



### III. Selected Risk Factors (continued)

may be intended in part or entirely to hedge those portfolio investments; the risks specific to the asset underlying the derivative instrument; lack of liquidity for the derivative instrument, including without limitation absence of a secondary trading market; the potential for reduced returns to the Portfolio due to losses on the transaction and an increase in volatility; the potential for the derivative transaction to have the effect of accelerating the recognition of gain; and legal risks arising from the documentation relating to the derivative transaction.

Under recently adopted rules and regulations, transactions in some types of swaps are required to be centrally cleared. In a cleared derivatives transaction, the Portfolio's counterparty to the transaction is a central derivatives clearing organization, or clearing house, rather than a bank or broker. Because the Portfolio is not a member of a clearing house, and only members of a clearing house can participate directly in the clearing house, the Portfolio holds cleared derivatives through accounts at clearing members. In cleared derivatives transactions, the Portfolio will make payments (including margin payments) to and receive payments from a clearing house through its accounts at clearing members. Clearing members guarantee performance of their clients' obligations to the clearing house. Centrally cleared derivative arrangements may be less favorable to the Portfolio than bilateral (non-cleared) arrangements. For example, the Portfolio may be required to provide greater amounts of margin for cleared derivatives transactions than for bilateral derivatives transactions. Also, in contrast to bilateral derivatives transactions, in some cases following a period of notice to the Portfolio, a clearing member generally can require termination of existing cleared derivatives transactions at any time or an increase in margin requirements above the margin that the clearing member required at the beginning of a transaction. Clearing houses also have broad rights to increase margin requirements for existing transactions or to terminate transactions at any time. The Portfolio is subject to risk if it enters into a derivatives transaction that is required to be cleared (or which SSGA expects to be cleared), and no clearing member is willing or able to clear the transaction on the Portfolio's behalf. In that case, the transaction might have to be terminated, and the Portfolio could lose some or all of the benefit of the transaction, including loss of an increase in the value of the transaction and loss of hedging protection. In addition, the documentation governing the relationship between the Portfolio and clearing members is drafted by the clearing members and generally is less favorable to the Portfolio than typical bilateral derivatives documentation.

These clearing rules and other new rules and regulations could, among other things, restrict the Portfolio's ability to engage in, or increase the cost to the Portfolio of, derivatives transactions, for example, by making some types of derivatives no longer available to the Portfolio, increasing margin or capital requirements, or otherwise limiting liquidity or increasing transaction costs. These regulations are new and evolving, so their potential impact on the Portfolio and the financial system are not yet known.

#### Extension Risk

During periods of rising interest rates, the average life of certain types of securities may be extended because of slower-than-expected principal payments. This may increase the period of time during which an investment earns a below-market interest rate, increase the security's duration and reduce the value of the security. Extension risk may be heightened during periods of adverse economic conditions generally, as payment rates decline due to higher unemployment levels and other factors.

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#### Financial Institution Risk

Some instruments are issued or guaranteed by financial institutions, such as banks and brokers, or are collateralized by securities issued or guaranteed by financial institutions. Changes in the creditworthiness of any of these institutions may adversely affect the values of instruments of issuers in financial industries. Financial institutions may be particularly sensitive to certain economic factors such as interest rate changes, adverse developments in the real estate market, fiscal and monetary policy and general economic cycles. Adverse developments in banking and other financial industries may cause the Portfolio to underperform relative to other portfolios that invest more broadly across different industries or have a smaller exposure to financial institutions. Changes in governmental regulation and oversight of financial institutions may have an adverse effect on the financial condition or the earnings or operations of a financial institution and on the types and amounts of businesses in which a financial institution may engage. An investor may be delayed or prevented from exercising certain remedies against a financial institution. The amount of the Portfolio's assets that may be invested in any financial institution, or financial institutions generally, may be limited by applicable law.

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#### Futures Commission Merchant Risk

The Portfolio may utilize one or more futures commission merchants. A futures commission merchant is a third-party individual or organization registered with the National Futures Association that may solicit or accept orders made on behalf of the Portfolio to buy or sell futures contracts or options on futures, or to clear certain over-the-counter derivatives transactions. In the event of a default, insolvency, or failure of the futures commission merchant, there is no guarantee that the Portfolio would be able to retrieve its assets from the futures commission merchant or any clearing organization through which the futures commission merchant cleared the Portfolio's transactions. If a futures commission merchant used by the Portfolio were to become insolvent or bankrupt, the Portfolio could potentially experience: (i) a delay in recovering assets, (ii) a freezing of its positions, (iii) market loss during the time the positions are frozen, or (iv) the loss of Portfolio assets. A futures commission merchant may rehypothecate a portion of its customers' assets. In the event of a default, insolvency, or failure of the futures commission merchant, rehypothecated assets may not be available to meet the futures commission merchant's obligations.

### III. Selected Risk Factors (continued)

to the Portfolio or to its customers and creditors generally, or there may be substantial delays in recovering those assets. This risk may be enhanced in the case of assets rehypothecated to entities outside the United States. For more information relating to the specific futures commission merchants used by the Portfolio please contact SSGA.

