

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

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GCG TRUST

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FORM N-1A

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Registration Statement under the Securities Act of 1933 [X]
Pre-Effective Amendment No. []
Post-Effective Amendment No. 43 [X]
and/or

Registration Statement under the Investment Company Act of 1940 [X]
Amendment No. 44
(Check appropriate box or boxes)

THE GCG TRUST
(Exact Name of Registrant as Specified in Charter)
1475 Dunwoody Drive
West Chester, PA 19380
(Address of Principal Executive Offices)
610-425-3400
(Registrant's Telephone Number, including Area Code)

Marilyn Talman, Esq.
Golden American Life Insurance Company
1475 Dunwoody Drive
West Chester, PA 19380
(Name and Address of Agent for Service)

Approximate Date of Proposed Public Offering
As soon as practical after the effective date of the Registration Statement

It is proposed that this filing will become effective (check appropriate box):

- immediately upon filing pursuant to paragraph (b)
- on _____ pursuant to paragraph (b)
- 60 days after filing pursuant to paragraph (a)(1)
- on _____ pursuant to paragraph (a)(1)
- 75 days after filing pursuant to paragraph (a)(2)
- on _____ pursuant to paragraph (a)(2) of Rule 485.

If appropriate, check the following box:

- this post-effective amendment designates a new effective date for a previously filed post-effective amendment.

PART A

EXPLANATORY NOTE

This filing is only applicable to the Asset Allocation Growth, Diversified Mid-Cap, Special Situations and Growth and Income Portfolios, each of which is a new series of the GCG Trust. The other prospectuses and Statements of Additional Information for the GCG Trust describing the 25 other portfolios were last updated by Amendment no. 42 to the Trust's Registration Statement filed on February 29, 2000.

PROSPECTUS #1
THE GCG TRUST

PROSPECTUS

INCLUDED IN THIS DOCUMENT:

THE GCG TRUST
October 1, 2000

ASSET ALLOCATION GROWTH SERIES
DIVERSIFIED MID-CAP SERIES
GROWTH AND INCOME SERIES
SPECIAL SITUATIONS SERIES

THE GCG TRUST

BALANCED FUNDS

Asset Allocation Growth Series

STOCK FUNDS

DOMESTIC

Diversified Mid-Cap Series
Growth and Income Series
Special Situations Series

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR
DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR
ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS
A CRIMINAL OFFENSE.

THIS PROSPECTUS SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS
FOR THE SEPARATE ACCOUNT. BOTH PROSPECTUSES SHOULD BE READ
CAREFULLY AND RETAINED FOR FUTURE REFERENCE.

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IN THIS PROSPECTUS AND IN THE STATEMENT OF ADDITIONAL INFORMATION,
WE REFER TO THE GCG TRUST AS "THE GCG TRUST," AND TO A SERIES OF
THE GCG TRUST INDIVIDUALLY AS A "PORTFOLIO" AND COLLECTIVELY AS THE
"PORTFOLIOS."

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AN INVESTMENT IN ANY PORTFOLIO OF THE GCG TRUST IS NOT A BANK DEPOSIT
AND IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE
CORPORATION OR ANY OTHER AGENCY.

 INTRODUCTION

INVESTING THROUGH YOUR VARIABLE CONTRACT

Shares of the portfolios of the GCG Trust currently are sold to segregated asset accounts ("Separate Accounts") of insurance companies as funding choices for variable annuity contracts and variable life insurance policies ("Variable Contracts"). There are additional portfolios of the GCG Trust described in other prospectuses. Assets in the Separate Account are invested in shares of the portfolios based on your allocation instructions. Not all portfolios described in this prospectus may be available under your Variable Contract. You do not deal directly with the portfolios to purchase or redeem shares. The accompanying Separate Account prospectus describes your rights as a Variable Contract owner. We may sell shares of the portfolios to qualified pension and retirement plans outside of the separate account context.

WHY READING THIS PROSPECTUS IS IMPORTANT

This prospectus explains the investment objective, risks and strategy of four portfolios of the GCG Trust. The investment objectives, risks and strategies of the other portfolios of the GCG Trust are described in another prospectus. Reading the prospectus will help you to decide whether a portfolio is the right investment for you. We suggest that you keep this prospectus and the prospectus for the Separate Account for future reference.

TYPES OF FUNDS

The portfolios are generally classified among three major asset classes: stock, bond and money market.

MONEY MARKET FUNDS. Money market instruments (also known as cash investments) are debt securities issued by governments, corporations, banks, or other financial institutions.

BOND FUNDS. Bonds are debt securities representing loans from investors. A bond fund's share price - and therefore the value of your investment - can rise or fall in value because of changing interest rates or other factors.

BALANCED FUNDS. A balanced fund holds a mix of stocks, bonds, and sometimes, cash investments. A balanced fund offers the convenience of investing in both stocks and bonds through a single fund.

STOCK FUNDS. Stocks - which represent shares of ownership in a company - generally offer the greatest potential for long term growth of principal. Many stocks also provide regular dividends, which are generated by corporate profits. While stocks have historically provided the highest long-term returns, they have also exhibited the greatest short-term price fluctuations - so a stock fund has a higher risk of losing value over the short term.

MONEY MARKET FUNDS

BOND FUNDS

STOCK FUNDS

 | LOWER <----- RISK/RETURN -----> HIGHER |

 INTRODUCTION (CONTINUED)

GENERAL RISK FACTORS

Investing in the portfolios, as with an investment in any security, involves risk factors and special considerations. A portfolio's risk is defined primarily by its principal investments and investment strategies. An investment in a portfolio is not insured against loss of principal. As with any mutual fund, there can be no assurance that a portfolio will achieve its investment objective. Investing in shares of a portfolio should not be considered a complete investment program. The share value of each portfolio will rise and fall.

It is important to keep in mind

for shorter-term bonds, moderate for intermediate-term bonds, and high for longer-term bonds. A bond's duration measures its sensitivity to changes in interest rates. The longer the duration, the greater the bond's price movement will be as interest rates change.

- o CREDIT RISK. A bond issuer (debtor) may fail to repay interest and principal in a timely manner. The price of a security a portfolio holds may fall due to changing economic, political or market conditions or disappointing earnings

results.

one of the main axioms of investing: The higher the risk of losing money, the higher the potential reward. The lower the risk, the lower the potential reward. As you consider an investment in a portfolio, you should take into account your personal tolerance for investment risk.

o CALL RISK. During periods of falling interest rates, a bond issuer may "call," or repay, its high yielding bond before the bond's maturity date. Forced to invest the unanticipated proceeds at lower interest rates, a portfolio would experience a decline in income.

OVERALL RISK:

o MANAGER RISK. A portfolio manager of a portfolio may do a mediocre or poor job in selecting securities.

o MATURITY RISK. Interest rate risk will affect the price of a fixed income security more if the security has a longer maturity because changes in interest rates are increasingly difficult to predict over longer periods of time. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, fixed income securities with shorter maturities will be less volatile but generally provide lower returns than fixed income securities with longer maturities. The average maturity of a portfolio's fixed income investments will affect the volatility of the portfolio's share price.

RISK RELATED TO STOCK INVESTING:

o MARKET AND COMPANY RISK. The price of a security held by a portfolio may fall due to changing economic, political or market conditions or disappointing earnings results. Stock prices in general may decline over short or even extended periods. The stock market tends to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. Further, even though the stock market is cyclical in nature, returns from a particular stock market segment in which a portfolio invests may still trail returns from the overall stock market.

Because of these and other risks that may be particular to a portfolio, your investment could

RISKS RELATED TO BOND INVESTING:

lose or not make any money.

o INCOME RISK. A portfolio's income may fall due to falling interest rates. Income risk is generally the greatest for short-term bonds, and the least for long-term bonds. Changes in interest rates will affect bond prices as well as bond income.

o INTEREST RATE RISK. This is the risk that bond prices overall will decline over short or even extended periods due to rising interest rates. Interest rate risk is generally modest

PORTFOLIOS AT A GLANCE (CONTINUED)

ASSET ALLOCATION GROWTH PORTFOLIO

INVESTMENT

OBJECTIVE Maximize total return over the long term by allocating assets among stocks, bonds, short-term instruments and other investments.

PRINCIPAL INVESTMENT STRATEGY The Portfolio Manager allocates the Portfolio's assets among stocks, bonds, and short-term and money market investments.

The Portfolio Manager determines the allocation of the Portfolio's assets within the different classes. The Portfolio Manager will maintain a neutral mix over time of 70% of assets in stocks, 25% of assets in bonds, and 5% of assets in short-term and money market instruments.

The Portfolio Manager may invest the Portfolio's assets in securities of foreign issuers in addition to securities of domestic issuers.

In buying and selling securities for the Portfolio, the Portfolio Manager generally analyzes the issuer of a security using fundamental factors (e.g., growth potential, earnings estimates, and management) and/or quantitative factors (e.g., historical earnings, dividend yield, and earnings per share) and evaluates each security's current price relative to its estimated long-term value.

| | ASSET ALLOCATION | GROWTH | DIVERSIFIED SITUATIONS | INCOME | GROWTH AND SPECIAL |
|--|---------------------|---------|---------------------------|--------|--------------------------|
| | A | MID-CAP | G | | |
| | A | D | A | S | |
| | G | M | I | S | |

<<<----->>>
<< xXx >>>
<<<----->>>
<<LOWER RISK HIGHER RISK>>

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PORTFOLIOS AT A GLANCE (CONTINUED)

PRINCIPAL RISKS Any investment involves the possibility that you will lose money or not make money.

An investment in the Portfolio is subject to the following principal risks described under "Introduction - General Risk Factors":

- o Manager Risk
- o Market and Company Risk

An investment in the Portfolio is subject to the following additional principal risks described under "Description of the Portfolios - Diversified Mid-Cap Portfolio":

- o Growth Investing Risk
- o Small Company Risk
- o Foreign Investment Risk

PERFORMANCE The value of your shares in the Portfolio will fluctuate depending on the Portfolio's investment performance. Performance information is only shown for portfolios that have had a full calendar year of operations. Since the Diversified Mid-Cap Portfolio commenced operations on or about October 1, 2000, performance for previous calendar years is not available.

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PORTFOLIOS AT A GLANCE (CONTINUED)

GROWTH AND INCOME PORTFOLIO

INVESTMENT OBJECTIVE Long-term capital growth and current income.

PRINCIPAL INVESTMENT STRATEGY The Portfolio normally emphasizes investments in common stocks. It will normally invest up to 75% of its assets in equity securities selected primarily for their growth potential, and at least 25% of its assets in securities the Portfolio Manager believes have income potential. Equity securities may make up part of this income component if they currently pay dividends or the Portfolio Manager believes they have potential for increasing or commencing dividend payments.

The Portfolio Manager applies a "bottom up" approach in choosing investments. In other words, the Portfolio Manager looks for companies with earnings growth potential one at a time. The Portfolio Manager looks mostly for equity and income-producing securities that meet its investment criteria. If the Portfolio Manager is unable to find such investments, a significant portion of the Portfolio's assets may be in cash or similar investments.

The Portfolio may invest without limit in foreign equity and debt securities and up to 35% of its net assets in high-yield/high-risk bonds.

PRINCIPAL RISKS Any investment involves the possibility that you will lose money or not make money. An investment in the Portfolio is subject to the following principal risks described under "Introduction - General Risk Factors":

- o MANAGER RISK
- o INTEREST RATE RISK
- o MARKET AND COMPANY RISK
- o CREDIT RISK
- o INCOME RISK
- o MATURITY RISK

====RELATIVE RISK COMPARISON====
Not intended to indicate future risk or performance.

TURNOVER

portfolio turnover rate for an indication of the potential effect of transaction costs on the portfolio's future returns. In general, the greater the volume of buying and selling by the portfolio, the greater the impact that and brokerage commissions and other transaction costs will have on its return. Portfolio turnover rate is calculated by dividing the value of the lesser of purchases or sales of portfolio securities for the year by the monthly average of the value of portfolio securities owned by the portfolio during the year. Securities whose maturities at the time of purchase were one year or less are excluded. A 100% portfolio turnover rate would occur, for example, if a portfolio sold and replaced securities valued at 100% of its total net assets within a one-year period.

LEGAL COUNSEL Sutherland Asbill & Brennan LLP, located at 1275 Pennsylvania Avenue, N.W., Washington, D.C. 20004.

INDEPENDENT AUDITORS Ernst & Young LLP, located at Two Commerce Square, Suite 4000, 2001 Market Street, Philadelphia, Pennsylvania 19103.

DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

ASSET ALLOCATION GROWTH PORTFOLIO

PORTFOLIO MANAGER Fidelity Research & Management Company

INVESTMENT OBJECTIVE Maximize total return over the long term by allocating its assets among stocks, bonds, short-term instruments and other investments.

PRINCIPAL INVESTMENT STRATEGY The Portfolio Manager allocates the Portfolio's assets among the following classes, or types, of investments. The stock class includes equity securities of all types. The bond class includes all varieties of fixed-income securities, including lower-quality debt securities, maturing in more than one year. The short-term/money market class includes all types of short-term and money market instruments.

The Portfolio Manager uses its judgment to place a security in the most appropriate class based on its investment characteristics. Fixed-income securities may be classified in the bond or short-term/money market class according to interest rate sensitivity as well as maturity.

The Portfolio Manager may invest the Portfolio's assets in these classes by investing in other funds. The Portfolio Manager may also invest the Portfolio's assets in other instruments that do not fall within these classes.

The Portfolio Manager has the ability to allocate the Portfolio's assets within the different asset classes. The Portfolio's neutral mix represents the benchmark for its combination of investments in each asset class over time. The Portfolio Manager may change the neutral mix from time to time. The approximate neutral mix is 70% of assets in stocks, 25% of assets in bonds, and 5% of assets in short-term and money market instruments.

The Portfolio Manager does not try to pinpoint the precise moment when a major reallocation should be made. Instead, the Portfolio Manager regularly reviews the Portfolio's allocation and makes changes gradually to favor investments that it believes will provide the most favorable outlook for achieving the Portfolio's objective.

The Portfolio Manager will invest the Portfolio's assets in securities of foreign issuers in addition to securities of domestic issuers.

In buying and selling securities for the Portfolio, the Portfolio Manager generally analyzes the issuer of a security using fundamental factors (e.g., growth potential, earnings estimates, and management) and/or quantitative factors (e.g., historical earnings, dividend yield, and earnings per share) and evaluates each security's current price relative to its estimated long-term value.

The Portfolio may engage in active and frequent trading to achieve its principal investment strategies. Frequent trading increases transaction costs, which could detract from the Portfolio's performance.

The Portfolio Manager may use various techniques, such as buying and selling futures contracts, to increase or decrease the Portfolio's exposure to changing security prices, interest rates, or other factors that affect security values. If the Portfolio Manager's strategies do not work as intended, the Portfolio may not achieve its objective.

 DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

DESCRIPTION OF PRINCIPAL SECURITY TYPES:

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Different types of equity securities provide different voting and dividend rights and priority in the event of the bankruptcy of the issuer. Equity securities include common stocks, preferred stocks, convertible securities, and warrants.

Debt securities are used by issuers to borrow money. The issuer usually pays a fixed, variable, or floating rate of interest, and must repay the amount borrowed at the maturity of the security. Some debt securities, such as zero coupon bonds, do not pay current interest but are sold at a discount from their face values. Debt securities include corporate bonds, government securities, and mortgage- and other asset-backed securities.

Money market securities are high-quality, short-term securities that pay a fixed, variable, or floating interest rate. Securities are often specifically structured so that they are eligible investments for a money market fund. For example, in order to satisfy the maturity restrictions for a money market fund, some money market securities have demand or put features, which shorten the security's effective maturity. Money market securities include bank certificates of deposit, bank acceptances, bank time deposits, notes, commercial paper, and U.S. government securities.

PORTFOLIO TURNOVER. The Portfolio generally intends to purchase securities for long-term investment, although, to a limited extent, the Portfolio may purchase securities in anticipation of relatively short-term price gains. Short-term transactions may also result from liquidity needs, securities having reached a price or yield objective, changes in interest rates or the credit standing of an issuer, or by reason of economic or other developments not foreseen at the time of the investment decision. The Portfolio may also sell one security and simultaneously purchase the same or a comparable security to take advantage of short-term differentials in bond yields or securities prices. Portfolio turnover rates are generally not a factor in making buy and sell decisions.

PRINCIPAL RISKS Any investment in the Portfolio involves the possibility that you will lose money or not make money. An investment in the Portfolio is subject to the following principal risks described under "Introduction - General Risk Factors":

- o MANAGER RISK
- o CREDIT RISK
- o MARKET AND COMPANY RISK
- o CALL RISK
- o INCOME RISK
- o MATURITY RISK
- o INTEREST RATE RISK

An investment in the Portfolio is subject to the following additional principal risks:

- o FOREIGN INVESTMENT RISK. Foreign investments may be riskier than U.S. investments for many reasons, including changes in currency exchange rates, unstable political and economic conditions, possible security illiquidity, a lack of adequate company information, differences in the way securities markets operate, less secure foreign banks or securities depositories than those in the United States, and foreign controls on investments. In addition, the costs of buying, selling and holding foreign securities, including brokerage, tax and custody costs, may be higher than those involved in domestic transactions.

 DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

To the extent that the portfolio invests more than 25% of its total assets in one geographic region or country, the portfolio may be more sensitive to economic and other factors in that geographic region or country than a more diversified fund.

- o DERIVATIVE RISK. The Portfolio may use futures, options, swaps and other derivative instruments to hedge or protect the Portfolio from adverse movements in securities prices and interest rates. The Portfolio may also use a variety

of currency hedging techniques, including foreign currency contracts, to manage exchange rate risk. The use of these instruments may benefit the Portfolio. However, the Portfolio's performance could be worse than if the Portfolio had not used such instruments if the portfolio manager's judgment proves incorrect.

This prospectus does not describe all of the risks of every technique, strategy or temporary defensive position that the Portfolio may use. For such information, please refer to the Statement of Additional Information.

MORE ON THE PORTFOLIO MANAGER Fidelity Research & Management Company (FMR) has managed the Portfolio since its inception. As of June 30, 2000, FMR had approximately \$995 billion in discretionary assets under management. The address of FMR is 82 Devonshire Street, Boston, MA 02109. Fidelity Investments Money Management, Inc. (FIMM) in Merrimack, New Hampshire, serves as sub-adviser for the Portfolio. FIMM is responsible for choosing certain types of fixed income securities for the Portfolio. FIMM is an affiliate of FMR. As of June 30, 2000, FIMM had approximately \$274 billion in discretionary assets under management.

The following person at FMR is primarily responsible for the day-to-day investment decisions of the Portfolio:

| Name | Position and Recent Business Experience |
|--------------|---|
| Ren Y. Cheng | Senior Vice President of FMR and Portfolio Manager. |

Mr. Cheng has been employed as a portfolio manager by FMR since 1994.

FMR also manages the Diversified Mid-Cap Portfolio.

PRIOR PERFORMANCE OF SIMILAR ACCOUNTS MANAGED BY FMR

The table below shows the past performance of FMR in managing accounts with investment objectives, policies, styles and techniques substantially similar though not identical to those of the Asset Allocation Growth Portfolio. The table shows the total returns for a composite of the actual performance of similar accounts managed by FMR for various periods ended June 30, 2000, as adjusted for the projected annual expenses for the Asset Allocation Growth Portfolio during its initial fiscal period. The amounts shown reflect the reinvestment of all dividends and other distributions. Information presented is based on performance data provided by FMR. The past performance does not represent the Asset Allocation Growth Portfolio, as it is newly organized and has no performance record of its own. Included for comparison purposes are performance figures of the Russell MidCap Index, the Lehman Brothers Aggregate Bond Index and the Wilshire 5000 Index, all of which are unmanaged market indices. The performance shown is calculated in accordance with established Securities and Exchange Commission rules and guidelines.

DESCRIPTION OF THE PORTFOLIOS

The composite is made up of unregistered accounts that are not subject to diversification and other requirements that apply to mutual funds under applicable securities, tax and other laws that, if applicable, may have adversely affected performance. As a result, portfolio management strategies used on the composite and those used on the Asset Allocation Growth Portfolio may vary in some respects. The information should not be considered a prediction of the future performance of the Asset Allocation Growth Portfolio. The actual performance may be higher or lower than that shown.

| ANNUALIZED RATES OF RETURN FOR PERIODS | ENDING JUNE 30, 2000 | | | |
|--|-----------------------------------|----------------------|--------------------------------------|---------------------|
| | ASSET ALLOCATION GROWTH COMPOSITE | RUSSELL MIDCAP INDEX | LEHMAN BROTHERS AGGREGATE BOND INDEX | WILSHIRE 5000 INDEX |
| 1 YEAR | | | | |
| 3 YEARS | | | | |
| 5 YEARS | | | | |
| 10 YEARS | | | | |

DESCRIPTION OF THE PORTFOLIOS

DIVERSIFIED MID-CAP PORTFOLIO

PORTFOLIO
MANAGER Fidelity Research & Management Company

INVESTMENT
OBJECTIVE Long-term growth of capital.

PRINCIPAL INVESTMENT STRATEGY The Portfolio Manager normally invests at least 65% of the Portfolio's total assets in common stocks of companies with medium market capitalizations. The Portfolio Manager defines mid-cap companies as companies with market capitalizations equaling or exceeding \$250 million and similar to the top range of the Russell Midcap Index at the time of the Portfolio's investment. Companies whose capitalization no longer meets this definition after purchase continue to be considered to have a medium market capitalization for purposes of the 65% policy. As of June 30, 2000, the Russell MidCap Index included companies with capitalizations between approximately \$132 million and \$66.5 billion. The size of the companies in the Russell MidCap Index changes with market conditions and the composition of the index. The Portfolio Manager may also invest the Portfolio's assets in companies with smaller or larger market capitalizations.

The Portfolio Manager may invest the Portfolio's assets in securities of foreign issuers in addition to securities of domestic issuers.

The Portfolio Manager is not constrained by any particular investment style. At any given time, the Portfolio Manager may buy "growth" stocks or "value" stocks, or a combination of both types. The Portfolio Manager relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position, and economic and market factors. Factors considered include growth potential, earnings estimates and management. These securities are then analyzed using statistical models to further evaluate growth potential, valuation, liquidity and investment risk.

The Portfolio may engage in active and frequent trading to achieve its principal investment strategies. Frequent trading increases transaction costs, which could detract from the Portfolio's performance.

The Portfolio Manager may use various techniques, such as buying and selling futures contracts, to increase or decrease the Portfolio's exposure to changing security prices or other factors that affect security values. If the Portfolio Manager's strategies do not work as intended, the Portfolio may not achieve its objective.

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DESCRIPTION OF THE PORTFOLIOS

PRINCIPAL RISKS Any investment in the Portfolio involves the possibility that you will lose money or not make money. An investment in the Portfolio is subject to the following principal risks described under "Introduction - General Risk Factors":

- o MANAGER RISK
- o MARKET AND COMPANY RISK

An investment in the Portfolio is subject to the following additional principal risks:

- o GROWTH INVESTING RISK. Growth stocks may be more volatile than other stocks because they are more sensitive to investor perceptions of the issuing company's growth potential. Growth-oriented funds will typically underperform when value investing is in favor.
- o SMALL COMPANY RISK. Investing in securities of small companies may involve greater risks than investing in larger, more established issuers. Smaller companies may have limited product lines, markets or financial resources. Their securities may trade less frequently and in more limited volume than the securities of larger, more established companies. In addition, smaller companies are typically subject to greater changes in earning and business prospects than are larger companies. Consequently, the prices of small company stocks tend to rise and fall in value more than other stocks. Although investing in small companies offers potential for above-average returns, the companies may not succeed, and the value of stock shares could decline significantly.

- o FOREIGN INVESTMENT RISK. Foreign investments may be riskier than U.S. investments for many reasons, including changes in currency exchange rates, unstable political and economic conditions, possible security illiquidity, a lack of adequate company information, differences in the way securities markets operate, less secure foreign banks or securities depositories than those in the United States, and foreign controls on investments. In addition, the costs of buying, selling and holding foreign securities, including brokerage, tax and custody costs, may be higher than those involved in domestic transactions.

To the extent that the Portfolio invests more than 25% of its total assets in one geographic region or country, the Portfolio may be more sensitive to economic and other factors in that geographic region or country than a more diversified fund.

This Prospectus does not describe all of the risks of every technique, strategy or temporary defensive position that the Portfolio may use. For such information, please refer to the Statement of Additional Information.

MORE ON THE PORTFOLIO MANAGER
 Fidelity Research & Management Company (FMR) has managed the Portfolio since its inception. As of June 30, 2000, FMR had approximately \$995 billion in discretionary assets under management. The address of FMR is 82 Devonshire Street, Boston, MA 02109.

The following person at FMR is primarily responsible for the day-to-day investment decisions of the Portfolio:

| Name | Position and Recent Business Experience |
|---------------------|--|
| Robert L. MacDonald | Senior Vice President of FMR and Portfolio Manager. |
| | Mr. MacDonald has been employed by FMR since 1985 and has been a portfolio manager since 1987. |

 DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

FMR also manages the Asset Allocation Growth Portfolio.

PRIOR PERFORMANCE OF SIMILAR ACCOUNTS MANAGED BY FMR

The table below shows the past performance of FMR in managing accounts with investment objectives, policies, styles and techniques substantially similar though not identical to those of the Diversified MidCap Portfolio. The table shows the total returns for a composite of the actual performance of similar accounts managed by FMR for various periods ended June 30, 2000, as adjusted for the projected annual expenses for the Diversified MidCap Portfolio during its initial fiscal period. The amounts shown reflect the reinvestment of all dividends and other distributions. Information presented is based on performance data provided by FMR. The past performance does not represent the Diversified MidCap Portfolio, as it is newly organized and has no performance record of its own. Included for comparison purposes are performance figures of the Russell MidCap Index, an unmanaged market index. The performance shown is calculated in accordance with established Securities and Exchange Commission rules and guidelines.

The composite is made up of unregistered accounts that are not subject to diversification and other requirements that apply to mutual funds under applicable securities, tax and other laws that, if applicable, may have adversely affected performance. As a result, portfolio management strategies used on the composite and those used on the Diversified MidCap Portfolio may vary in some respects. The information should not be considered a prediction of the future performance of the Diversified MidCap Portfolio. The actual performance may be higher or lower than that shown.

| ANNUALIZED RATES OF RETURN FOR PERIODS | | |
|--|------------------------------------|----------------------------|
| ENDING JUNE 30, 2000 | | |
| | DIVERSIFIED MIDCAP COMPOSITE | RUSSELL MIDCAP INDEX |
| 1 YEAR | | |
| 3 YEARS | | |
| 5 YEARS | | |
| 10 YEARS | | |

 DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

GROWTH AND INCOME PORTFOLIO

PORTFOLIO
 MANAGER Janus Capital Corporation

INVESTMENT
 OBJECTIVE Long-term capital growth and current income.

PRINCIPAL INVESTMENT STRATEGY The Portfolio normally emphasizes investments in common stocks. It will normally invest up to 75% of its assets in equity securities selected primarily for their growth potential, and at least 25% of its assets in securities the Portfolio Manager believes have income potential. Because of this investment strategy, the Portfolio is not designed for investors who need consistent income.

The Portfolio Manager applies a "bottom up" approach in choosing investments. In other words, the Portfolio Manager seeks to identify individual companies with earnings growth potential that may not be recognized by the market at large. The Portfolio Manager makes this assessment by looking at companies one at a time, regardless of size, country of organization, place of principal business activity or other similar selection criteria. The Portfolio Manager emphasizes aggressive growth stocks and may derive a significant portion of its income from dividend-paying common stocks. Because of these factors, the Portfolio's net asset value may fluctuate more than other equity funds.

The Portfolio Manager shifts assets between the growth and income components of the Portfolio based on the Portfolio Manager's analysis of relevant market, financial and economic conditions. If the Portfolio Manager believes that growth securities will provide better returns than the yields available or expected on income-producing securities, the Portfolio will place a greater emphasis on the growth component.

The growth component of the Portfolio is expected to consist primarily of common stocks, but may also include warrants, preferred stocks or convertible securities selected primarily for their growth potential.

The income component of the Portfolio will consist of securities that the Portfolio Manager believes have income potential. Such securities may include equity securities, convertible securities and all types of debt securities. Equity securities may be included in the income component of the Portfolio if they currently pay dividends or the Portfolio Manager believes they have the potential for either increasing their dividends or commencing dividends, if none are currently paid.

The Portfolio may also invest in:

- o debt securities
- o foreign equity and debt securities (either indirectly through depositary receipts or directly in foreign markets) (without limit)
- o high-yield/high-risk bonds (up to 35%)
- o index/structured securities
- o options, futures, forwards, swaps and other types of derivatives for hedging purposes or for non-hedging purposes such as seeking to enhance return
- o securities purchased on a when-issued, delayed delivery or forward commitment basis
- o illiquid investments (up to 15%)

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 DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

CASH AND CASH EQUIVALENTS. When the Portfolio Manager believes that market conditions are unfavorable for profitable investing or when he is otherwise unable to locate attractive investment opportunities for the Portfolio, the Portfolio's cash or similar investments may increase. The Portfolio Manager may also temporarily increase the Portfolio's cash position to protect its assets or maintain liquidity. When the Portfolio's investments in cash or similar investments increase, it may not participate in market advances or declines to the same extent that it would if the Portfolio

remained more fully invested in stocks or bonds.

PORTFOLIO TURNOVER. The Portfolio generally intends to purchase securities for long-term investment, although, to a limited extent, the Portfolio may purchase securities in anticipation of relatively short-term price gains. Short-term transactions may also result from liquidity needs, securities having reached a price or yield objective, changes in interest rates or the credit standing of an issuer, or by reason of economic or other developments not foreseen at the time of the investment decision. The Portfolio may also sell one security and simultaneously purchase the same or a comparable security to take advantage of short-term differentials in bond yields or securities prices. Portfolio turnover rates are generally not a factor in making buy and sell decisions.

PRINCIPAL RISKS Any investment involves the possibility that you will lose money or not make money. An investment in the Portfolio is subject to the following principal risks described under "Introduction - General Risk Factors":

- o MANAGER RISK
- o MARKET AND COMPANY RISK
- o INCOME RISK
- o INTEREST RATE RISK
- o CREDIT RISK
- o CALL RISK
- o MATURITY RISK

An investment in the Portfolio is subject to the following additional principal risks:

- o **GROWTH INVESTING RISK.** Growth stocks may be more volatile than other stocks because they are more sensitive to investor perceptions of the issuing company's growth potential. Growth-oriented funds will typically underperform when value investing is in favor.
- o **SMALL COMPANY RISK.** Investing in securities of small companies may involve greater risks than investing in larger, more established issuers. Smaller companies may have limited product lines, markets or financial resources. Their securities may trade less frequently and in more limited volume than the securities of larger, more established companies. In addition, smaller companies are typically subject to greater changes in earning and business prospects than are larger companies. Consequently, the prices of small company stocks tend to rise and fall in value more than other stocks. Although investing in small companies offers potential for above-average returns, the companies may not succeed, and the value of stock shares could decline significantly.
- o **FOREIGN INVESTMENT RISK.** Foreign investments may be riskier than U.S. investments for many reasons, including changes in currency exchange rates, unstable political and economic conditions, possible security illiquidity, a lack

DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

of adequate company information, differences in the way securities markets operate, less secure foreign banks or securities depositories than those in the United States, and foreign controls on investments. In addition, the costs of buying, selling and holding foreign securities, including brokerage, tax and custody costs, may be higher than those involved in domestic transactions.

To the extent that the Portfolio invests more than 25% of its total assets in one geographic region or country, the Portfolio may be more sensitive to economic and other factors in that geographic region or country than a more diversified fund.