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#### Futures Contract Risks; Other Exchange-Traded Derivatives

The risk of loss relating to the use of futures contracts and other exchange-traded derivatives is potentially unlimited. The ability to establish and close out positions in futures contracts and other exchange-traded derivatives will be subject to the development and maintenance of a liquid secondary market. There is no assurance that a liquid secondary market on an exchange will exist for any particular futures contract or other exchange-traded derivative or at any particular time. In the event no such market exists for a particular derivative, it might not be possible to effect closing transactions, and the Portfolio will be unable to terminate its exposure to the derivative. In using futures contracts and other exchange-traded derivatives, the Portfolio will be reliant on the ability of SSGA to predict market and price movements correctly; the skills needed to use such derivatives successfully are different from those needed for traditional portfolio management. If the Portfolio uses futures contracts or other exchange-traded derivatives for hedging purposes, there is a risk of imperfect correlation between movements in the prices of the derivatives and movements in the securities or index underlying the derivatives or movements in the prices of the Portfolio's investments that are the subject of such hedge. The prices of futures and other exchange-traded derivatives, for a number of reasons, may not correlate perfectly with movements in the securities or index underlying them. For example, participants in the futures markets and in markets for other exchange-traded derivatives are subject to margin deposit requirements. Such requirements may cause investors to take actions with respect to their derivatives positions that they would not otherwise take. The margin requirements in the derivatives markets may be less onerous than margin requirements in the securities markets in general, and as a result those markets may attract more speculators than the securities markets do. Increased participation by speculators in those markets may cause temporary price distortions. Due to the possibility of price distortion, even a correct forecast of general market trends by SSGA still may not result in a successful derivatives activity over a very short time period. The risk of a position in a futures contract or other exchange-traded derivative may be very large compared to the relatively low level of margin the Portfolio is required to deposit. In many cases, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain to the investor relative to the size of a required margin deposit. The Portfolio will incur brokerage fees in connection with its exchange-traded derivatives transactions. The Portfolio will typically be required to post margin with its futures commission merchant in connection with its transactions in futures contracts and other exchange-traded derivatives. In the event of an insolvency of the futures commission merchant, the Portfolio may not be able to recover all (or any) of the margin it has posted with the futures

commission merchant, or to realize the value of any increase in the price of its positions. The Portfolio also may be delayed or prevented from recovering margin or other amounts deposited with a futures commission merchant or futures clearinghouse.

The Commodity Futures Trading Commission (the "CFTC") and the various exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short positions that any person and certain affiliated entities may hold or control in a particular futures contract. Trading limits are imposed on the number of contracts that any person may trade on a particular trading day. An exchange may order the liquidation of positions found to be in violation of these limits and it may impose sanctions or restrictions. In addition, the Dodd-Frank Act requires the CFTC to establish speculative position limits on listed futures and economically equivalent over-the-counter ("OTC") derivatives. Regulatory action taken by the CFTC to establish these additional position limits may adversely affect the market liquidity of the futures, options and economically equivalent derivatives in which the Portfolio may invest. It is possible that, as a result of such limits, the Portfolio's adviser will be precluded from taking positions in certain futures contracts or OTC derivatives as a result of positions held by other clients of the adviser or by the adviser or its affiliates themselves.

Futures contracts and other exchange-traded derivatives traded on markets outside the U.S. are not generally subject to regulation by the CFTC or other U.S. regulatory entities, including without limitation as to the execution, delivery, and clearing of transactions. U.S. regulators neither regulate the activities of a foreign exchange, nor have the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country in question. Margin and other payments made by the Portfolio may not be afforded the same protections as are afforded those payments in the U.S., including in connection with the insolvency of an executing or clearing broker or a clearinghouse or exchange. Certain foreign futures contracts and other exchange-traded derivatives may be less liquid and more volatile than U.S. contracts.

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#### Geographic Focus Risk

The performance of a Portfolio that is less diversified across countries or geographic regions will be closely tied to market, currency, economic, political, environmental, or regulatory conditions and developments in the country or region in which the Portfolio invests, and may be more volatile than the performance of a more geographically-diversified portfolio.

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#### Income Risk

The Portfolio's income may decline due to falling interest rates or other factors. Issuers of securities held by the Portfolio may call or redeem the securities during periods of falling interest rates, and the Portfolio would likely be required to reinvest in securities paying lower interest rates. If an obligation held by the Portfolio is prepaid, the Portfolio may have to reinvest the prepayment in other obligations paying income at lower

### III. Selected Risk Factors (continued)

rates. A reduction in the income earned by the Portfolio may limit the Portfolio's ability to achieve its objective.

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#### Index Licensing Risk

It is possible that the license under which SSGA or the Portfolio is permitted to replicate or otherwise use the Index will be terminated or may be disputed, impaired, or cease to remain in effect. In such a case, SSGA may be required to replace the Index with another index which it considers to be appropriate in light of the investment strategy of the Portfolio. The use of any such substitute index may have an adverse impact on the Portfolio's performance. In the event that SSGA is unable to identify a suitable replacement for the relevant Index, it may determine to terminate the Portfolio.

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#### Index Tracking Risk

While SSGA seeks to track the performance of the Index (i.e., achieve a high degree of correlation with the Index), the Portfolio's return may not match the return of the Index for a number of reasons. For example, the return on the sample of securities purchased by the Portfolio (or the return on securities not included in the Index) to replicate the performance of the Index may not correlate precisely with the return of the Index. The Portfolio incurs a number of operating expenses not applicable to the Index, and incurs costs in buying and selling securities. In addition, the Portfolio may not be fully invested at times, either as a result of cash flows into or out of the Portfolio or reserves of cash held by the Portfolio to meet redemptions. Changes in the composition of the Index and regulatory requirements also may impact the Portfolio's ability to match the return of the Index. SSGA may apply one or more "screens" or investment techniques to refine or limit the number or types of issuers included in the Index in which the Portfolio may invest. Application of such screens or techniques may result in investment performance below that of the Index and may not produce results expected by SSGA. Index tracking risk may be heightened during times of increased market volatility or other unusual market conditions.

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#### Inflation-Indexed Securities Risk

The principal amount of an inflation-indexed security typically increases with inflation and decreases with deflation, as measured by a specified index. It is possible that, in a period of declining inflation rates, the Portfolio could receive at maturity less than the initial principal amount of an inflation-indexed security. Although the holders of U.S. TIPS receive no less than the par value of the security at maturity, if the Portfolio purchases U.S. TIPS in the secondary market whose principal values have previously been adjusted upward and there is a period of subsequent declining inflation rates, the Portfolio may receive at maturity less than it invested. Depending on the changes in inflation rates during the period the Portfolio holds an inflation-indexed security, the Portfolio may earn less on the security than on a conventional bond. The principal amounts of inflation-indexed securities are typically only adjusted periodically, and changes in the values of the securities may

only approximately reflect changes in inflation rates and may occur substantially after the changes in inflation rates in question occur.