- o **HIGH-YIELD/HIGH-RISK BOND RISK.** High yield bonds (commonly referred to as "junk bonds") generally provide greater income and increased opportunity for capital appreciation than investments in higher quality debt securities, but they also typically have greater potential price volatility and principal and income risk. High yield bonds are not considered investment grade.
- o **DERIVATIVE RISK.** The Portfolio may use futures, options, swaps and other derivative instruments to hedge or protect the Portfolio from adverse movements in securities prices and interest rates. The Portfolio may also use a variety of currency hedging techniques, including foreign currency contracts, to manage exchange rate risk. The use of these instruments may benefit the Portfolio. However, the Portfolio's performance could be worse than if the Portfolio had not used such instruments if the portfolio manager's judgment proves incorrect.

o CONCENTRATION RISK. The Portfolio may, at times, invest more than 25% of its assets in securities of issuers in one or more market sectors, such as technology. To the extent the Portfolio's assets are concentrated in a single market sector, volatility in that sector will have a greater impact on the Portfolio than it would on a fund that has not concentrated its investments.

o SPECIAL SITUATIONS RISK. Investments in special situations companies may not appreciate if an anticipated development does not occur or does not attract the anticipated attention.

This prospectus does not describe all of the risks of every technique, strategy or temporary defensive position that the Portfolio may use. For such information, please refer to the Statement of Additional Information.

MORE ON THE PORTFOLIO MANAGER Janus Capital Corporation has managed the Portfolio since its inception. Janus Capital has been an investment adviser since 1970, and provides advisory services to managed accounts and investment companies. As of June 30, 2000, Janus Capital managed approximately \$304 billion in assets. The address of Janus Capital is 100 Fillmore Street, Denver, Colorado 80206.

The following person at Janus Capital is primarily responsible for the day-to-day investment decisions of the Portfolio:

| Name | Position and Recent Business Experience |
|------------------|--|
| David J. Corkins | Executive Vice President and Portfolio Manager of the Portfolio since its inception. |

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DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

Mr. Corkins joined Janus Capital in 1995 as a research analyst specializing in domestic financial services companies and a variety of foreign industries. Prior to joining Janus Capital, he was the Chief Financial Officer of Chase U.S. Consumer Services, Inc., a Chase Manhattan mortgage business.

Janus Capital also manages the Special Situations Portfolio.

PRIOR PERFORMANCE OF A COMPARABLE FUND MANAGED BY JANUS

The table below shows the past performance of Janus in managing the Janus Growth and Income Fund, a series of the Janus Equity Funds. The Janus Growth and Income Fund is a mutual fund managed by the same Janus personnel with the same investment objective and substantially similar policies and strategies though not identical to those of the Growth and Income Portfolio. The table shows the total returns for Janus Growth and Income Fund for various periods ended June 30, 2000, as adjusted for the projected annual expenses for the Growth and Income Portfolio during its initial fiscal period. The amounts shown reflect the reinvestment of all dividends and other distributions. Information presented is based on performance data provided by Janus. The past performance does not represent the Growth and Income Portfolio, as it is newly organized and has no performance record of its own. Included for comparison purposes are performance figures of the S&P 500 Index, an unmanaged market index. The performance shown is calculated in accordance with established Securities and Exchange Commission rules and guidelines.

The investment results presented below reflect the reinvestment of all dividends and other distributions. These results are not those of the Portfolio and should not be considered a prediction of the future performance of the Growth and Income Portfolio. The actual performance may be higher or lower than that shown.

| ANNUALIZED RATES OF RETURN FOR PERIODS | | |
|--|--|------------------|
| ENDING JUNE 30, 2000 | | |
| JANUS GROWTH AND INCOME FUND, ADJUSTED FOR PROJECTED ANNUAL EXPENSES OF THE GROWTH AND INCOME PORTFOLIO | | S&P 500 INDEX |
| 1 YEAR | | |
| 3 YEARS | | |
| 5 YEARS | | |
| 10 YEARS | | |

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DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

SPECIAL SITUATIONS PORTFOLIO

PORTFOLIO
MANAGER Janus Capital Corporation

INVESTMENT
OBJECTIVE Capital appreciation.

PRINCIPAL INVESTMENT STRATEGY The Portfolio invests primarily in common stocks selected for their capital appreciation potential. The Portfolio emphasizes stocks of "special situation" companies that the Portfolio Manager believes have been overlooked or undervalued by other investors. A "special situation" arises when, in the Portfolio Manager's opinion, securities of a particular company will appreciate in value due to a specific development with respect to that issuer. Special situations may include significant changes in a company's allocation of its existing capital, a restructuring of assets, or a redirection of free cash flows. For example, issuers undergoing significant capital changes may include companies involved in spin-offs, sales of divisions, mergers or acquisitions, companies emerging from bankruptcy, or companies initiating large changes in their debt to equity ratio. Companies that are redirecting cash flows may be reducing debt, repurchasing shares or paying dividends. Special situations may also result from (1) significant changes in industry structure through regulatory developments or shifts in competition; (2) a new or improved product, service, operation or technological advance; (3) changes in senior management; or (4) significant changes in cost structure. The Portfolio Manager pays particular attention to companies that it thinks have high free cash flows.

The Portfolio Manager applies a "bottom up" approach in choosing investments. In other words, the Portfolio Manager seeks to identify individual companies with earnings growth potential that may not be recognized by the market at large. The Portfolio Manager makes this assessment by looking at companies one at a time, regardless of size, country of organization, place of principal business activity or other similar selection criteria. Realization of income is not a significant consideration when the Portfolio Manager chooses investments for the Portfolio. Income realized on the Portfolio's investments may be incidental to its objective.

The Portfolio may also invest in:

- o debt securities
- o foreign equity and debt securities (either indirectly through depositary receipts or directly in foreign markets)
- o high-yield/high-risk bonds (up to 35%)
- o index/structured securities
- o options, futures, forwards, swaps and other types of derivatives for hedging purposes or for non-hedging purposes such as seeking to enhance return
- o securities purchased on a when-issued, delayed delivery or forward commitment basis
- o illiquid investments (up to 15%)

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DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

CASH AND CASH EQUIVALENTS. When the Portfolio Manager believes that market conditions are unfavorable for profitable investing or when it is otherwise unable to locate attractive investment opportunities for the Portfolio, the Portfolio's cash or similar investments may increase. The Portfolio Manager may also temporarily increase the Portfolio's cash position to protect its assets or maintain liquidity. When the Portfolio's investments in cash or similar investments increase, it may not participate in market advances or declines to the same extent that it would if the Portfolio remained more fully invested in stocks or bonds.

PORTFOLIO TURNOVER. The Portfolio generally intends to purchase securities for long-term investment, although, to a limited extent, the Portfolio may purchase securities in anticipation of relatively short-term price gains. Short-term transactions may also result from liquidity needs, securities having reached a price or yield objective, changes in interest rates or the credit standing of an issuer, or by reason of economic or other developments not foreseen at the time of the

investment decision. The Portfolio may also sell one security and simultaneously purchase the same or a comparable security to take advantage of short-term differentials in bond yields or securities prices. Portfolio turnover rates are generally not a factor in making buy and sell decisions.

PRINCIPAL RISKS Any investment involves the possibility that you will lose money or not make money. An investment in the Portfolio is subject to the following principal risks described under "Introduction - General Risk Factors":

- o MANAGER RISK
- o MARKET AND COMPANY RISK

An investment in the Portfolio is subject to the following additional principal risks:

- o SMALL COMPANY RISK. Investing in securities of small companies may involve greater risks than investing in larger, more established issuers. Smaller companies may have limited product lines, markets or financial resources. Their securities may trade less frequently and in more limited volume than the securities of larger, more established companies. In addition, smaller companies are typically subject to greater changes in earning and business prospects than are larger companies. Consequently, the prices of small company stocks tend to rise and fall in value more than other stocks. Although investing in small companies offers potential for above-average returns, the companies may not succeed, and the value of stock shares could decline significantly.
- o FOREIGN INVESTMENT RISK. Foreign investments may be riskier than U.S. investments for many reasons, including changes in currency exchange rates, unstable political and economic conditions, possible security illiquidity, a lack of adequate company information, differences in the way securities markets operate, less secure foreign banks or securities depositories than those in the United States, and foreign controls on investments. In addition, the costs of buying, selling and holding foreign securities, including brokerage, tax and custody costs, may be higher than those involved in domestic transactions.

To the extent that the Portfolio invests more than 25% of its total assets in one geographic region or country, the portfolio may be more sensitive to economic and other factors in that geographic region or country than a more diversified fund.

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DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

- o HIGH-YIELD/HIGH-RISK BOND RISK. High yield bonds (commonly referred to as "junk bonds") generally provide greater income and increased opportunity for capital appreciation than investments in higher quality debt securities, but they also typically have greater potential price volatility and principal and income risk. High yield bonds are not considered investment grade.
- o DERIVATIVE RISK. The Portfolio may use futures, options, swaps and other derivative instruments to hedge or protect the Portfolio from adverse movements in securities prices and interest rates. The Portfolio may also use a variety of currency hedging techniques, including foreign currency contracts, to manage exchange rate risk. The use of these instruments may benefit the Portfolio. However, the Portfolio's performance could be worse than if the Portfolio had not used such instruments if the Portfolio Manager's judgment proves incorrect.
- o CONCENTRATION RISK. The Portfolio may, at times, invest more than 25% of its assets in securities of issuers in one or more market sectors, such as technology. To the extent the Portfolio's assets are concentrated in a single market sector, volatility in that sector will have a greater impact on the Portfolio than it would on a fund that has not concentrated its investments.
- o SPECIAL SITUATIONS RISK. Investments in special situations companies may not appreciate if an anticipated development does not occur or does not attract the anticipated attention.
- o DIVERSIFICATION RISK. A non-diversified fund will be more volatile than a diversified fund because it may invest its assets in a smaller number of issuers. The

gains or losses on a single security or issuer will, therefore, have a greater impact on the non-diversified fund's net asset value.

This prospectus does not describe all of the risks of every technique, strategy or temporary defensive position that the Portfolio may use. For such information, please refer to the Statement of Additional Information.

MORE ON THE PORTFOLIO MANAGER Janus Capital Corporation has managed the Portfolio since its inception. Janus Capital has been an investment adviser since 1970, and provides advisory services to managed accounts and investment companies. As of June 30, 2000, Janus Capital managed approximately \$304 billion in assets. The address of Janus Capital is 100 Fillmore Street, Denver, Colorado 80206.

The following person at Janus Capital is primarily responsible for the day-to-day investment decisions of the Portfolio:

| Name | Position and Recent Business Experience |
|-----------------|--|
| David C. Decker | Executive Vice President and Portfolio Manager of the Portfolio since its inception. |
| | Mr. Decker joined Janus Capital in 1992 and has managed various other mutual funds and private accounts since that time. |

Janus Capital also manages the Growth and Income Portfolio.

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DESCRIPTION OF THE PORTFOLIOS (CONTINUED)

PRIOR PERFORMANCE OF A COMPARABLE FUND MANAGED BY JANUS

The table below shows the past performance of Janus in managing the Janus Special Situations Fund, a series of the Janus Equity Funds. The Janus Special Situations Fund is a mutual fund managed by the same Janus personnel with the same investment objective and substantially similar policies and strategies though not identical to those of the Special Situations Portfolio. The table shows the total returns for Janus Special Situations Fund for various periods ended June 30, 2000, as adjusted for the projected annual expenses for the Special Situations Portfolio during its initial fiscal period. The amounts shown reflect the reinvestment of all dividends and other distributions. Information presented is based on performance data provided by Janus. The past performance does not represent the Special Situations Portfolio, as it is newly organized and has no performance record of its own. Included for comparison purposes are performance figures of the S&P 500 Index, an unmanaged market index. The performance shown is calculated in accordance with established Securities and Exchange Commission rules and guidelines.

The investment results presented below reflect the reinvestment of all dividends and other distributions. These results are not those of the Portfolio and should not be considered a prediction of the future performance of the Special Situations Portfolio. The actual performance may be higher or lower than that shown.

| ANNUALIZED RATES OF RETURN FOR PERIODS | | |
|--|--|------------------|
| ENDING JUNE 30, 2000 | | |
| ----- | | |
| | JANUS SPECIAL SITUATIONS FUND, ADJUSTED FOR PROJECTED ANNUAL EXPENSES OF THE SPECIAL SITUATIONS PORTFOLIO | S&P 500 INDEX |
| 1 YEAR | | |
| 3 YEARS | | |
| 5 YEARS | | |
| 10 YEARS | | |

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OVERALL MANAGEMENT OF THE TRUST

THE ADVISER Directed Services, Inc. ("DSI") is the overall adviser to the GCG Trust. DSI is a New York corporation and a wholly owned subsidiary of ING Groep N.V., a global financial services holding company based in The Netherlands. DSI is registered with the Securities and Exchange Commission as an investment adviser and a broker-dealer. DSI is the principal underwriter and distributor of the Variable Contracts that Golden American Life Insurance Company issues. The address of DSI is 1475

DSI has overall responsibility for hiring portfolio managers and for periodically monitoring their performance. DSI considers performance records in light of a portfolio's investment objectives and policies. The GCG Trust pays DSI for its services an advisory fee. DSI in turn pays the portfolio managers their respective portfolio management fee.

In addition to advisory services, DSI provides administrative and other services necessary for the ordinary operation of the portfolios. DSI procures and pays for the services and information necessary to the proper conduct of the portfolios' business, including custodial, administrative, transfer agency, portfolio accounting, dividend disbursing, auditing, and ordinary legal services. DSI also acts as liaison among the various service providers to the portfolios, including the custodian, portfolio accounting agent, portfolio managers, and the insurance company or companies to which the portfolios offer their shares. DSI also ensures that the portfolios operate in compliance with applicable legal requirements and monitors the portfolio managers for compliance with requirements under applicable law and with the investment policies and restrictions of the portfolios. DSI does not bear the expense of brokerage fees and other transactional expenses for securities or other assets (which are generally considered part of the cost for the assets), taxes (if any) paid by a portfolio, interest on borrowing, fees and expenses of the independent trustees, and extraordinary expenses, such as litigation or indemnification expenses.

DSI has full investment discretion and makes all determinations with respect to the investment of a portfolio's assets and the purchase and sale of portfolio securities for one or more portfolios.

OVERALL MANAGEMENT OF THE TRUST (continued)

ADVISORY FEE The GCG Trust pays DSI an advisory fee, payable monthly, based on the average daily net assets of a portfolio.

ADVISORY FEE. The Trust pays DSI an advisory fee at the following annual rates (based on the average daily net assets of the respective portfolios):

| PORTFOLIO | ADVISORY FEE (as a percentage of average net assets) |
|---|---|
| Asset Allocation Portfolio and Diversified Mid-Cap Portfolio: | 1.00% of first \$500 million; 0.95% of next \$250 million; 0.90% of next \$500 million; and 0.85% of the amount in excess of \$1.25 billion. |
| Growth and Income Portfolio and Special Situations Portfolio: | 1.10% of first \$250 million; 1.05% of next \$400 million; 1.00% of next \$450 million; and 0.95% of the amount in excess of \$1.1 billion. |

DSI in turn pays, on a monthly basis, the portfolio managers a portfolio management fee for their services.

The GCG Trust is distinct in that the portfolios' expense structure is simpler and more predictable than that of most mutual funds. DSI PAYS MANY OF THE ORDINARY EXPENSES FOR EACH PORTFOLIO, INCLUDING CUSTODIAL, ADMINISTRATIVE, TRANSFER AGENCY, PORTFOLIO ACCOUNTING, AUDITING, AND ORDINARY LEGAL EXPENSES. MOST MUTUAL FUNDS PAY FOR THESE EXPENSES DIRECTLY FROM THEIR OWN ASSETS. DSI ALSO SERVES AS THE OVERALL ADVISER TO THE OTHER PORTFOLIOS OF THE TRUST.

SHARE PRICE

Purchase and redemption orders ("orders") are accepted only on days on which the New York Stock Exchange ("NYSE") is open for business ("a business day").

A portfolio's share price ("net asset value" or "NAV"), is calculated each business day after the close of trading (generally 4 p.m. Eastern time) on the NYSE.

Therefore, orders received by the Trust via insurance company Separate Accounts on any business day prior to the close of NYSE trading will receive the price calculated at the close of trading that day. Orders received by a Separate Account after the close of trading on a business day, but prior to the close of business on the next business day, will receive

the price calculated at the close of trading on that next business day.

The net asset values per share of each portfolio fluctuates in response to changes in market conditions and other factors.

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OVERALL MANAGEMENT OF THE TRUST

The portfolios' securities are valued based on market value. Market value is determined based on the last reported sales price or, if no sales are reported, the mean between representative bid and asked quotations obtained from a quotation reporting system or from established market makers. If market quotations are not available, securities are valued at their fair value as determined in good faith by, or under the direction of, the Board of Trustees. Instruments maturing in sixty days or less may be valued using the amortized cost method of valuation. The amortized cost method involves valuing a security at cost on the date of purchase and thereafter assuming a constant accretion of a discount or amortization of a premium to maturity. The value of a foreign security is determined in its national currency based upon the price on the foreign exchange at close of business. Securities traded in over-the-counter markets outside the United States are valued at the last available price in the over-the-counter market before the time of valuation.

Debt securities, including those to be purchased under firm commitment agreements (other than obligations having a maturity sixty days or less at their date of acquisition valued under the amortized cost method), are normally valued on the basis of quotes obtained from brokers and dealers or pricing services, which take into account appropriate factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data. Debt obligations having a maturity of sixty days or less may be valued at amortized cost unless the portfolio manager believes that amortized cost does not approximate market value.

When a portfolio writes a put or call option, the amount of the premium is included in the portfolio's assets and an equal amount is included in its liabilities. The liability thereafter is adjusted to the current market value of the option. The premium a portfolio pays for an option is recorded as an asset, and subsequently adjusted to market value. Futures and options traded on commodities exchanges or boards of trade are valued at their closing settlement price on such exchange or board of trade. Foreign securities quoted in foreign currencies generally are valued at translated foreign market closing prices.

Trading in securities on exchanges and over-the-counter markets in European and Pacific Basin countries is normally completed well before 4:00 p.m. Eastern time. The calculation of the net asset value of a portfolio investing in foreign securities may not take place contemporaneously with the determination of the prices of the securities included in the calculation. Further, the prices of foreign securities are determined using information derived from pricing services and other sources. Prices derived under these procedures are used in determining daily net asset value. Information that becomes known to the GCG Trust or its agents after the time that the net asset value is calculated on any business day may be assessed in determining net asset value per share after the time of receipt of the information, but is not used to retroactively adjust the price of the security so determined earlier or on a prior day. Events that may affect the value of these securities that occur between the time their prices are determined and the time the portfolio's net asset value is determined may not be reflected in the calculation of net asset value of the portfolio unless DSI or the portfolio manager, acting under authority delegated by the Board of Trustees, deems that the particular event would materially affect net asset value. In this event, the securities are valued at fair market value as determined in good faith by DSI or the portfolio manager acting under the direction of the Board.

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TAXES AND DISTRIBUTIONS

The GCG Trust pays net investment income, if any, on your shares of each portfolio annually. Any net realized long-term capital gains for any portfolio will be declared and paid at least once annually. Net realized short-term gains may be declared and paid more frequently. We will automatically reinvest any distributions made by any portfolio in additional shares of that portfolio, unless the separate account of your insurance company makes an election to receive

distributions in cash. Dividends or distributions by a portfolio will reduce the per share net asset value by the per share amount paid.

Each portfolio intends to qualify and expects to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended ("Code"). As qualified regulated investment companies, the portfolios are generally not subject to federal income tax on the part of their investment company taxable income (including any net capital gains) which they distribute to shareholders. It is each portfolio's intention to distribute all such income and gains.

Shares of each portfolio are offered to the Separate Accounts of insurance companies. Under the Code, an insurance company pays no tax with respect to income of a qualifying Separate Account when the income is properly allocable to the value of eligible variable annuity or variable life insurance contracts. Under current tax law, your gains under your Contract are taxed only when you take them out. Contract purchasers should review the Contract prospectus for a discussion of the tax treatment applicable to holders of the Contracts.

The foregoing is only a summary of some of the important federal income tax considerations generally affecting a portfolio and you. Please refer to the Statement of Additional Information for more information about the tax status of the portfolios. You should consult with your tax adviser for more detailed information regarding taxes applicable to the Contracts.

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TO OBTAIN
MORE INFORMATION

A Statement of Additional Information, dated October 1, 2000, has been filed with the Securities and Exchange Commission ("SEC"), and is made a part of this prospectus by . reference

THE GCG TRUST
TRUSTEES

Barnett Chernow, Chairman
and Trustee
John R. Barmeyer, Trustee

J. Michael Earley, Trustee

Additional information about the GCG Trust's investments is available in the GCG Trust's annual and semi-annual reports to shareholders. In the annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the GCG Trust's performance during its last fiscal year.

R. Barbara Gitenstein, Trustee
Robert A. Grayson, Trustee
Elizabeth J. Newell, Trustee
Stanley B. Seidler, Trustee

To obtain a free copy of these documents or to make inquiries about the portfolios, please write to our Customer Service Center at P.O. Box 2700, West Chester, Pennsylvania 19380 or call (800) 366-0066.

Roger B. Vincent, Trustee

Information about the GCG Trust can be reviewed and copied at the SEC Public Reference Room. Information about its operation may be obtained by calling 1-202-942-8090. Reports and other information about the GCG Trust are available on the EDGAR Database on the SEC's Internet Site at <http://www.sec.gov>. You may also obtain copies of information for a duplicating fee by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, DC 20549-0102

GOLDEN AMERICAN LIFE INSURANCE COMPANY
Golden American Life Insurance Company is a stock
company domiciled in Delaware.

G3059 10/00 SEC File No. 811-5629

PART B
STATEMENT OF ADDITIONAL INFORMATION

THE GCG TRUST

STATEMENT OF ADDITIONAL INFORMATION

OCTOBER 1, 2000

This Statement of Additional Information pertains to the Portfolios listed above, each of which is a separate series of The GCG Trust. This Statement of Additional Information is not a prospectus. It should be read in conjunction with the prospectus dated October 1, 2000, which is incorporated by reference herein. The information in this Statement of Additional Information expands on information contained in the prospectus. The prospectus can be obtained without charge by contacting the Manager at the phone number or address below.

DIRECTED SERVICES, INC.
1475 Dunwoody Drive
West Chester, Pennsylvania 19380
(800) 447-3644

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INTRODUCTION

This Statement of Additional Information is designed to elaborate upon information contained in the Prospectus for the Portfolios, including the discussion of certain securities and investment techniques. The more detailed information contained herein is intended for investors who have read the Prospectus and are interested in a more detailed explanation of certain aspects of some of the Portfolio's securities and some investment techniques. Some of the Portfolios' investment techniques are described only in the Prospectus and are not repeated herein. Captions and defined terms in this Statement of Additional Information generally correspond to like captions and terms in the Portfolios' Prospectus. Terms not defined herein have the meanings given them in the Prospectus.

DESCRIPTION OF SECURITIES AND INVESTMENT TECHNIQUES

FIXED INCOME INVESTMENTS

U.S. GOVERNMENT SECURITIES

U.S. government securities are obligations of, or are guaranteed by, the U.S. government, its agencies or instrumentalities. Treasury bills, notes, and bonds are direct obligations of the U.S. Treasury. Securities guaranteed by the U.S. government include: federal agency obligations guaranteed as to principal and interest by the U.S. Treasury (such as GNMA certificates, described in the section on "Mortgage-Backed Securities," and Federal Housing Administration debentures). In guaranteed securities, the U.S. government unconditionally guarantees the payment of principal and interest, and thus they are of the highest credit quality. Such direct obligations or guaranteed securities are subject to variations in market value due to fluctuations in interest rates, but, if held to maturity, the U.S. government is obligated to or guarantees to pay them in full.

Securities issued by U.S. government instrumentalities and certain federal agencies are neither direct obligations of nor guaranteed by the Treasury. However, they involve federal sponsorship in one way or another: some are backed by specific types of collateral; some are supported by the issuer's right to borrow from the Treasury; some are supported by the discretionary authority of the Treasury to purchase certain obligations of the issuer; others are supported only by the credit of the issuing government agency or instrumentality. These agencies and instrumentalities include, but are not limited to, Federal Land Banks, Farmers Home Administration, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), Student Loan Mortgage Association, Central Bank for Cooperatives, Federal Intermediate Credit Banks, and Federal Home Loan Banks.

Certain Portfolios may also purchase obligations of the International

Bank for Reconstruction and Development, which, while technically not a U.S. government agency or instrumentality, has the right to borrow from the participating countries, including the United States.

DEBT SECURITIES

Certain Portfolios may invest in debt securities, as stated in the Portfolios' investment objectives and policies in the relevant Prospectus or in this Statement of Additional Information. Some Portfolios may invest only in debt securities that are investment grade, i.e., rated BBB or better by Standard & Poor's Rating Group ("Standard & Poor's") or Baa or better by Moody's Investors Service, Inc. ("Moody's"), or, if not rated by Standard & Poor's or Moody's, of equivalent quality as determined by the Portfolio Manager.

The investment return on a corporate debt security reflects interest earnings and changes in the market value of the security. The market value of corporate debt obligations may be expected to rise and fall inversely with interest rates generally. There is also a risk that the issuers of the securities

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may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. Bonds rated BBB or Baa, which are considered medium-grade category bonds, do not have economic characteristics that provide the high degree of security with respect to payment of principal and interest associated with higher rated bonds, and generally have some speculative characteristics. A bond will be placed in this rating category where interest payments and principal security appear adequate for the present, but economic characteristics that provide longer term protection may be lacking. Any bond, and particularly those rated BBB or Baa, may be susceptible to changing conditions, particularly to economic downturns, which could lead to a weakened capacity to pay interest and principal.

New issues of certain debt securities are often offered on a when-issued or firm-commitment basis; that is, the payment obligation and the interest rate are fixed at the time the buyer enters into the commitment, but delivery and payment for the securities normally take place after the customary settlement time. The value of when-issued securities or securities purchased on a firm-commitment basis may vary prior to and after delivery depending on market conditions and changes in interest rate levels. However, the Portfolio will not accrue any income on these securities prior to delivery. The Portfolio will maintain in a segregated account with its custodian an amount of cash or high quality debt securities equal (on a daily marked-to-market basis) to the amount of its commitment to purchase the when-issued securities or securities purchased on a firm-commitment basis.

Moody's or Standard and Poor's do not rate many securities of foreign issuers; therefore, the selection of such securities depends, to a large extent, on the credit analysis performed or used by the Portfolio's Manager.

HIGH YIELD BONDS

"High Yield Bonds" (commonly referred to as "junk bonds"), are bonds rated lower than Baa or BBB, or, if not rated by Moody's or Standard & Poor's, of equivalent quality. In general, high yield bonds are not considered to be investment grade and investors should consider the risks associated with high yield bonds before investing in the pertinent Portfolio. Investment in such securities generally provides greater income and increased opportunity for capital appreciation than investments in higher quality securities, but it also typically entails greater price volatility and principal and income risk.

Investment in high yield bonds involves special risks in addition to the risks associated with investments in higher rated debt securities. High yield bonds are regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Many of the outstanding high yield bonds have not endured a lengthy business recession. A long-term track record on bond default rates, such as that for investment grade corporate bonds, does not exist for the high yield market. Analysis of the creditworthiness of issuers of debt securities, and the ability of a Portfolio to achieve its investment objective may, to the extent of investment in high yield bonds, be more dependent upon such creditworthiness analysis than would be the case if the Portfolio were investing in higher quality bonds.

High yield bonds may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade bonds. The prices of high yield bonds have been found to be less sensitive to interest rate changes than higher rated investments, but more sensitive to adverse downturns or individual corporate developments. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield bond prices because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If an issuer of high yield bonds defaults, in addition to risking payment of all or a portion of interest and principal, the Portfolio may incur additional expenses to seek recovery. In the case of high yield bonds structured as zero coupon or pay-in-kind securities, their market prices are affected to a greater extent by interest rate changes, and therefore tend to be more volatile than securities which pay interest periodically and in cash.

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The secondary market in which high yield bonds are traded may be less liquid than the market for higher-grade bonds. Less liquidity in secondary trading market could adversely affect the price at which the Portfolio could sell a high yield bond, and could adversely affect and cause large fluctuations in the daily net asset value of the Portfolio's shares. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield bonds, especially in a thinly traded market. When secondary markets for high yield bonds are less liquid than the market for higher grade bonds, it may be more difficult to value the securities because such valuation may require more research, and elements of judgment may play a greater role in the valuation because there is less reliable, objective data available.

There are also certain risks involved in using credit ratings for evaluating high yield bonds. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield bonds. Also, credit rating agencies may fail to reflect subsequent events.

BRADY BONDS

"Brady Bonds," are created through the exchange of existing commercial bank loans to sovereign entities for new obligations in connection with debt restructuring under a plan introduced by former U.S. Secretary of the Treasury, Nicholas F. Brady (the "Brady Plan"). Brady Bonds are not considered U.S. government securities and are considered speculative. Brady Bonds may be collateralized or uncollateralized and issued in various currencies (although most are U.S. dollar-denominated) and are actively traded in the over-the-counter secondary market.

Certain Brady bonds may be collateralized as to principal due at maturity by U.S. Treasury zero coupon bonds with a maturity equal to the final maturity of the bonds, although the collateral is not available to investors until the final maturity of the bonds. Collateral purchases are financed by the International Monetary Fund, the World Bank and the debtor nation's reserves. Although Brady bonds may be collateralized by U.S. government securities, the U.S. government does not guarantee the repayment of principal and interest. In light of the residual risk of Brady bonds and, among other factors, the history of defaults with respect to commercial bank loans by public and private entities in countries issuing Brady bonds, investments in Brady bonds may be viewed as speculative. Brady bonds acquired by a Portfolio might be subject to restructuring arrangements or to requests for new credit, which may reduce the value of the Brady bonds held by the Portfolio.

BANKING INDUSTRY AND SAVINGS INDUSTRY OBLIGATIONS

Certain Portfolios may invest in (1) certificates of deposit, time deposits, bankers' acceptances, and other short-term debt obligations issued by commercial banks and in (2) certificates of deposit, time deposits, and other short-term obligations issued by savings and loan associations ("S&Ls"). Some Portfolios may invest in obligations of foreign branches of commercial banks and foreign banks so long as the securities are U.S. dollar-denominated, and some Portfolios also may invest in obligations of foreign branches of commercial banks and foreign banks if the securities are not U.S. dollar-denominated. See "Foreign Securities" discussion in this Statement of Additional Information for further information regarding risks attending investment in foreign securities.

Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, which are normally drawn by an importer or exporter to pay for specific merchandise, and which are "accepted" by a bank, meaning, in effect, that the bank unconditionally agrees to pay the face value of the instrument on maturity. Fixed-time deposits are bank obligations payable at a stated maturity date and bearing interest at a fixed rate. Fixed-time deposits may be withdrawn on demand by the investor, but may be subject to early withdrawal penalties which vary depending upon market conditions and the remaining maturity of the obligation. There are no contractual restrictions on the right to transfer a beneficial interest in a fixed-time deposit to a third party, because there is no market for such deposits. A Portfolio will not invest in fixed-time deposits (1) which are not subject to prepayment or (2) which provide for

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withdrawal penalties upon prepayment (other than overnight deposits), if, in the aggregate, more than 10% or 15%, depending on the Portfolio, of its assets would be invested in such deposits, in repurchase agreements maturing in more than seven days, and in other illiquid assets.

Obligations of foreign banks involve somewhat different investment risks than those affecting obligations of U.S. banks, which include: (1) the possibility that their liquidity could be impaired because of future political and economic developments; (2) their obligations may be less marketable than comparable obligations of U.S. banks; (3) a foreign jurisdiction might impose withholding taxes on interest income payable on those obligations; (4) foreign deposits may be seized or nationalized; (5) foreign governmental restrictions, such as exchange controls, may be adopted which might adversely affect the payment of principal and interest on those obligations; and (6) the selection of those obligations may be more difficult because there may be less publicly available information concerning foreign banks and/or because the accounting, auditing, and financial reporting standards, practices and requirements applicable to foreign banks may differ from those applicable to U.S.

banks. Foreign banks are not generally subject to examination by any U.S. government agency or instrumentality.