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#### Interest Rate Risk

Interest rate risk is the risk that the securities held by the Portfolio will decline in value because of increases in market interest rates. Debt securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. For example, the value of a security with a duration of five years would be expected to decrease by 5% for every 1% increase in interest rates. Falling interest rates also create the potential for a decline in the Portfolio income and yield. Interest-only and principal-only securities are especially sensitive to interest rate changes, which can affect not only their prices, but can also change the income flows and repayment assumptions about those investments. Variable and floating rate securities also generally increase or decrease in value in response to changes in interest rates, although generally to a lesser degree than fixed-rate securities. A substantial increase in interest rates may also have an adverse impact on the liquidity of a security, especially those with longer durations. The U.S. is experiencing historically low interest rate levels. However, economic recovery and the tapering of the Federal Reserve Board's quantitative easing program increase the likelihood that interest rates will rise in the future. Changes in governmental policy, including changes in central bank monetary policy, could cause interest rates to rise rapidly, or cause investors to expect a rapid rise in interest rates. This could lead to heightened levels of interest rate, volatility and liquidity risks for the fixed income markets generally and could have a substantial and immediate effect on the values of the Portfolio's investments.

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#### Investment Risk

Investment risk includes the possible loss of the entire amount of capital that you invest. Your investment in the Portfolio may represent an indirect investment in the securities and other investments owned by the Portfolio. The values of these securities and investments may increase or decrease, at times rapidly and unexpectedly. Your investment in the Portfolio may at any point in the future be worth less than your original investment. Accordingly, it is important that you periodically evaluate your investment in the Portfolio.

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#### Issuer Risk-Preferred Securities

The value of a security held by the Portfolio may decline due to a number of factors affecting, or perceived to affect, the issuer of the security, such as, for example, management performance, financial leverage, and reduced demand for the issuer's goods or services as well as the historical and prospective earnings of the issuer and the value of its assets.

### III. Selected Risk Factors (continued)

#### Large Shareholder Risk

To the extent a large proportion of the shares of the Portfolio are highly concentrated or held by a small number of shareholders (or a single shareholder), including funds or accounts over which SSGA has investment discretion, the Portfolio is subject to the risk that these shareholders will purchase or redeem Portfolio shares in large amounts rapidly or unexpectedly, including as a result of an asset allocation decision made by SSGA. These transactions could adversely affect the ability of the Portfolio to conduct its investment program. For example, they could require the Portfolio to sell portfolio securities or purchase portfolio securities unexpectedly and incur substantial transaction costs and/or accelerate the realization of taxable income and/or gains to shareholders, or the Portfolio may be required to sell its more liquid Portfolio investments to meet a large redemption, in which case the Portfolio's remaining assets may be less liquid, more volatile, and more difficult to price. The Portfolio may hold a relatively large proportion of its assets in cash in anticipation of large redemptions, diluting its investment returns.

#### Leveraging Risk

Borrowing transactions, reverse repurchase agreements, certain derivatives transactions, securities lending transactions and other investment transactions such as when-issued, delayed-delivery, or forward commitment transactions may create investment leverage. When the Portfolio engages in transactions that have a leveraging effect on the Portfolio's investment portfolio, the value of the Portfolio will be potentially more volatile and all other risks will tend to be compounded. This is because leverage generally creates investment risk with respect to a larger base of assets than the Portfolio would otherwise have and so magnifies the effect of any increase or decrease in the value of the Portfolio's underlying assets. The use of leverage is considered to be a speculative investment practice and may result in losses to the Portfolio. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. The use of leverage may cause the Portfolio to liquidate positions when it may not be advantageous to do so to satisfy repayment, interest payment, or margin obligations or to meet asset segregation or coverage requirements.

#### Limited Investment Program Risk

The Portfolio is not intended to be a complete investment program, but rather is intended for investment as part of a diversified investment portfolio. Investors should consult their own advisers as to the role of the Portfolio in their overall investment programs.

#### Liquidity Risk

Liquidity risk is the risk that the Portfolio may not be able to dispose of securities or close out derivatives transactions readily at a favorable time or prices (or at all) or at prices approximating those at which the Portfolio currently values them. For example, certain investments may

be subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for the Portfolio to value illiquid securities accurately. The market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. Disposal of illiquid securities may entail registration expenses and other transaction costs that are higher than those for liquid securities. The Portfolio may seek to borrow money to meet its obligations (including among other things redemption obligations) if it is unable to dispose of illiquid investments, resulting in borrowing expenses and possible leveraging of the Portfolio. In some cases, due to unanticipated levels of illiquidity the Portfolio may choose to meet its redemption obligations wholly or in part by distributions of assets in-kind.

#### Loan Risk

The Portfolio may invest in bank loans including, for example, corporate loans, loan participations, direct debt, bank debt and bridge debt. Many of these loans may present the credit risk of lower-rated (or unrated) institutions or issuers. The Portfolio may have to rely on an intermediary financial institution to administer a loan, and is subject to the risk of the unwillingness or inability of the intermediary to perform its obligations. In some cases, the Portfolio's interest in a loan may be structured simply as the right to receive certain payments from the intermediary; in such cases, the Portfolio assumes the credit risk of both the borrower and the loan investor selling the participation, and the Portfolio may be unable to realize some or all of the value of its interest in the loan in the event of the insolvency of the intermediary. The value of any collateral securing a bank loan may decline after the Portfolio invests, and there is a risk that the value of the collateral may not be sufficient to secure the amount owed to the Portfolio. It is possible under some circumstances that the Portfolio's position as a holder of a loan may be subordinated to other indebtedness of the obligor. In addition, loans that were considered liquid at the time of purchase may later be deemed illiquid, which may result in an inability to sell the loan or realize some or all of the value of the Portfolio's interest in the loan. Also, some loans may be subject to relatively long settlement periods, during which cash for the sale of a loan would not be available to the Portfolio.