Certain of the Portfolios invest only in bank and S&L obligations as specified in that Portfolio's investment policies. Other Portfolios will not invest in obligations issued by a commercial bank or S&L unless:

- (i) the bank or S&L has total assets of at least \$1 billion, or the equivalent in other currencies, and the institution has outstanding securities rated A or better by Moody's or Standard and Poor's, or, if the institution has no outstanding securities rated by Moody's or Standard & Poor's, it has, in the determination of the Portfolio Manager, similar creditworthiness to institutions having outstanding securities so rated;
- (ii) in the case of a U.S. bank or S&L, its deposits are insured by the FDIC or the Savings Association Insurance Fund ("SAIF"), as the case may be; and
- (iii) in the case of a foreign bank, the security is, in the determination of the Portfolio Manager, of an investment quality comparable with other debt securities which may be purchased by the Portfolio. These limitations do not prohibit investments in securities issued by foreign branches of U.S. banks, provided such U.S. banks meet the foregoing requirements.

COMMERCIAL PAPER

All of the Portfolios may invest in commercial paper (including variable amount master demand notes and extendable command notes ("ECN")), denominated in U.S. dollars, issued by U.S. corporations or foreign corporations. Unless otherwise indicated in the investment policies for a Portfolio, it may invest in commercial paper (i) rated, at the date of investment, Prime-1 or Prime-2 by Moody's or A-1 or A-2 by Standard & Poor's; (ii) if not rated by either Moody's or Standard & Poor's, issued by a corporation having an outstanding debt issue rated AA or better by Moody's or AA or better by Standard & Poor's; or (iii) if not rated, are determined to be of an investment quality comparable to rated commercial paper in which a Portfolio may invest.

Commercial paper obligations may include variable amount master demand notes. These notes are obligations that permit investment of fluctuating amounts at varying rates of interest pursuant to direct arrangements between a Portfolio, as lender, and the borrower. These notes permit daily changes in the amounts borrowed. The lender has the right to increase or to decrease the amount under the note at any time up to the full amount provided by the note agreement; and the borrower may prepay up to the full amount of the note without penalty. Because variable amount master demand notes are direct lending arrangements between the lender and borrower, and because no secondary market exists for those notes, such instruments will probably not be traded. However, the notes are redeemable (and thus immediately repayable by the borrower) at face value, plus accrued interest, at any time. In connection with master demand note arrangements, the Portfolio Manager

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will monitor, on an ongoing basis, the earning power, cash flow, and other liquidity ratios of the borrower and its ability to pay principal and interest on demand. The Portfolio Manager also will consider the extent to which the variable amount master demand notes are backed by bank letters of credit. These notes generally are not rated by Moody's or Standard & Poor's; the Portfolio may invest in them only if the Portfolio Manager believes that at the time of investment, the notes are of comparable quality to the other commercial paper in which the Portfolio may invest. Master demand notes are considered by the Portfolio to have a maturity of one day, unless the Portfolio Manager has reason to believe that the borrower could not make immediate repayment upon demand. See the Appendix for a description of Moody's and Standard & Poor's ratings applicable to commercial paper. For purposes of limitations on purchases of restricted securities, commercial paper issued pursuant to Section 4(2) of the 1933 Act as part of a private placement that meets liquidity standards under procedures adopted by the Board shall not be considered to be restricted.

SOVEREIGN DEBT

Debt obligations known as "sovereign debt" are obligations of governmental issuers in emerging market countries and industrialized countries. Some Portfolios may invest in obligations issued or guaranteed by a foreign government or its political subdivisions, authorities, agencies, or instrumentalities, or by supranational entities, which, at the time of investment, are rated A or better by Standard & Poor's or Moody's or, if not rated by Standard & Poor's or Moody's, determined by the Portfolio Manager to be of equivalent quality.

Certain emerging market countries are among the largest debtors to commercial banks and foreign governments. The issuer or governmental authority that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or pay interest when due in accordance with the terms of such obligations.

A governmental entity's willingness or ability to repay principal and pay interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the government's dependence on expected disbursements from third parties, the government's policy toward the International Monetary Fund and the political constraints to which a government may be subject. Governmental entities may also be dependent on expected disbursements from foreign

governments, multilateral agencies and others abroad to reduce principal and interest arrearages on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a debtor's implementation of economic reforms or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the government debtor, which may further impair such debtor's ability or willingness to timely service its debts. Holders of sovereign debt may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. In addition, no assurance can be given that the holders of commercial bank debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements. The issuers of the government debt securities in which the Portfolio may invest have in the past experienced substantial difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain indebtedness. Restructuring arrangements have included, among other things, reducing and rescheduling interest and principal payments by negotiating new or amended credit agreements or converting outstanding principal and unpaid interest to Brady Bonds, and obtaining new credit to finance interest payments. There can be no assurance that the Brady Bonds and other foreign government debt securities in which a Portfolio may invest will not be subject to similar restructuring arrangements or to requests for new credit, which may adversely affect the Portfolio's holdings. Furthermore, certain participants in the secondary market for such debt may be directly

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involved in negotiating the terms of these arrangements and may therefore have access to information not available to other market participants.

MORTGAGE-BACKED SECURITIES.

The Portfolios may invest only in those mortgage-backed securities that meet their credit quality and portfolio maturity requirements. Mortgage-backed securities represent participation interests in pools of adjustable and fixed rate mortgage loans secured by real property.

Unlike conventional debt obligations, mortgage-backed securities provide monthly payments derived from the monthly interest and principal payments (including any prepayments) made by the individual borrowers on the pooled mortgage loans. The mortgage loans underlying mortgage-backed securities are generally subject to a greater rate of principal prepayments in a declining interest rate environment and to a lesser rate of principal prepayments in an increasing interest rate environment. Under certain interest rate and prepayment scenarios, a Portfolio may fail to recover the full amount of its investment in mortgage-backed securities notwithstanding any direct or indirect governmental or agency guarantee. Since faster than expected prepayments must usually be invested in lower yielding securities, mortgage-backed securities are less effective than conventional bonds in "locking" in a specified interest rate. In a rising interest rate environment, a declining prepayment rate may extend the average life of many mortgage-backed securities. Extending the average life of a mortgage-backed security reduces its value and increases the risk of depreciation due to future increases in market interest rates.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMOS). A CMO is a hybrid between a mortgage-backed bond and a mortgage pass-through security. Similar to a bond, interest and prepaid principal are paid, in most cases, semiannually. CMOS may be collateralized by whole mortgage loans, but are more typically collateralized by portfolios of mortgage pass-through securities guaranteed by GNMA, FHLMC, or FNMA, and their income streams.

CMOs are structured into multiple classes, each bearing a different stated maturity. Actual maturity and average life will depend upon the prepayment experience of the collateral. CMOS provide for a modified form of call protection through a de facto breakdown of the underlying pool of mortgages according to how quickly the loans are repaid. Monthly payment of principal received from the pool of underlying investors, including prepayments, is first returned to investors holding the shortest maturity class. Investors holding the longer maturity classes receive principal only after the first class has been retired. An investor is partially guarded against a sooner-than-desired return of principal because of the sequential payments.

In a typical CMO transaction, a corporation ("issuer") issues multiple portfolios (e.g., A, B, C, Z) of CMO bonds ("Bonds"). Proceeds of the Bond offering are used to purchase mortgages or mortgage pass-through certificates ("Collateral"). The Collateral is pledged to a third-party trustee as security for the Bonds. Principal and interest payments from the Collateral are used to pay principal on the Bonds in the order A, B, C, Z. The portfolio A, B, and C Bonds all bear current interest. Interest on the portfolio Z Bond is accrued and added to the principal; a like amount is paid as principal on the portfolio A, B, or C Bond currently being paid off. When the portfolio A, B, and C Bonds are paid in full, interest and principal on the portfolio Z Bond begin to be paid currently. With some CMOS, the issuer serves as a conduit to allow loan originators (primarily builders or savings and loan associations) to borrow against their loan portfolios.

AGENCY MORTGAGE SECURITIES.

The Portfolios may invest in mortgage-backed securities issued or guaranteed by the U.S. government, foreign governments or any of their agencies, instrumentalities or sponsored enterprises. There are several types of agency mortgage securities currently available, including, but not limited to, guaranteed mortgage pass-through certificates and

GNMA CERTIFICATES. Government National Mortgage Association ("GNMA") certificates are mortgage-backed securities representing part ownership of a pool of mortgage loans on which timely payment of interest and principal is guaranteed by the full faith and credit of the U.S. government. GNMA is a wholly owned U.S. government corporation within the Department of Housing and Urban Development. GNMA is authorized to guarantee, with the full faith and credit of the U.S. government, the timely payment of principal and interest on securities issued by institutions approved by GNMA (such as savings and loan institutions, commercial banks, and mortgage bankers) and backed by pools of FHA-insured or VA-guaranteed mortgages.

Interests in pools of mortgage-backed securities differ from other forms of debt securities, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call dates. Instead, these securities provide a periodic payment which consists of both interest and principal payments. In effect, these payments are a "pass-through" of the periodic payments made by the individual borrowers on the residential mortgage loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments of principal resulting from the sale of the underlying residential property, refinancing or foreclosure, net of fees or costs which may be incurred. Mortgage-backed securities issued by GNMA are described as "modified pass-through" securities. These securities entitle the holder to receive all interest and principal payments owed on the mortgage pool, net of certain fees, at the scheduled payment dates, regardless of whether or not the mortgagor actually makes the payment. Although GNMA guarantees timely payment even if homeowners delay or default, tracking the "pass-through" payments may, at times, be difficult. Expected payments may be delayed due to the delays in registering the newly traded paper securities. The custodian's policies for crediting missed payments while errant receipts are tracked down may vary. Other mortgage-backed securities, such as those of the Federal Home Loan Mortgage Corporation ("FHLMC") and the Federal National Mortgage Association ("FNMA"), trade in book-entry form and should not be subject to the risk of delays in timely payment of income.

Although the mortgage loans in the pool will have maturities of up to 30 years, the actual average life of the GNMA certificates typically will be substantially less because the mortgages will be subject to normal principal amortization and may be prepaid prior to maturity. Early repayments of principal on the underlying mortgages may expose a Portfolio to a lower rate of return upon reinvestment of principal. Prepayment rates vary widely and may be affected by changes in market interest rates. In periods of falling interest rates, the rate of prepayment tends to increase, thereby shortening the actual average life of the GNMA certificates. Conversely, when interest rates are rising, the rate of prepayment tends to decrease, thereby lengthening the actual average life of the GNMA certificates. Accordingly, it is not possible to accurately predict the average life of a particular pool. Reinvestment of prepayments may occur at higher or lower rates than the original yield on the certificates. Due to the prepayment feature and the need to reinvest prepayments of principal at current rates, GNMA certificates can be less effective than typical bonds of similar maturities at "locking in" yields during periods of declining interest rates, although they may have comparable risks of decline in value during periods of rising interest rates.

FNMA AND FHLMC MORTGAGE-BACKED OBLIGATIONS. Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. government) include the FNMA and the FHLMC. FNMA, a federally chartered and privately owned corporation, issues pass-through securities representing interests in a pool of conventional mortgage loans. FNMA guarantees the timely payment of principal and interest, but this guarantee is not backed by the full faith and credit of the U.S. government. FNMA also issues REMIC Certificates, which represent an interest in a trust funded with FNMA Certificates. REMIC Certificates are guaranteed by FNMA, and not by the full faith and credit of the U.S. Government.

FNMA is a government-sponsored corporation owned entirely by private stockholders. It is subject to general regulation by the Secretary of Housing and Urban Development. FNMA conventional (i.e., not insured or guaranteed by any government agency) purchases residential

mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks, credit unions, and mortgage bankers. FHLMC, a corporate instrumentality of the United States, was created by Congress in 1970 for the purpose of increasing the availability of mortgage credit for residential housing. Its stock is owned by the twelve Federal Home Loan Banks. FHLMC issues Participation Certificates ("PCs") which represent interests in conventional mortgages from FHLMC's national portfolio. FHLMC guarantees the timely payment of interest and ultimate collection of principal and maintains reserves to protect holders against losses due to default. PCs are not backed by the full faith and credit of the U.S. government. As is the case with GNMA certificates, the actual maturity and realized yield on particular FNMA and FHLMC pass-through securities will vary based on the prepayment experience of the underlying pool of mortgages.

PRIVATELY-ISSUED MORTGAGE-BACKED SECURITIES.

Mortgage-backed securities may also be issued by trusts or other entities formed or sponsored by private originators of, and institutional investors in, mortgage loans and other foreign or domestic non-governmental entities (or represent custodial arrangements administered by such institutions). These private originators and institutions include domestic and foreign savings and loan associations, mortgage bankers, commercial banks, insurance companies, investment banks and special purpose subsidiaries of the foregoing. Privately-issued mortgage-backed securities are generally backed by pools of conventional (i.e., non-government guaranteed or insured) mortgage loans.

These mortgage-backed securities are not guaranteed by an entity having the credit standing of a U.S. government agency. In order to receive a high quality rating, they normally are structured with one or more types of "credit enhancement." These credit enhancements fall generally into two categories: (1) liquidity protection and (2) protection against losses resulting after default by a borrower and liquidation of the collateral. Liquidity protection refers to the providing of cash advances to holders of mortgage-backed securities when a borrower on an underlying mortgage fails to make its monthly payment on time. Protection against losses resulting after default and liquidation is designed to cover losses resulting when, for example, the proceeds of a foreclosure sale are insufficient to cover the outstanding amount on the mortgage. This protection may be provided through guarantees, insurance policies or letters of credit, through various means of structuring the transaction or through a combination of such approaches.

ASSET-BACKED SECURITIES.

Asset-backed securities represent individual interests in pools of consumer loans, home equity loans, trade receivables, credit card receivables, and other debt and are similar in structure to mortgage-backed securities. The assets are securitized either in a pass-through structure (similar to a mortgage pass-through structure) or in a pay-through structure (similar to a CMO structure). Asset-backed securities may be subject to more rapid repayment than their stated maturity date would indicate as a result of the pass-through of prepayments of principal on the underlying loans. During periods of declining interest rates, prepayment of certain types of loans underlying asset-backed securities can be expected to accelerate. Accordingly, a Portfolio's ability to maintain positions in these securities will be affected by reductions in the principal amount of the securities resulting from prepayments, and the Portfolio must reinvest the returned principal at prevailing interest rates, which may be lower. Asset-backed securities may also be subject to extension risk during periods of rising interest rates.

Asset-backed securities entail certain risks not presented by mortgage-backed securities. The collateral underlying asset-backed securities may be less effective as security for payments than real estate collateral. Debtors may have the right to set off certain amounts owed on the credit cards or other obligations underlying the asset-backed security, or the debt holder may not have a first (or proper) security interest in all of the obligations backing the receivable because of the nature of the receivable or state or federal laws protecting the debtor. Certain collateral may be difficult to locate

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in the event of default, and recoveries on depreciated or damaged collateral may not fully cover payments due on these securities.

A Portfolio may invest in any type of asset-backed security if the Portfolio Manager determines that the security is consistent with the Portfolio's investment objective and policies. It is expected that governmental, government-related, or private entities may create mortgage loan pools and other mortgage-backed securities offering mortgage pass-through and mortgage-collateralized investments in addition to those described above. As new types of mortgage-backed securities are developed and offered to investors, investments in such new types of mortgage-backed securities may be considered for the Portfolios.

ZERO-COUPON BONDS

Zero-coupon bonds are issued at a significant discount from face value and pay interest only at maturity rather than at intervals during the life of the security. Payment-in-kind bonds allow the issuer, at its option, to make current interest payments on the bonds either in cash or in additional bonds. The values of zero-coupon bonds and payment-in-kind bonds are subject to greater fluctuation in response to changes in market interest rates than bonds which pay interest currently, and may involve greater credit risk than such bonds.

The discount of zero-coupon and deferred interest bonds approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest payment date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds provide that the issuer thereof may, at its option, pay interest on such bonds in cash or in the form of additional debt obligations. Such investments benefit the issuer by mitigating its need for cash to meet debt service, but also require a higher rate of return to attract investors who are willing to defer receipt of such cash. Such investments may experience greater volatility in market value due to changes in interest rates than debt obligations that make regular payments of interest. The Portfolio will accrue income on such investments for tax and accounting purposes, as required, which is distributable to shareholders and which, because no cash is received

at the time of accrual, may require the liquidation of other Portfolio securities to satisfy the Portfolio's distribution obligations.