#### Market Disruption and Geopolitical Risk

The Portfolio is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Likewise, natural and environmental disasters and systemic market dislocations may be highly disruptive to economies and markets. Those events as well as other changes in foreign and domestic economic

### III. Selected Risk Factors (continued)

and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the Portfolio's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region might adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. Any partial or complete dissolution of the Economic and Monetary Union of the European Union, or any increased uncertainty as to its status, could have significant adverse effects on currency and financial markets, and on the values of the Portfolio's investments.

Securities and financial markets may be susceptible to market manipulation or other fraudulent trade practices, which could disrupt the orderly functioning of these markets or adversely affect the values of investments traded in these markets, including investments held by the Portfolio.

To the extent the Portfolio has focused its investments in the market or index of a particular region, adverse geopolitical and other events could have a disproportionate impact on the Portfolio.

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#### Market Risk

Market prices of investments held by the Portfolio will go up or down, sometimes rapidly or unpredictably. The Portfolio's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in actual or perceived creditworthiness of issuers and general market liquidity. Even if general economic conditions do not change, the value of an investment in the Portfolio could decline if the particular industries, sectors or companies in which the Portfolio invests do not perform well or are adversely affected by events. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

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#### Market Volatility; Government Intervention Risk

Market dislocations and other external events, such as the failures or near failures of significant financial institutions, dislocations in investment or currency markets, corporate or governmental defaults or credit downgrades, or poor collateral performance, may subject the Portfolio to significant risk of substantial volatility and loss. Governmental and regulatory authorities have taken, and may in the future take, actions to provide or arrange credit supports to financial institutions whose operations have been compromised by credit market dislocations and to restore liquidity and stability to financial systems in their jurisdictions; the implementation of such governmental interventions and their impact on both the markets generally and the Portfolio's investment program in particular can be uncertain. In recent periods, governmental and non-governmental issuers have defaulted on, or

have been forced to restructure, their debts, and many other issuers have faced difficulties obtaining credit. These market conditions may continue, worsen or spread, including, without limitation, in Europe or Asia. Defaults or restructurings by governments or others of their debts could have substantial adverse effects on economies, financial markets, and asset valuations around the world. In recent periods, financial regulators, including the U.S. Federal Reserve and the European Central Bank, have taken steps to maintain historically low interest rates, such as by purchasing bonds. Some governmental authorities have taken steps to devalue their currencies substantially or have taken other steps to counter actual or anticipated market or other developments. Steps by those regulators to implement, or to curtail or taper, such activities could have substantial negative effects on financial markets. The withdrawal of support, failure of efforts in response to a financial crisis, or investor perception that these efforts are not succeeding could negatively affect financial markets generally as well as the values and liquidity of certain securities.

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#### Mortgage-Related and Other Asset-Backed Securities Risk

Investments in mortgage-related and other asset-backed securities are subject to the risk of significant credit downgrades, illiquidity, and defaults to a greater extent than many other types of fixed income investments. Mortgage-related securities represent a participation in, or are secured by, mortgage loans. Other asset-backed securities are typically structured like mortgage-related securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include, for example, items such as motor vehicle installment sales or installment loan contracts, leases on various types of real and personal property, and receivables from credit card agreements. During periods of falling interest rates, mortgage-related and other asset-backed securities, which typically provide the issuer with the right to prepay the security prior to maturity, may be prepaid, which may result in the Portfolio having to reinvest the proceeds in other investments at lower interest rates. During periods of rising interest rates, the average life of mortgage-related and other asset-backed securities may extend because of slower-than expected principal payments. This may lock in a below market interest rate, increase the security's duration and interest rate sensitivity, and reduce the value of the security. As a result, mortgage-related and other asset-backed securities may have less potential for capital appreciation during periods of declining interest rates than other debt securities of comparable maturities, although they may have a similar risk of decline in market values during periods of rising interest rates. Prepayment rates are difficult to predict and the potential impact of prepayments on the value of a mortgage-related or other asset-backed security depends on the terms of the instrument and can result in significant volatility. The price of a mortgage-related or other asset-backed security also depends on the credit quality and adequacy of the underlying assets or collateral. Defaults on the underlying assets, if any, may impair the value of a mortgage-related or other asset-backed security. For some asset-backed securities in which the Portfolio invests, such as those backed by credit card receivables, the underlying cash



### III. Selected Risk Factors (continued)

flows may not be supported by a security interest in a related asset. Moreover, the values of mortgage-related and other asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence or malfeasance by their servicers and to the credit risk of their servicers. In certain situations, the mishandling of related documentation may also affect the rights of securities holders in and to the underlying collateral. There may be legal and practical limitations on the enforceability of any security interest granted with respect to underlying assets, or the value of the underlying assets, if any, may be insufficient if the issuer defaults.

In a “forward roll” transaction, the Portfolio will sell a mortgage-related security to a bank or other permitted entity and simultaneously agree to purchase a similar security from the institution at a later date at an agreed upon price. The mortgage securities that are purchased will bear the same interest rate as those sold, but generally will be collateralized by different pools of mortgages with different prepayment histories than those sold. The values of such transactions will be affected by many of the same factors that affect the values of mortgage-related securities generally. In addition, forward roll transactions may have the effect of creating investment leverage in the Portfolio.

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#### Municipal Obligations Risk

The U.S. municipal securities market is volatile and can be significantly affected by adverse tax, legislative, or political changes and the financial condition of the issuers of municipal securities. Municipal obligations include revenue obligations, which are generally backed by the revenues generated from a specific project or facility and include private activity bonds and industrial development bonds. Private activity and industrial development bonds are dependent on the ability of the facility's user to meet its financial obligations and on the value of any real or personal property pledged as security for such payment. Private activity and industrial development bonds, although issued by industrial development authorities, may be backed only by the assets of the non-governmental user. Because many municipal securities are issued to finance projects relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal securities market. In addition, municipal securities backed by current or anticipated revenues from a specific project or specific asset can be negatively affected by the discontinuance or reduction in the rate of the taxation supporting the project or asset or the inability to collect revenues for the project or from the assets. If the U.S. Internal Revenue Service determines the issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable, and the security could decline in value. Municipal obligations may also be subject to prepayment risk and extension risk. Certain states and other governmental entities have experienced, and may continue to experience, extreme financial pressures in response to financial and economic and other factors, and may be, or be perceived to be, unable to meet all of their obligations under municipal bonds issued or guaranteed by them; such factors may result in substantial

volatility in municipal securities markets and losses to the Portfolio. Additionally, the Portfolio may have greater exposure to liquidity risk since the markets for such securities may be less liquid than the traditional bond markets. There may also be less information available on the financial condition of issuers of these types of securities than for public corporations. This means that it may be harder to buy and sell such securities, especially on short notice, and these securities may be more difficult for the Portfolio to value accurately than securities of public corporations.

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#### Passive Strategy/Index Risk

The Portfolio is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities. The Portfolio will seek to replicate Index returns regardless of the current or projected performance of the Index or of the actual securities comprising the Index. This differs from an actively-managed portfolio, which typically seeks to outperform a benchmark index. The Portfolio generally will buy and will not sell a security included in the Index as long as the security is part of the Index regardless of any sudden or material decline in value or foreseeable material decline in value of the security, even though SSGA may make a different investment decision for other actively managed accounts or portfolios that hold the security. As a result, the Portfolio'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 (in absolute terms and by comparison with other indices) and, consequently, the performance, volatility, and risk of the Portfolio.

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#### Portfolio Turnover Risk

The Portfolio may engage in frequent trading of its portfolio securities. Portfolio turnover generally involves a number of direct and indirect costs and expenses to the Portfolio, including, for example, brokerage commissions, dealer mark-ups and bid/asked spreads, and transaction costs on the sale of securities and reinvestment in other securities. The costs related to increased portfolio turnover have the effect of reducing the Portfolio's investment return, and the sale of securities by the Portfolio may result in the realization of taxable capital gains, including short-term capital gains.

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#### Re-Balancing Policy Risk

The Portfolio may be re-balanced only periodically against its Index. The Portfolio's holdings may, over time during the period between re-balancings, differ increasingly from those of the Index, potentially to a significant degree, resulting in increased variances between the performance of the Portfolio and the Index. Re-balancing the Portfolio produces transactions costs.

### III. Selected Risk Factors (continued)

#### Repurchase Agreement Risk

A repurchase agreement is an agreement to buy a security from a seller at one price and a simultaneous agreement to sell it back to the original seller at an agreed-upon price, typically representing the purchase price plus interest. Repurchase agreements may be viewed as loans made by the Portfolio which are collateralized by the securities subject to repurchase. The Portfolio's investment return on such transactions will depend on the counterparty's willingness and ability to perform its obligations under a repurchase agreement. If the Portfolio's counterparty should default on its obligations and the Portfolio is delayed or prevented from recovering the collateral, or if the value of the collateral is insufficient, the Portfolio may realize a loss.

#### Risk of Investment in Other Pools

If the Portfolio invests in another pooled investment vehicle, it is exposed to the risk that the other pool will not perform as expected. The Portfolio is exposed indirectly to all of the risks applicable to an investment in such other pool. In addition, lack of liquidity in the underlying pool could result in its value being more volatile than the underlying portfolio of securities, and may limit the ability of the Portfolio to sell or redeem its interest in the pool at a time or at a price it might consider desirable. The investment policies and limitations of the other pool may not be the same as those of the Portfolio; as a result, the Portfolio may be subject to additional or different risks, or may achieve a reduced investment return, as a result of its investment in another pool. If a pool is an exchange-traded fund or other product traded on a securities exchange or otherwise actively traded, its shares may trade at a premium or discount to their NAV, an effect that might be more pronounced in less liquid markets. The Portfolio bears its proportionate share of the fees and expenses of any pool in which it invests. SSGA or an affiliate may serve as investment adviser to a pool in which the Portfolio may invest, leading to potential conflicts of interest. For example, SSGA or its affiliates may receive fees based on the amount of assets invested in the pool. Investment by the Portfolio in the pool may be beneficial to SSGA or an affiliate in the management of the pool, by helping to achieve economies of scale or enhancing cash flows. Due to this and other factors, SSGA may have an incentive to invest the Portfolio's assets in a pool sponsored or managed by SSGA or its affiliates in lieu of investments by the Portfolio directly in portfolio securities, or may have an incentive to invest in the pool over a pool sponsored or managed by others. Similarly, SSGA may have an incentive to delay or decide against the sale of interests held by the Portfolio in a pool sponsored or managed by SSGA or its affiliates. It is possible that other clients of SSGA or its affiliates will purchase or sell interests in a pool sponsored or managed by SSGA or its affiliates at prices and at times more favorable than those at which the Portfolio does so.

#### Securities Lending Risk; Risks of Investment of Cash Collateral

When the Portfolio lends portfolio securities, its investment performance will continue to reflect changes in the value of the securities loaned.

Securities lending may involve delays in recovery of the securities loaned or loss of rights in the collateral should the borrower of the securities fail financially. The Portfolio will also bear the risk of any decline in value of securities acquired with cash collateral.

The Portfolio may participate in an agency securities lending program sponsored by State Street Bank and Trust Company ("State Street"). Under such a program, State Street arranges loans of the Portfolio's securities to borrowers which may include, without limitation, banks, broker-dealers, mutual funds, hedge funds or others selected by State Street in its discretion, including State Street or its affiliates and clients of State Street. State Street determines which securities the Portfolio will lend, to whom, for how long, and for what compensation. State Street has no obligation to effect any lending transaction whether or not it might be profitable to the Portfolio, including because it might not be profitable to State Street. State Street determines, in its discretion, how demand for loaned securities will be allocated among its securities lending clients, and there can be no assurance that State Street will allocate any particular loan to the Portfolio, that the Portfolio will have as many opportunities to lend securities as other comparable State Street lending clients, or that the Portfolio will have the opportunity to participate in the more profitable loans that State Street may make available to its clients. It may be that participation in a State Street securities lending program will result in less favorable financial results than under another agency lending program available in the market or than if the Portfolio were to lend its own securities without participating in the program. For more information regarding SSGA's securities lending program refer to the separate "SSGA Securities Lending Program Disclosure," available upon request from SSGA.