EQUITY INVESTMENTS

COMMON STOCK AND OTHER EQUITY SECURITIES

Common stocks represent an equity (ownership) interest in a corporation. This ownership interest generally gives a Portfolio the right to vote on measures affecting the company's organization and operations.

Certain of the Portfolios may also buy securities such as convertible debt, preferred stock, warrants or other securities exchangeable for shares of common stock. In selecting equity investments for a Portfolio, the Manager or Portfolio Manager will generally invest the Portfolio's assets in industries and companies that it believes are experiencing favorable demand for their products and services and which operate in a favorable competitive and regulatory climate.

PREFERRED STOCK

Preferred stock represents an equity or ownership interest in an issuer that pays dividends at a specified rate and that has precedence over common stock in the payment of dividends. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds take precedence over the claims of those who own preferred and common stock.

CONVERTIBLE SECURITIES

A convertible security is a security that may be converted either at a stated price or rate within a specified period of time into a specified number of shares of common stock. By investing in

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Convertible Securities, a Portfolio seeks the opportunity, through the conversion feature, to participate in the capital appreciation of the common stock into which the securities are convertible, while earning a higher fixed rate of return than is available in common stocks.

WARRANTS

Certain Portfolios may, from time to time, invest in warrants. Warrants are, in effect, longer-term call options. They give the holder the right to purchase a given number of shares of a particular company at specified prices within certain period of time. The purchaser of a warrant expects that the market price of the security will exceed the purchase price of the warrant plus the exercise price of the warrant, thus giving him a profit. Of course, since the market price may never exceed the exercise price before the expiration date of the warrant, the purchaser of the warrant risks the losses of the entire purchase price of the warrant. Warrants generally trade in the open market and may be sold rather than exercised. Warrants are sometimes sold in unit form with other qualification as a regulated investment company and a Portfolio's intent to continue to qualify as such. The result of a hedging program cannot be foreseen and may cause a Portfolio to suffer losses that it would not otherwise sustain.

Such investments can provide a greater potential for profit or loss than an equivalent investment in the underlying security. Prices of warrants do not necessarily move in tandem with the prices of the underlying securities, and are speculative investments. They pay no dividends and confer no rights other than a purchase option. If a warrant is not exercised by the date of its expiration, the Portfolio will lose its entire investment in such warrant.

DERIVATIVES

Certain Portfolios may invest in derivatives, which are securities and contracts whose value is based on performance of an underlying financial asset, index or other investment.

The Portfolio's transactions in derivative instruments may include:

- o the purchase and writing of options on securities (including index options) and options on foreign currencies;
- o the purchase and sale of futures contracts based on financial, interest rate and securities indices, equity securities or fixed income securities; and
- o entering into forward contracts, swaps and swap related products, such as equity index, interest rate or currency swaps, and related caps, collars, floors and swaptions.

The success of transactions in derivative instruments depends on the Portfolio Manager's judgment as to their potential risks and rewards. Use of these instruments exposes a Portfolio to additional investment risks and transaction costs. If the Portfolio Manager incorrectly analyzes market conditions or does not employ the appropriate strategy with these instruments, the Portfolio's return could be lower than if derivative instruments had not been used. Additional risks inherent in the use of derivative instruments include: adverse movements in the prices of securities or currencies and the possible absence of a liquid secondary market for any particular instrument. A Portfolio could experience losses if the prices of its derivative positions correlate poorly with those of its other investments. The loss from investing in derivative instruments is potentially unlimited.

Certain Portfolios may invest in derivatives for hedging purposes, to enhance returns, as a substitute for purchasing or selling securities, to maintain liquidity or in anticipation of changes in the composition of its portfolio holdings. Hedging involves using a security or contract to

offset investment risk, and can reduce the risk of a position held in an investment portfolio. If the Portfolio Manager's judgment about fluctuations in securities prices, interest rates or currency prices proves

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incorrect, or the strategy does not correlate well with a Portfolio's investments, the use of derivatives could result in a loss to the Portfolio and may, in turn, increase the Portfolio's volatility. In addition, in the event that non-exchange traded derivatives are used, they could result in a loss if the counterparty to the transaction does not perform as promised.

FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS

GENERAL DESCRIPTION OF FUTURES CONTRACTS. A futures contract provides for the future sale by one party and purchase by another party of a specified amount of a particular financial instrument (debt security) or commodity for a specified price at a designated date, time, and place. Although futures contracts by their terms require actual future delivery of and payment for financial instruments, commodities futures contracts are usually closed out before the delivery date. Closing out an open futures contract position is effected by entering into an offsetting sale or purchase, respectively, for the same aggregate amount of the same financial instrument or commodities and the same delivery date. Where a Portfolio has sold a futures contract, if the offsetting purchase price is less than the original futures contract sale price, the Portfolio realizes a gain; if it is more, the Portfolio realizes a loss. Where a Portfolio has purchased a futures contract, if the offsetting price is more than the original futures contract purchase price, the Portfolio realizes a gain; if it is less, the Portfolio realizes a loss.

INTEREST RATE FUTURES CONTRACTS. An interest rate futures contract is an obligation traded on an exchange or board of trade that requires the purchaser to accept delivery, and the seller to make delivery, of a specified quantity of the underlying financial instrument, such as U.S. Treasury bills and bonds, in a stated delivery month, at a price fixed in the contract.

A Portfolio may purchase and sell interest rate futures as a hedge against adverse changes in debt instruments and other interest rate sensitive securities. As a hedging strategy a Portfolio might employ, a Portfolio would purchase an interest rate futures contract when it is not fully invested in long-term debt securities but wishes to defer their purchase for some time until it can orderly invest in such securities or because short-term yields are higher than long-term yields. Such a purchase would enable the Portfolio to earn the income on a short-term security while at the same time minimizing the effect of all or part of an increase in the market price of the long-term debt security, which the Portfolio intends to purchase in the future. A rise in the price of the long-term debt security prior to its purchase either would be offset by an increase in the value of the futures contract purchased by the Portfolio or avoided by taking delivery of the debt securities under the futures contract.

A Portfolio would sell an interest rate futures contract in order to continue to receive the income from a long-term debt security, while endeavoring to avoid part or all of the decline in market value of that security which would accompany an increase in interest rates. If interest rates did rise, a decline in the value of the debt security held by the Portfolio would be substantially offset by the ability of the Portfolio to repurchase at a lower price the interest rate futures contract previously sold. While the Portfolio could sell the long-term debt security and invest in a short-term security, ordinarily the Portfolio would give up income on its investment, since long-term rates normally exceed short-term rates.

OPTIONS ON FUTURES CONTRACTS. A futures option gives the Portfolio the right, in return for the premium paid, to assume a long position (in the case of a call) or short position (in the case of a put) in a futures contract at a specified exercise price prior to the expiration of the option. Upon exercise of a call option, the purchaser acquires a long position in the futures contract and the writer of the option is assigned the opposite short position. In the case of a put option, the converse is true. A futures option may be closed out (before exercise or expiration) by an offsetting purchase or sale of a futures option by the Portfolio.

The Portfolio may use options on futures contracts in connection with hedging strategies. Generally these strategies would be employed under the same market conditions in which a Portfolio

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would use put and call options on debt securities, as described hereafter in "Options on Securities and Securities Indexes."

STOCK INDEX FUTURES CONTRACTS. A "stock index" assigns relative values to the common stock included in an index (for example, the Standard & Poor's 500 Index of Composite Stocks or the New York Stock Exchange Composite Index), and the index fluctuates with changes in the market values of such stocks. A stock index futures contract is a bilateral agreement to accept or make payment, depending on whether a contract is purchased or sold, of an amount of cash equal to a specified dollar amount multiplied by the difference between the stock index value at the close of the last trading day of the contract and the price at which the futures contract is originally purchased or sold.

To the extent that changes in the value of a Portfolio corresponds to changes in a given stock index, the sale of futures contracts on that index ("short hedge") would substantially reduce the risk to the Portfolio of a market decline and, by so doing, provide an alternative to a liquidation of securities position, which may be difficult to accomplish in a rapid and orderly fashion. Stock index futures contracts might also be sold:

(1) when a sale of portfolio securities at that time would appear to be disadvantageous in the long-term because such liquidation would:

- (a) forego possible price appreciation,
- (b) create a situation in which the securities would be difficult to repurchase, or
- (c) create substantial brokerage commissions;

(2) when a liquidation of the portfolio has commenced or is contemplated, but there is, in the Portfolio Manager's determination, a substantial risk of a major price decline before liquidation can be completed; or

(3) to close out stock index futures purchase transactions.

Where a Portfolio anticipates a significant market or market sector advance, the purchase of a stock index futures contract ("long hedge") affords a hedge against not participating in such advance at a time when the Portfolio is not fully invested. Such purchases would serve as a temporary substitute for the purchase of individual stocks, which may then be purchased in an orderly fashion. As purchases of stock are made, an amount of index futures contracts which is comparable to the amount of stock purchased would be terminated by offsetting closing sales transactions. Stock index futures might also be purchased:

(1) if the Portfolio is attempting to purchase equity positions in issues which it had or was having difficulty purchasing at prices considered by the Portfolio Manager to be fair value based upon the price of the stock at the time it qualified for inclusion in the portfolio, or

(2) to close out stock index futures sales transactions.

As long as required by regulatory authorities, each investing Portfolio will limit its use of futures contracts and futures options to hedging transactions and other strategies as described under the heading "Limitations" in this section, in order to avoid being deemed a commodity pool. For example, a Portfolio might use futures contracts to hedge against anticipated changes in interest rates that might adversely affect either the value of the Portfolio's securities or the price of the securities which the Portfolio intends to purchase. The Portfolio's hedging may include sales of futures contracts as an offset against the effect of expected increases in interest rates and purchases of futures contracts as an offset against the effect of expected declines in interest rates. Although other techniques could be used to reduce that Portfolio's exposure to interest rate fluctuations, a Portfolio may be able to hedge its exposure more effectively and perhaps at a lower cost by using

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futures contracts and futures options. See this Statement of Additional Information for a discussion of other strategies involving futures and futures options.

If a purchase or sale of a futures contract is made by a Portfolio, it is required to deposit with its custodian a specified amount of cash and/or securities ("initial margin"). The margin required for a futures contract is set by the exchange or board of trade on which the contract is traded and may be modified during the term of the contract. The initial margin is in the nature of a performance bond or good faith deposit on the futures contract which is returned to the Portfolio upon termination of the contract, assuming all contractual obligations have been satisfied. Each investing Portfolio expects to earn interest income on its initial margin deposits.

A futures contract held by a Portfolio is valued daily at the official settlement price of the exchange on which it is traded. Each day the Portfolio pays or receives cash, called "variation margin" equal to the daily change in value of the futures contract. This process is known as "marking to market." The payment or receipt of the variation margin does not represent a borrowing or loan by a Portfolio but is settlement between the Portfolio and the broker of the amount one would owe the other if the futures contract expired. In computing daily net asset value, each Portfolio will mark-to-market its open futures positions.

A Portfolio is also required to deposit and maintain margin with respect to put and call options on futures contracts it writes. Such margin deposits will vary depending on the nature of the underlying futures contract (including the related initial margin requirements), the current market value of the option, and other futures positions held by the Portfolio.

Although some futures contracts call for making or taking delivery of the underlying securities, generally these obligations are closed out prior to delivery by offsetting purchases or sales of matching futures contracts (same exchange, underlying security, and delivery month). If an offsetting purchase price is less than the original sale price, the

Portfolio realizes a capital gain, or if it is more, the Portfolio realizes a capital loss. Conversely, if an offsetting sale price is more than the original purchase price, the Portfolio realizes a capital gain, or if it is less, the Portfolio realizes a capital loss. The transaction costs must also be included in these calculations.

LIMITATIONS. When purchasing a futures contract, a Portfolio must maintain with its custodian cash or liquid securities (including any margin) equal to the market value of such contract. When writing a call option on a futures contract, the Portfolio similarly will maintain with its custodian cash and/or liquid securities (including any margin) equal to the amount such option is "in-the-money" until the option expires or is closed out by the Portfolio. A call option is "in-the-money" if the value of the futures contract that is the subject of the option exceeds the exercise price.

A Portfolio may not maintain open short positions in futures contracts or call options written on futures contracts if, in the aggregate, the market value of all such open positions exceeds the current value of its portfolio securities, plus or minus unrealized gains and losses on the open positions, adjusted for the historical relative volatility of the relationship between the Portfolio and the positions. For this purpose, to the extent the Portfolio has written call options on specific securities it owns, the value of those securities will be deducted from the current market value of the securities portfolio.

In compliance with the requirements of the Commodity Futures Trading Commission ("CFTC") under which an investment company may engage in futures transactions, the Trust will comply with certain regulations of the CFTC to qualify for an exclusion from being a "commodity pool." The regulations require that the Trust enter into futures and options (1) for "bona fide hedging" purposes, without regard to the percentage of assets committed to initial margin and options premiums, or (2) for other strategies, provided that the aggregate initial margin and premiums required to establish such positions do not exceed 5% of the liquidation value of a Portfolio, after taking into account unrealized profits and unrealized gains on any such contracts entered into.

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OPTIONS ON SECURITIES AND SECURITIES INDEXES

PURCHASING OPTIONS ON SECURITIES. An option on a security is a contract that gives the purchaser of the option, in return or the premium paid, the right to buy a specified security (in the case of a call option) or to sell a specified security (in the case of a put option) from or to the seller ("writer") of the option at a designated price during the term of the option. A Portfolio may purchase put options on securities to protect holdings in an underlying or related security against a substantial decline in market value. Securities are considered related if their price movements generally correlate to one another. For example, the purchase of put options on debt securities held by a Portfolio would enable it to protect, at least partially, an unrealized gain in an appreciated security without actually selling the security. In addition, the Portfolio would continue to receive interest income on such security.

A Portfolio may purchase call options on securities to protect against substantial increases in prices of securities the Portfolio intends to purchase pending its ability to invest in such securities in an orderly manner. A Portfolio may sell put or call options it has previously purchased, which could result in a net gain or loss depending on whether the amount realized on the sale is more or less than the premium and other transactional costs paid on the put or call option which is sold.

A Portfolio may purchase long-term exchange traded equity options called Long Term Equity Anticipation Securities ("LEAPs") and Buy Write Option Unitary Derivatives ("BOUNDS"). LEAPs provide the holder the opportunity to participate in the underlying securities' appreciation in excess of a fixed dollar amount, BOUNDS provide a holder the opportunity to retain dividends on the underlying securities while potentially participating in underlying securities' capital appreciation up to a fixed dollar amount.

RISKS OF OPTIONS TRANSACTIONS

The purchase and writing of options involves certain risks. During the option period, the covered call writer has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying securities at the exercise price. If a put or call option purchased by the Portfolio is not sold when it has remaining value, and if the market price of the underlying security, in the case of a put, remains equal to or greater than the exercise price or, in the case of a call, remains less than or equal to the exercise price, the Portfolio will lose its entire investment in the option. Also, where a put or call option on a particular security is purchased to hedge against price movements in a related security, the price of the put or call option may move more or less than the price of the related security.

There can be no assurance that a liquid market will exist when a Portfolio seeks to close out an option position. Furthermore, if trading restrictions or suspensions are imposed on the options markets, a Portfolio may be unable to close out a position. If a Portfolio cannot effect a closing transaction, it will not be able to sell the underlying

security while the previously written option remains outstanding, even though it might otherwise be advantageous to do so. Possible reasons for the absence of a liquid secondary market on a national securities exchange could include: insufficient trading interest, restrictions imposed by national securities exchanges, trading halts or suspensions with respect to call options or their underlying securities, inadequacy of the facilities of national securities exchanges or the Options Clearing Corporation due to a high trading volume or other event, and a decision by one or more national securities exchanges to discontinue the trading of call options or to impose restrictions on types of orders.

Since option premiums paid or received by a Portfolio, as compared to underlying investments, are small in relation to the market value of such investments, buying and selling put and call options

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offer large amounts of leverage. Thus, the leverage offered by trading in options could result in the Portfolio's net asset value being more sensitive to changes in the value of the underlying securities.

WRITING COVERED CALL AND SECURED PUT OPTIONS. In order to earn additional income on its portfolio securities or to protect partially against declines in the value of such securities, a Portfolio may write covered call options. The exercise price of a call option may be below, equal to, or above the current market value of the underlying security at the time the option is written. During the option period, a covered call option writer may be assigned an exercise notice by the broker-dealer through whom such call option was sold requiring the writer to deliver the underlying security against payment of the exercise price. This obligation is terminated upon the expiration of the option period or at such earlier time in which the writer effects a closing purchase transaction. Closing purchase transactions will ordinarily be effected to realize a profit on an outstanding call option, to prevent an underlying security from being called, to permit the sale of the underlying security, or to enable the Portfolio to write another call option on the underlying security with either a different exercise price or expiration date or both.

In order to earn additional income or to facilitate its ability to purchase a security at a price lower than the current market price of such security, a Portfolio may write secured put options. During the option period, the writer of a put option may be assigned an exercise notice by the broker-dealer through whom the option was sold requiring the writer to purchase the underlying security at the exercise price.

A Portfolio may write a call or put option only if the option is "covered" or "secured" by the Portfolio holding a position in the underlying securities. This means that so long as the Portfolio is obligated as the writer of a call option, it will own the underlying securities subject to the option or hold a call with the same exercise price, the same exercise period, and on the same securities as the written call. Alternatively, a Portfolio may maintain, in a segregated account with the Trust's custodian, cash and/or liquid securities with a value sufficient to meet its obligation as writer of the option. A put is secured if the Portfolio maintains cash and/or liquid securities with a value equal to the exercise price in a segregated account, or holds a put on the same underlying security at an equal or greater exercise price. Prior to exercise or expiration, an option may be closed out by an offsetting purchase or sale of an option of the same Portfolio.

OPTIONS ON SECURITIES INDEXES. A Portfolio may purchase or sell call and put options on securities indexes for the same purposes as it purchase or sells of options on securities. Options on securities indexes are similar to options on securities, except that the exercise of securities index options requires cash payments and does not involve the actual purchase or sale of securities. In addition, securities index options are designed to reflect price fluctuations in a group of securities or segment of the securities market rather than price fluctuations in a single security. When such options are written, the Portfolio is required to maintain a segregated account consisting of cash, cash equivalents or high grade obligations or the Portfolio must purchase a like option of greater value that will expire no earlier than the option sold. Purchased options may not enable the Portfolio to hedge effectively against stock market risk if they are not highly correlated with the value of the Portfolio's securities. Moreover, the ability to hedge effectively depends upon the ability to predict movements in the stock market.

OVER-THE-COUNTER OPTIONS. Certain Portfolios may write or purchase options in privately negotiated domestic or foreign transactions ("OTC Options"), as well as exchange-traded or "listed" options. OTC Options can be closed out only by agreement with the other party to the transaction, and thus any OTC Options purchased by a Portfolio may be considered an Illiquid Security. In addition, certain OTC Options on foreign currencies are traded through financial institutions acting as market-makers in such options and the underlying currencies.

The staff of the SEC has taken the position that purchased over-the-counter options and assets used to cover written over-the-counter options are illiquid and, therefore, together with other illiquid securities, cannot exceed a certain percentage of a Portfolio's assets (the "SEC illiquidity ceiling").

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Except as provided below, the Portfolios intend to

write over-the-counter options only with primary U.S. government securities dealers recognized by the Federal Reserve Bank of New York. Also, the contracts which such Portfolios have in place with such primary dealers will provide that each Portfolio has the absolute right to repurchase any option it writes at any time at a price which represents the fair market value, as determined in good faith through negotiation between the parties, but which in no event will exceed a price determined pursuant to a formula in the contract. Although the specific formula may vary between contracts with different primary dealers, the formula will generally be based on a multiple of the premium received by the Portfolio for writing the option, plus the amount, if any, of the option's intrinsic value (i.e., the amount that the option is in-the-money). The formula may also include a factor to account for the difference between the price of the security and the strike price of the option if the option is written out-of-the-money. A Portfolio will treat all or a part of the formula price as illiquid for purposes of the SEC illiquidity ceiling. Certain Portfolios may also write over-the-counter options with non-primary dealers, including foreign dealers, and will treat the assets used to cover these options as illiquid for purposes of such SEC illiquidity ceiling.

OTC Options entail risks in addition to the risks of exchange-traded options. Exchange-traded options are in effect guaranteed by the Options Clearing Corporation, while a Portfolio relies on the party from whom it purchases an OTC Option to perform if the Portfolio exercises the option. With OTC Options, if the transacting dealer fails to make or take delivery of the securities or amount of foreign currency underlying an option it has written, in accordance with the terms of that option, the Portfolio will lose the premium paid for the option as well as any anticipated benefit of the transaction. Furthermore, OTC Options are less liquid than exchange-traded options.

GENERAL. The principal factors affecting the market value of a put or a call option include supply and demand, interest rates, the current market price of the underlying security in relation to the exercise price of the option, the volatility of the underlying security, and the time remaining until the expiration date.

The premium paid for a put or call option purchased by a Portfolio is recorded as an asset of the Portfolio and subsequently adjusted. The premium received for an option written by a Portfolio is included in the Portfolio's assets and an equal amount is included in its liabilities. The value of an option purchased or written is marked to market daily and valued at the closing price on the exchange on which it is traded or, if not traded on an exchange or no closing price is available, at the mean between the last bid and asked prices.

RISKS ASSOCIATED WITH FUTURES AND FUTURES OPTIONS

There are several risks associated with the use of futures and futures options. The value of a futures contract may decline. While a Portfolio's transactions in futures may protect the Portfolio against adverse movements in the general level of interest rates or other economic conditions, such transactions could also preclude the Portfolio from the opportunity to benefit from favorable movements in the level of interest rates or other economic conditions. With respect to transactions for hedging, there can be no guarantee that there will be correlation between price movements in the hedging vehicle and in the portfolio securities being hedged. An incorrect correlation could result in a loss on both the hedged securities in a Portfolio and the hedging vehicle so that the Portfolio's return might have been better if hedging had not been attempted. The degree of imperfection of correlation depends on circumstances such as variations in speculative market demand for futures and futures options on securities, including technical influences in futures trading and futures options, and differences between the financial instruments being hedged and the instruments underlying the standard contracts available for trading in such respects as interest rate levels, maturities, and creditworthiness of issuers. A decision as to whether, when, and how to hedge involves the exercise of skill and judgment and even a well conceived hedge may be unsuccessful to some degree because of market behavior or unexpected interest rate trends.

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There can be no assurance that a liquid market will exist at a time when a Portfolio seeks to close out a futures contract or a futures option position. Most futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single day; once the daily limit has been reached on a particular contract, no trades may be made that day at a price beyond that limit. In addition, certain of these instruments are relatively new and without a significant trading history. As a result, there is no assurance that an active secondary market will develop or continue to exist. The daily limit governs only price movements during a particular trading day and therefore does not limit potential losses because the limit may work to prevent the liquidation of unfavorable positions. For example, futures prices have occasionally moved to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of positions and subjecting some holders of futures contracts to substantial losses. Lack of a liquid market for any reason may prevent the Portfolio from liquidating an unfavorable position and the Portfolio would remain obligated to meet margin requirements and continue to incur losses until the position is closed.

Most Portfolios will only enter into futures contracts or futures options that are standardized and traded on a U.S. exchange or board of trade, or, in the case of futures options, for which an established over-the-counter market exists. A Portfolio will not enter into a futures contract or purchase a futures option if immediately thereafter the initial margin deposits for futures contracts held by the Portfolio plus

premiums paid by it for open futures options positions, less the amount by which any such positions are "in-the-money," would exceed 5% of the Portfolio's total assets.

Foreign markets may offer advantages such as trading in indexes that are not currently traded in the United States. Foreign markets, however, may have greater risk potential than domestic markets. Unlike trading on domestic commodity exchanges, trading on foreign commodity markets is not regulated by the CFTC and may be subject to greater risk than trading on domestic exchanges. For example, some foreign exchanges are principal markets so that no common clearing facility exists and a trader may look only to the broker for performance of the contract. Trading in foreign futures or foreign options contracts may not be afforded certain of the protective measures provided by the Commodity Exchange Act, the CFTC's regulations, and the rules of the National Futures Association and any domestic exchange, including the right to use reparations proceedings before the CFTC and arbitration proceedings provided by the National Futures Association or any domestic futures exchange. Amounts received for foreign futures or foreign options transactions may not be provided the same protections as funds received in respect of transactions on United States futures exchanges. A Portfolio could incur losses or lose any profits that had been realized in trading by adverse changes in the exchange rate of the currency in which the transaction is denominated. Transactions on foreign exchanges may include both commodities that are traded on domestic exchanges and boards of trade and those that are not.

The Trust reserves the right to engage in other types of futures transactions in the future and to use futures and related options for other than hedging purposes to the extent permitted by regulatory authorities.

SWAPS

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differential in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, or in a "basket" of securities representing a particular index.

The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio transactions. Whether the Portfolio's use of swap agreements will be successful in furthering its investment objective will depend on the

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Portfolio Manager's ability to predict correctly whether certain types of investments are likely to produce greater returns than other investments. Moreover, the Portfolio bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. Swaps are generally considered illiquid and may be aggregated with other illiquid positions for purposes of the limitation on illiquid investments.

The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Portfolio's ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

VARIABLE AND FLOATING RATE SECURITIES

Variable rate securities provide for automatic establishment of a new interest rate at fixed intervals (e.g., daily, monthly, semi-annually, etc.). Floating rate securities provide for automatic adjustment of the interest rate whenever some specified interest rate index changes. The interest rate on variable or floating rate securities is ordinarily determined by reference to or is a percentage of a bank's prime rate, the 90-day U.S. Treasury bill rate, the rate of return on commercial paper or bank certificates of deposit, an index of short-term interest rates, or some other objective measure.

Variable or floating rate securities frequently include a demand feature entitling the holder to sell the securities to the issuer at par value. In many cases, the demand feature can be exercised at any time on 7 days' notice; in other cases, the demand feature is exercisable at any time on 30 days' notice or on similar notice at intervals of not more than one year. Some securities, which do not have variable or floating interest rates, may be accompanied by puts producing similar results and price characteristics.

LEASE OBLIGATION BONDS

Lease obligation bonds are mortgages on a facility that is secured by the facility and are paid by a lessee over a long term. The rental stream to service the debt as well as the mortgage are held by a collateral trustee on behalf of the public bondholders. The primary risk of such instrument is the risk of default. Under the lease indenture, the failure to pay rent is an event of default. The remedy to cure default is to rescind the lease and sell the assets. If the lease obligation is not readily marketable or market quotations are not readily available, such lease obligations will be subject to a Portfolio's limit on illiquid securities.

STRUCTURED SECURITIES

Structured securities include notes, bonds or debentures that provide

for the payment of principal of, and/or interest in, amounts determined by reference to changes in the value of specific currencies, interest rates, commodities, indices or other financial indicators (the Reference) or the relative change in two or more References. The interest rate or the principal amount payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. The terms of structured securities may provide that under certain circumstances no principal is due at maturity and, therefore, may result in the loss of the Portfolio's investment. Structured securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, the change in interest rate or the value of the security at maturity may be a multiple of the change in the value of the Reference. Consequently, leveraged structured securities entail a greater degree of market risk than other types of debt obligations. Structured securities may also be more volatile, less liquid and more difficult to accurately price than less complex fixed income investments.

INDEXED SECURITIES

Indexed securities are instruments whose prices are indexed to the prices of other securities, securities indices, currencies, or other financial indicators. Indexed securities typically, but not

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always, are debt securities or deposits whose value at maturity or coupon rate is determined by reference to a specific instrument or statistic.

Currency-indexed securities typically are short-term to intermediate-term debt securities whose maturity values or interest rates are determined by reference to the values of one or more specified foreign currencies, and may offer higher yields than U.S. dollar-denominated securities. Currency-indexed securities may be positively or negatively indexed; that is, their maturity value may increase when the specified currency value increases, resulting in a security that performs similarly to a foreign-denominated instrument, or their maturity value may decline when foreign currencies increase, resulting in a security whose price characteristics are similar to a put on the underlying currency. Currency-indexed securities may also have prices that depend on the values of a number of different foreign currencies relative to each other.

The performance of indexed securities depends to a great extent on the performance of the security, currency, or other instrument to which they are indexed, and may also be influenced by interest rate changes in the United States and abroad. Indexed securities are also subject to the credit risks associated with the issuer of the security, and their values may decline substantially if the issuer's creditworthiness deteriorates. Recent issuers of indexed securities have included banks, corporations, and certain U.S. government agencies.

HYBRID INSTRUMENTS

Hybrid Instruments (a type of potentially high-risk derivative) have been developed and combine the elements of futures contracts or options with those of debt, preferred equity, or a depository instrument (hereinafter "Hybrid Instruments"). Generally, a Hybrid Instrument will be a debt security, preferred stock, depository share, trust certificate, certificate of deposit, or other evidence of indebtedness on which a portion of or all interest payments and/or the principal or stated amount payable at maturity, redemption, or retirement, is determined by reference to prices, changes in prices, or differences between prices, of securities, currencies, intangibles, goods, articles, or commodities (collectively "Underlying Assets") or by another objective index, economic factor, or other measure, such as interest rates, currency exchange rates, commodity indices, and securities indices (collectively "Benchmarks"). Thus, Hybrid Instruments may take a variety of forms, including, but not limited to, debt instruments with interest or principal payments or redemption terms determined by reference to the value of a currency or commodity or securities index at a future point in time, preferred stock with dividend rates determined by reference to the value of a currency, or convertible securities with the conversion terms related to a particular commodity.

Hybrid Instruments can be an efficient means of creating exposure to a particular market, or segment of a market, with the objective of enhancing total return. For example, a Portfolio may wish to take advantage of expected declines in interest rates in several European countries, but avoid the transaction costs associated with buying and currency-hedging the foreign bond positions. One solution would be to purchase a U.S. dollar-denominated Hybrid Instrument whose redemption price is linked to the average three-year interest rate in a designated group of countries. The redemption price formula would provide for payoffs of greater than par if the average interest rate was lower than a specified level, and payoffs of less than par if rates were above the specified level. Furthermore, the Portfolio could limit the downside risk of the security by establishing a minimum redemption price so that the principal paid at maturity could not be below a predetermined minimum level if interest rates were to rise significantly. The purpose of this arrangement, known as a structured security with an embedded put option, would be to give the Portfolio the desired European bond exposure while avoiding currency risk, limiting downside market risk, and lowering transactions costs. Of course, there is no guarantee that the strategy will be successful, and the Portfolio could lose money if, for example, interest rates do not move as anticipated or credit problems develop with the issuer of the Hybrid Instrument.

The risks of investing in Hybrid Instruments reflect a combination of

the risks of investing in securities, options, futures and currencies. Thus, an investment in a Hybrid Instrument may entail significant risks that are not associated with a similar investment in a traditional debt instrument

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that has a fixed principal amount, is denominated in U.S. dollars, or bears interest either at a fixed rate or a floating rate determined by reference to a common, nationally published benchmark. The risks of a particular Hybrid Instrument will, of course, depend upon the terms of the instrument, but may include, without limitation, the possibility of significant changes in the Benchmarks or the prices of Underlying Assets to which the instrument is linked. Such risks generally depend upon factors, which are unrelated to the operations or credit quality of the issuer of the Hybrid Instrument and which may not be readily foreseen by the purchaser, such as economic and political events, the supply and demand for the Underlying Assets, and interest rate movements. In recent years, various Benchmarks and prices for Underlying Assets have been highly volatile, and such volatility may be expected in the future. Reference is also made to the discussion of futures, options, and forward contracts herein for a discussion of the risks associated with such investments.