Borrowers of a Portfolio's securities are required to post collateral as security for returning the loaned securities. The posted collateral is typically in the form of cash, but in certain instances may be in the form of non-cash collateral. As part of the Program, State Street invests any cash collateral received by the Portfolio, and shares any positive investment return on that investment with the Portfolio, its share of the return constituting its compensation for managing the program. SSGA or its affiliates will typically invest the cash collateral in one or more collateral reinvestment funds (the "Collateral Pools"). Certain of the Collateral Pools are money market funds registered with the U.S. Securities and Exchange Commission (the "SEC") under the Investment Company Act of 1940 (the "1940 Act"), as amended, and as such are required to comply with the investment restrictions of Rule 2a-7 ("Rule 2a-7") under the 1940 Act. However, other Collateral Pools are not money market funds registered with the SEC and thus are not required to comply with the investment restrictions of Rule 2a-7. None of the Collateral Pools are FDIC-insured bank deposits or otherwise guaranteed by State Street Global Advisors Trust Company or State Street or any of their respective affiliates, and investors may lose money by investing in the Collateral Pools or by participating in the securities lending program more generally. The Collateral Pools are managed to specific investment objectives. For more information regarding the unregistered Collateral Pools managed by SSGA please refer to the separate "US Cash Collateral



### III. Selected Risk Factors (continued)

Strategy Disclosure Document,” available upon request from SSGA. For more information regarding the registered Collateral Pools managed by SSGA Funds Management, Inc. please refer to the separate confidential operating memorandum for the State Street Navigator Securities Lending Trust (the “Navigator Prospectus”) also available upon request from SSGA. Securities lending programs and the subsequent reinvestment of collateral are subject to a number of risks, including the risk that the value of the investments held in the Collateral Pools may decline in value. In such a case, the Portfolio will bear any losses incurred as a result of the decline in value in the Collateral Pools, and will remain obligated to return to the borrower of the securities the full amount of the collateral it originally provided to the Portfolio. Because State Street or its affiliates typically receive a portion of any investment return earned on the cash collateral as compensation for their securities lending services but may not share in any losses, they may have an incentive to invest the cash collateral in investments for the Portfolio that have greater potential for return but also present greater investment risks, or to effect loan transactions under circumstances when another lending agent might not. Because the net asset value of a Collateral Pool is subject to market and other conditions, it will fluctuate and may decrease in the future. Many of the Collateral Pools attempt to maintain a stable net asset value of \$1.00 per unit, and may rely on conventions such as amortized cost value pricing to do so. If a Collateral Pool seeks to maintain a stable net asset value using the amortized cost method of valuation (or other similar methodology), to the extent the aggregate market value of the Collateral Pool’s assets varies substantially from the Collateral Pool’s amortized cost valuation, the Collateral Pool may not be able to maintain a stable unit price of \$1.00, or sales or redemptions by the Collateral Pool of its units based on amortized cost may be dilutive or accretive to certain investors. SSGA may at any time in its discretion cause an unregistered Collateral Pool to cease selling or redeeming units at \$1.00 per unit, although that unregistered Collateral Pool may continue to sell units at \$1.00 per unit even at times when the aggregate market value of the assets varies substantially from the amortized cost valuation SSGA may impose restrictions on the ability of the Portfolio to redeem its units in an unregistered Collateral Pool if it determines in its sole discretion that such restrictions (which may include limiting redemptions, processing redemptions in-kind or partially in-kind or delaying payment of redemptions) are necessary to maintain sufficient liquidity in such Collateral Pool(s) or otherwise to protect the interests of the Collateral Pool, investors in the Collateral Pool, or SSGA, State Street, or any of their affiliates. More information on SSGA’s securities lending program and the Collateral Pools, including the “SSGA Securities Lending Program Disclosure”, the “US Cash Collateral Strategy Disclosure Document”, the “Navigator Prospectus” and the current fact sheet for each of the Collateral Pools (which include the mark-to-market unit prices), are available on SSGA’s Client’s Corner website or by contacting SSGA.

#### Settlement Risk

Markets in different countries have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions. Delays in settlement may increase credit risk to the Portfolio, limit the ability of the Portfolio to reinvest the proceeds of a sale of securities, hinder the ability of the Portfolio to lend its portfolio securities, and potentially subject the Portfolio to penalties for its failure to deliver to on-purchasers of securities whose delivery to the Portfolio was delayed. Delays in the settlement of securities purchased by the Portfolio may limit the ability of the Portfolio to sell those securities at times and prices it considers desirable, and may subject the Portfolio to losses and costs due to its own inability to settle with subsequent purchasers of the securities from it. The Portfolio may be required to borrow monies it had otherwise expected to receive in connection with the settlement of securities sold by it, in order to meet its obligations to others. Limits on the ability of the Portfolio to purchase or sell securities due to settlement delays could increase any variance between the Portfolio’s performance and that of its benchmark index.

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#### Significant Withdrawal Risk

A significant withdrawal of capital from the Portfolio may affect the Portfolio and its investors adversely. For example, the Portfolio may be required to sell its more liquid portfolio investments to meet a large redemption; the Portfolio’s remaining assets may be less liquid, more volatile, and more difficult to price. SSGA has the authority to limit redemptions from the Portfolio (potentially for an extended period of time) and to determine whether to make any such redemptions in cash, in kind, or partly in cash and partly in kind. Any limitation on redemptions may be imposed in response to market factors or actual or anticipated redemption activity, which may occur suddenly or unpredictably; investors in the Portfolio may not receive prior notice of any such limitations (and may not receive notice of the imposition of any such limitation for some time after its imposition). As a result, you may not be able to redeem your investment in the Portfolio at any particular time or on the terms you might otherwise expect. SSGA may benefit from these limitations because SSGA and its affiliate, State Street Bank and Trust Company, receive revenue from managing or providing services to the Portfolio that is determined in part by the amount of the net assets of the Portfolio.

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#### Sovereign Debt Obligations Risk

Investments in debt securities issued by governments or by government agencies and instrumentalities involve the risk that the governmental entities responsible for repayment may be unable or unwilling to pay interest and repay principal when due. A governmental entity’s willingness or ability to pay interest and repay principal in a timely manner may be affected by a variety of factors, including its cash flow, the size of its reserves, its access to foreign exchange, the relative size of its debt service burden to its economy as a whole, and political

### III. Selected Risk Factors (continued)

constraints. A governmental entity may default on its obligations or may require renegotiation or reschedule of debt payments. Any restructuring of a sovereign debt obligation held by the Portfolio will likely have a significant adverse effect on the value of the obligation. In the event of default of sovereign debt, the Portfolio may be unable to pursue legal action against the sovereign issuer or to realize on collateral securing the debt. The sovereign debt of many non-U.S. governments, including their sub-divisions and instrumentalities, is rated below investment grade ("junk" bonds). Sovereign debt risk may be greater for debt securities issued or guaranteed by emerging and/or frontier countries.

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#### Tax Risk

The Portfolio may be subject to U.S. or non-U.S. income taxes, and an investment in the Portfolio may give rise to taxable income. Investors should consult their tax advisors about the tax consequences of an investment in the Portfolio.

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#### U.S. Government Securities Risk

U.S. government securities, such as Treasury bills, notes and bonds and mortgage-backed securities guaranteed by the Government National Mortgage Association (Ginnie Mae), are supported by the full faith and credit of the United States; others are supported by the right of the issuer to borrow from the U.S. Treasury; others are supported by the discretionary authority of the U.S. government to purchase the agency's obligations; and still others are supported only by the credit of the issuing agency, instrumentality, or enterprise. Although U.S. government-sponsored enterprises such as the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae) may be chartered or sponsored by Congress, they are not funded by Congressional appropriations, and their securities are not issued by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. There is no assurance that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so. In addition, certain governmental entities have been subject to regulatory scrutiny regarding their accounting policies and practices and other concerns that may result in legislation, changes in regulatory oversight and/or other consequences that could adversely affect the credit quality, availability, or investment character of securities issued by these entities. The value and liquidity of U.S. government securities may be affected adversely by changes in the ratings of those securities. Securities issued by the U.S. Treasury historically have been considered to present minimal credit risk. The downgrade in the long-term U.S. credit rating by at least one major rating agency has introduced greater uncertainty about the ability of the U.S. to repay its obligations. A further credit rating downgrade or a U.S. credit default could decrease the value and increase the volatility of the Portfolio's investments.

#### U.S. Tax Withholding and Reporting under the Foreign Account Tax Compliance Act

Very generally, under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), as modified by U.S. Treasury Regulations and guidance from the U.S. Internal Revenue Service (the "IRS") and subject to further guidance (collectively, "FATCA"), each investor in the Portfolio will be required to provide certain information to the Portfolio to demonstrate that the investor (i) qualifies for an exemption from the FATCA rules, (ii) has a valid agreement in effect with the IRS to comply with certain withholding, information, diligence and reporting requirements that are mandated by FATCA, or (iii) complies with an intergovernmental agreement between the United States and a non-U.S. government that implements FATCA. As of June 30, 2014, if an investor in the Portfolio fails to satisfy these requirements, the investor may be subject to a 30% U.S. withholding tax on certain U.S.-source income (including, among other types of income, dividends and interest) and gross proceeds from the sale or other disposition of property that can produce U.S.-source dividends or interest, as well as certain other amounts, beginning after December 31, 2016. Such an investor may also be required to redeem from the Portfolio. The Portfolio may disclose any information described above to the IRS or other parties as necessary to comply with FATCA. The requirements of and exceptions from FATCA are complex and remain potentially subject to material changes resulting from additional guidance from the IRS. All prospective investors are urged to consult with their own tax advisors about the requirements imposed by FATCA and the effect that such requirements may have on investors.

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#### Variable and Floating Rate Securities

Variable or floating rate securities are debt securities with variable or floating interest rates payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to formulae intended generally to reflect market rates of interest and allow the Portfolio to participate (determined in accordance with the terms of the securities) in increases in interest rates through upward adjustments of the coupon rates on the securities. However, during periods of increasing interest rates, changes in the coupon rates may lag behind the changes in market rates or may have limits on the maximum increases in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities will typically readjust downward resulting in a lower yield. The Portfolio may also invest in variable or floating rate equity securities, whose dividend payments vary based on changes in market rates of interest or other factors.

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#### When-Issued, TBA and Delayed Delivery Securities Risk

The Portfolio may purchase securities on a when-issued, TBA or delayed delivery basis and may purchase securities on a forward commitment basis. The purchase price of the securities is typically fixed at the time of the commitment, but delivery and payment can take place a month or more after the date of the commitment. The prices of the

### III. Selected Risk Factors (continued)

securities so purchased or sold are subject to market fluctuation. At the time of delivery of the securities, the value may be more or less than the purchase or sale price. Purchase of securities on a when-issued, TBA, delayed delivery, or forward commitment basis may give rise to investment leverage, and may result in increased volatility of the Portfolio's net asset value. Default by or bankruptcy of a counterparty to a when-issued, TBA or delayed delivery transaction would expose the Portfolio to possible losses because of an adverse market action, expenses or delays in connection with the purchase or sale of the pools specified in such transaction.

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#### Zero-Coupon Bond Risk

Zero-coupon bonds are debt obligations that are generally issued at a discount and payable in full at maturity, and that do not provide for current payments of interest prior to maturity. Zero-coupon bonds usually trade at a deep discount from their face or par values and are subject to greater market value fluctuations from changing interest rates than debt obligations of comparable maturities that make current distributions of interest. When interest rates rise, the values of zero-coupon bonds fall more rapidly than securities paying interest on a current basis, because the Portfolio is unable to reinvest interest payments at the higher rates.

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#### VALUATION

SSGA will typically value the Portfolio's assets periodically at market value, based on market quotations; however, where market quotations are unavailable or SSGA determines that market quotations are unreliable, a portion of the Portfolio's assets may be valued by SSGA at what SSGA determines to be their fair values. In such event, the Portfolio's assets may be valued using valuations provided by a pricing service or, alternatively, based on information provided by broker-dealers or other market intermediaries (sometimes by just one broker-dealer or other market intermediary). Under some circumstances, SSGA may itself determine fair valuations of a Portfolio's assets based on such other information as SSGA may in its discretion consider appropriate. There can be no assurance that any such valuation will accurately reflect the price the Portfolio would receive upon sale of a security, and the Portfolio may in fact sell a security at a price lower than the price it has been using to value the security. When the Portfolio invests in other portfolios or investment pools, it will generally value its investments in those portfolios or pools based on the valuations determined by such other portfolios or pools, which may not be the same as if the net assets of the portfolios or pools had been valued using the procedures employed by SSGA on behalf of the Portfolio to value its own assets. Differences in the methodologies used by the Portfolio to value its holdings and those used by an Index sponsor to value the Index components may result in variances between the Portfolio's investment return and the Index return.

#### ERISA DISCLOSURE

In the case of any ERISA Portfolio, SSGA acknowledges its status as a fiduciary under ERISA and shall not cause the Portfolio to enter into any transaction that would constitute a non-exempt "prohibited transaction" under Section 406 of ERISA, and in connection with its management of the Portfolio shall, as necessary or applicable to a given transaction, rely upon relevant statutory or administrative prohibited transaction exemptions, including but not limited to, Prohibited Transaction Class Exemption 91-38, 77-4, 84-14, 86-128, 2000-12, 2002-30 and 2006-16.

## **IV. Investment Strategy Overviews**

### **U.S. Fixed Income Index Investment Strategies**

- U.S. Aggregate Bond Index Strategy

### Investment Objective

The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

### Benchmark

Bloomberg Barclays U.S. Aggregate Bond Index

### Investment Strategy

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSGA attempts to replicate, before expenses, the performance of the Index. The Strategy will not necessarily own all of the securities included in the Index.

The Strategy may attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. However, due to the diverse composition of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the Strategy to purchase some of the securities comprising the Index. In such a case, SSGA will select securities for the Strategy comprising a portfolio that SSGA expects will provide a return comparable to that of the Index.

SSGA expects that it will typically seek to replicate index returns for the Portfolio through investments in the "cash" markets - actual holdings of debt securities and other instruments - rather than through "notional" or "synthetic" positions achieved through the use of derivatives, such as futures contracts or swap transactions (except in the unusual case where SSGA believes that use of derivatives is necessary to achieve an exposure that is not readily available through the cash markets).

The Strategy's return may not match the return of the Index.

### Performance as of 31 December 2016

Total Returns	Composite (Gross) <sup>1,2</sup>	Composite (Net) <sup>1,3</sup>	Benchmark <sup>4</sup>
Q4 2016	-2.97%	-2.99%	-2.98%
YTD	2.65%	2.56%	2.65%
1 Year	2.65%	2.56%	2.65%
3 Year	3.04%	2.86%	3.03%
5 Year	2.25%	1.90%	2.23%
10 Year	4.36%	3.87%	4.34%

<sup>1</sup>Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset - weighted using Composite (as defined below) member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income.

<sup>2</sup>These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite). The performance figures do not take account of the mark to market value of the units of the securities lending cash collateral pools held by any of the portfolios in the Composite. If they had, the performance shown would have been lower.

<sup>3</sup>These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite).

<sup>4</sup>Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income and the reinvestment of dividends (net of withholding tax rates) and other income and are calculated in U.S. dollars. It is not possible to invest directly in an index.

Performance returns are calculated in U.S. dollars.

### Key Facts

- Is passively managed
- Does not normally use futures or other derivatives to create "notional" or "synthetic" index exposures
- May lend its portfolio and enter into repurchase agreements (See applicable governing documents for a Portfolio's authority to lend. Participation in a securities lending program may adversely affect the investment returns and risk profile of the Portfolio. See "Selected Risk Factors - Securities Lending Risk; Risks of Investment of Cash Collateral" in the Strategy Disclosure Document)
- May invest in other investment pools, including those managed by SSGA and its affiliates
- Is not a leveraged strategy
- Will not sell securities short

The U.S. Aggregate Bond Index Composite (the "Composite"), inception date 4/1/1996, seeks to achieve the Investment Objective described above using the Investment Strategy described above, and includes all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of business units which are held out to the market place as distinct business entities - Fiduciary Advisory Solutions (formerly known as the Office of the Fiduciary Advisor (OFA) and Charitable Asset Management (CAM)) that SSGA has determined are similarly-managed. Prior to 1/1/2011, the Composite also excluded portfolios within SSGA's wrap fee business (Intermediary Business Group (IBG)) and assets accounted for on a book value basis (global cash and stable value assets). In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited).

SSGA generally delegates commodities management for separately managed accounts to SSGA FM, a wholly owned subsidiary of State Street and an affiliate of SSGA. SSGA FM is registered as a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission and National Futures Association.

Source: Bloomberg Barclays Indices. ©2017 Bloomberg Finance L.P. and its affiliates. Used with permission. Prior to January 31, 2017, the benchmark name was Barclays U.S. Aggregate Bond Index.

**This Investment Strategy Overview provides summary information regarding the Strategy. It should be read in conjunction with the Strategy's Disclosure Document which contains important information about the Strategy, including a description of a number of risks.**

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