Hybrid Instruments are potentially more volatile and carry greater market risks than traditional debt instruments. Depending on the structure of the particular Hybrid Instrument, changes in a Benchmark may be magnified by the terms of the Hybrid Instrument and have an even more dramatic and substantial effect upon the value of the Hybrid Instrument. Also, the prices of the Hybrid Instrument and the Benchmark or Underlying Asset may not move in the same direction or at the same time.

Hybrid Instruments may bear interest or pay preferred dividends at below market (or even relatively nominal) rates. Alternatively, Hybrid Instruments may bear interest at above market rates but bear an increased risk of principal loss (or gain). The latter scenario may result if "leverage" is used to structure the Hybrid Instrument. Leverage risk occurs when the Hybrid Instrument is structured so that a given change in a Benchmark or Underlying Asset is multiplied to produce a greater value change in the Hybrid Instrument, thereby magnifying the risk of loss as well as the potential for gain.

Hybrid Instruments may also carry liquidity risk since the instruments are often "customized" to meet the portfolio needs of a particular investor, and therefore, the number of investors that are willing and able to buy such instruments in the secondary market may be smaller than that for more traditional debt securities. In addition, because the purchase and sale of Hybrid Instruments could take place in an over-the-counter market without the guarantee of a central clearing organization or in a transaction between the Fund and the issuer of the Hybrid Instrument, the creditworthiness of the counter party of issuer of the Hybrid Instrument would be an additional risk factor which the Portfolio would have to consider and monitor. Hybrid Instruments also may not be subject to regulation of the Commodities Futures Trading Commission, which generally regulates the trading of commodity futures by U.S. persons, the SEC, which regulates the offer and sale of securities by and to U.S. persons, or any other governmental regulatory authority.

The various risks discussed above, particularly the market risk of such instruments, may in turn cause significant fluctuations in the net asset value of the Portfolio. Accordingly, each Portfolio, except for the Special Situations Portfolio and the Growth and Income Portfolio, will limit its investments in Hybrid Instruments to 10% of its total assets. However, because of their volatility, it is possible that a Portfolio's investment in Hybrid Instruments will account for more than 10% of the Portfolio's return (positive or negative).

DOLLAR ROLL TRANSACTIONS

Certain Portfolios seeking a high level of current income may enter into dollar rolls or "covered rolls" in which the Portfolio sells securities (usually Mortgage-Backed Securities) and simultaneously contracts to purchase, typically in 30 to 60 days, substantially similar, but not identical securities, on a specified future date. The proceeds of the initial sale of securities in the dollar roll transactions may be used to purchase long-term securities that will be held during the roll period. During the roll period, the Portfolio forgoes principal and interest paid on the securities sold at the beginning of the roll period. The Portfolio is compensated by the difference between the current sales price and the forward price for the future purchase (often referred to as the "drop") as well as by the interest

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earned on the cash proceeds of the initial sale. A "covered roll" is a specific type of dollar roll for which there is an offsetting cash position or cash equivalent securities position that matures on or before the forward settlement date of the dollar roll transaction. As used herein the term "dollar roll" refers to dollar rolls that are not "covered rolls." At the end of the roll commitment period, the Portfolio may or may not take delivery of the securities the Portfolio has contracted to purchase.

The Portfolio will establish a segregated account with its custodian in which it will maintain cash, U.S. government securities or other liquid high-grade debt obligations equal in value at all times to its obligations in respect of dollar rolls, and, accordingly, the Portfolio will not treat such obligations as senior securities for purposes of the

1940 Act. "Covered rolls" are not subject to these segregation requirements. Dollar Roll Transactions may be considered borrowings and are, therefore, subject to the borrowing limitations applicable to the Portfolio.

WHEN-ISSUED OR DELAYED DELIVERY SECURITIES

Each Portfolio may purchase securities on a when issued or delayed delivery basis if the Portfolio holds, and maintains until the settlement date in a segregated account, cash and/or liquid securities in an amount sufficient to meet the purchase price, or if the Portfolio enters into offsetting contracts for the forward sale of other securities it owns. Purchasing securities on a when-issued or delayed delivery basis involves a risk of loss if the value of the security to be purchased declines prior to the settlement date, which risk is in addition to the risk of decline in value of the Portfolio's other assets. Although a Portfolio would generally purchase securities on a when-issued basis or enter into forward commitments with the intention of acquiring securities, the Portfolio may dispose of a when-issued or delayed delivery security prior to settlement if the Portfolio Manager deems it appropriate to do so. The Portfolio may realize short-term profits or losses upon such sales.

FOREIGN INVESTMENTS

FOREIGN SECURITIES

All the Portfolios may invest in equity securities of foreign issuers, including American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs") (collectively, "Depositary Receipts") which are described below. Some Portfolio may invest in foreign branches of commercial banks and foreign banks. See the "Banking Industry and Savings Industry Obligations" discussion in this Statement of Additional Information for further description of these securities.

Each Portfolio, except the Special Situations Portfolio and the Growth and Income Portfolio, may have no more than 25% of its total assets invested in securities of issuers located in any one emerging market country and no more than 50% of its assets invested in securities of any one country, except that a Portfolio may have more than 50% of its total assets invested in securities of issuers located in any one of the following countries: Australia, Canada, France, Japan, the United Kingdom, or Germany.

Investments in foreign securities offer potential benefits not available solely in securities of domestic issuers by offering the opportunity to invest in foreign issuers that appear to offer growth potential, or in foreign countries with economic policies or business cycles different from those of the United States, or to reduce fluctuations in portfolio value by taking advantage of foreign stock markets that may not move in a manner parallel to U.S. markets.

Investments in securities of foreign issuers involve certain risks not ordinarily associated with investments in securities of domestic issuers. Such risks include fluctuations in foreign exchange rates, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions. Since each of these Portfolios may invest in securities denominated or quoted in currencies other than the U.S. dollar, changes in foreign currency exchange rates will affect the value of securities in the portfolio and the unrealized appreciation or depreciation of investments so far as U.S. investors are concerned. In addition, with

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respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, other foreign taxation, political or social instability, or diplomatic developments that could adversely affect investments in those countries.

There may be less publicly available information about a foreign company than about a U.S. company and foreign companies may not be subject to accounting, auditing, and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Foreign securities markets, while growing in volume, have, for the most part, substantially less volume than U.S. markets. Securities of many foreign companies are less liquid and their prices more volatile than securities of comparable U.S. companies. Transactional costs in non-U.S. securities markets are generally higher than in U.S. securities markets. There is generally less government supervision and regulation of exchanges, brokers, and issuers than there is in the United States. A Portfolio might have greater difficulty taking appropriate legal action with respect to foreign investments in non-U.S. courts than with respect to domestic issuers in U.S. courts. In addition, transactions in foreign securities may involve greater time from the trade date until settlement than domestic securities transactions and involve the risk of possible losses through the holding of securities by custodians and securities depositories in foreign countries.

As discussed above "sovereign debt" consists of debt obligations of governmental issuers in emerging market countries and industrialized countries. The sovereign debt issued or guaranteed by certain emerging market governmental entities and corporate issuers in which the Portfolio may invest potentially involves a high degree of risk and may be deemed the equivalent in terms of quality to high risk, low rated securities (i.e., high yield bonds) and subject to many of the same risks as such securities. Similarly, the Portfolio may have difficulty disposing of certain of these debt obligations because there may be a thin trading market for such securities. In the event a governmental issuer defaults on its obligations, the Portfolio may have limited legal recourse against

the issuer or guarantor, if any. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. The issuers of the government debt securities in which the Portfolio may invest have in the past experienced substantial difficulties in servicing their external debt obligations, which has led to defaults on certain obligations and the restructuring of certain indebtedness. See "Description of Securities and Investment Techniques -- High Yield Bonds" and "Debt Securities -- Sovereign Debt."

Dividend and interest income from foreign securities may generally be subject to withholding taxes by the country in which the issuer is located and may not be recoverable by a Portfolio or its investors.

ADRs are Depositary Receipts typically issued by a U.S. bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. EDRs and GDRs are typically issued by foreign banks or trust companies, although they also may be issued by U.S. banks or trust companies, and evidence ownership of underlying securities issued by either a foreign or U.S. corporation. Generally, Depositary Receipts in registered form are designed for use in the U.S. securities market and Depositary Receipts in bearer form are designed for use in securities markets outside the United States. Depositary Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. In addition, the issuers of the securities underlying un-sponsored Depositary Receipts are not obligated to disclose material information in the United States and, therefore, there may be less information available regarding such issuers and there may not be a correlation between such information and the market value of the Depositary Receipts. Depositary Receipts also involve the risks of other investments in foreign securities.

On January 1, 1999, certain members of the European Economic and Monetary Union ("EMU"), namely Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain established a common European currency known as the "euro" and each

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member's local currency became a denomination of the euro. It is anticipated that each participating country will begin to replace its local currency with the euro beginning on July 1, 2001. Any other European country that is a member of the European Union and satisfies the criteria for participation in the EMU may elect to participate in the EMU and would, in that event, dominate its existing currency with the euro. The anticipated replacement of existing currencies in euros could, although unlikely, cause market disruptions before or after July 1, 2001 and could adversely affect the value of securities held by a Portfolio.

FOREIGN CURRENCY TRANSACTIONS

A forward currency contract is an obligation to purchase or sell a currency against another currency at a future date and price as agreed upon by the parties. A Portfolio may either accept or make delivery of the currency at the maturity of the forward contract or, prior to maturity, enter into a closing transaction involving the purchase or sale of an offsetting contract. A Portfolio will engage in forward currency transactions in anticipation of or to protect itself against fluctuations in currency exchange rates. A Portfolio might sell a particular currency forward, for example, when it wants to hold bonds or bank obligations denominated in that currency but anticipates or wishes to be protected against a decline in the currency against the dollar. Similarly, it might purchase a currency forward to "lock in" the dollar price of securities denominated in or exposed to that currency which it anticipated purchasing.

A Portfolio may enter into forward foreign currency contracts in two circumstances. When a Portfolio enters into a contract for the purchase or sale of a security denominated in or exposed to a foreign currency, the Portfolio may desire to "lock in" the U.S. dollar price of the security. By entering into a forward contract for a fixed amount of dollars for the purchase or sale of the amount of foreign currency involved in the underlying transactions, the Portfolio will be able to protect itself against a possible loss resulting from an adverse change in the relationship between the U.S. dollar and such foreign currency during the period between the date on which the security is purchased or sold and the date on which payment is made or received.

Second, when the Portfolio Manager believes that the currency of a particular foreign country may suffer a substantial decline against the U.S. dollar, it may enter into a forward contract for a fixed amount of dollars to sell the amount of foreign currency approximating the value of some or all of the Portfolio's securities denominated in or exposed to such foreign currency. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible since the future value of securities in foreign currencies will change as a consequence of market movements in the value of these securities between the date on which the forward contract is entered into and the date it matures. The projection of short-term currency market movement is extremely difficult, and the successful execution of a short-term hedging strategy is highly uncertain. None of the Portfolios will enter into such forward contracts or maintain a net exposure to such contracts where the consummation of the contracts would obligate the Portfolio to deliver an amount of foreign currency in excess of the value of the Portfolio's securities or other assets denominated in that currency.

At the maturity of a forward contract, a Portfolio may either sell the portfolio security and make delivery of the foreign currency, or it may retain the security and terminate its contractual obligation to deliver

the foreign currency by purchasing an "offsetting" contract with the same currency trader obligating it to purchase, on the same maturity date, the same amount of the foreign currency.

It is impossible to forecast the market value of a particular portfolio security at the expiration of the contract. Accordingly, if a decision is made to sell the security and make delivery of the foreign currency, it may be necessary for the Portfolio to purchase additional foreign currency on the spot market (and bear the expense of such purchase) if the market value of the security is less than the amount of foreign currency that the Portfolio is obligated to deliver.

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If the Portfolio retains the portfolio security and engages in an offsetting transaction, the Portfolio will incur a gain or a loss (as described below) to the extent that there has been movement in forward contract prices. Should forward prices decline during the period between the Portfolio's entering into a forward contract for the sale of a foreign currency and the date it enters into an offsetting contract for the purchase of the foreign currency, the Portfolio will realize a gain to the extent that the price of the currency it has agreed to sell exceeds the price of the currency it has agreed to purchase. Should forward prices increase, the Portfolio will suffer a loss to the extent that the price of the currency it has agreed to purchase exceeds the price of the currency it has agreed to sell.

Forward contracts are not traded on regulated commodities exchanges. There can be no assurance that a liquid market will exist when a Portfolio seeks to close out a forward currency position, and in such an event, a Portfolio might not be able to effect a closing purchase transaction at any particular time. In addition, a Portfolio entering into a forward foreign currency contract incurs the risk of default by the counter party to the transaction. The CFTC has indicated that it may in the future assert jurisdiction over certain types of forward contracts in foreign currencies and attempt to prohibit certain entities from engaging in such foreign currency forward transactions.

OPTIONS ON FOREIGN CURRENCIES

A call option on a foreign currency gives the buyer the right to buy, and a put option the right to sell, a certain amount of foreign currency at a specified price during a fixed period of time. Currently, options are traded on the following foreign currencies on a domestic exchange: British Pound, Canadian Dollar, German Mark, Japanese Yen, French Franc, and Swiss Franc. A Portfolio may enter into closing sale transactions with respect to such options, exercise them, or permit them to expire.

A Portfolio may employ hedging strategies with options on currencies before the Portfolio purchases a foreign security denominated in the hedged currency that the Portfolio anticipates acquiring, during the period the Portfolio holds the foreign security, or between the date the foreign security is purchased or sold and the date on which payment therefor is made or received.

In those situations where foreign currency options may not be readily purchased (or where such options may be deemed illiquid) in the currency in which the hedge is desired, the hedge may be obtained by purchasing or selling an option on a "surrogate" currency, i.e., a currency where there is tangible evidence of a direct correlation in the trading value of the two currencies. A surrogate currency is a currency that can act, for hedging purposes, as a substitute for a particular currency because the surrogate currency's exchange rate movements parallel that of the primary currency. Surrogate currencies are used to hedge an illiquid currency risk, when no liquid hedge instruments exist in world currency markets for the primary currency.

CURRENCY MANAGEMENT

A Portfolio's flexibility to participate in higher yielding debt markets outside of the United States may allow the Portfolios to achieve higher yields than those generally obtained by domestic money market funds and short-term bond investments. When a Portfolio invests significantly in securities denominated in foreign currencies, however, movements in foreign currency exchange rates versus the U.S. dollar are likely to impact the Portfolio's share price stability relative to domestic short-term income funds. Fluctuations in foreign currencies can have a positive or negative impact on returns. Normally, to the extent that the Portfolio is invested in foreign securities, a weakening in the U.S. dollar relative to the foreign currencies underlying a Portfolio's investments should help increase the net asset value of the Portfolio. Conversely, a strengthening in the U.S. dollar versus the foreign currencies in which a Portfolio's securities are denominated will generally lower the net asset value of the Portfolio. The Manager or relevant Portfolio Manager attempts to minimize exchange rate risk through active Portfolio management, including hedging currency exposure through the use of futures, options and forward currency transactions and attempting to identify

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bond markets with strong or stable currencies. There can be no assurance that such hedging will be successful and such transactions, if unsuccessful, could result in additional losses or expenses to a Portfolio.

EQUITY AND DEBT SECURITIES ISSUED OR GUARANTEED BY SUPRANATIONAL ORGANIZATIONS

Portfolios authorized to invest in securities of foreign issuers may

invest assets in equity and debt securities issued or guaranteed by Supranational Organizations, such as obligations issued or guaranteed by the Asian Development Bank, Inter-American Development Bank, International Bank for Reconstruction and Development (World Bank), African Development Bank, European Coal and Steel Community, European Economic Community, European Investment Bank and the Nordic Investment Bank.

EXCHANGE RATE-RELATED SECURITIES

Certain of the Portfolios may invest in securities that are indexed to certain specific foreign currency exchange rates. The terms of such securities would provide that the principal amount or interest payments are adjusted upwards or downwards (but not below zero) at payment to reflect fluctuations in the exchange rate between two currencies while the obligation is outstanding, depending on the terms of the specific security. A Portfolio will purchase such security with the currency in which it is denominated and will receive interest and principal payments thereon in the currency, but the amount of principal or interest payable by the issuer will vary in proportion to the change (if any) in the exchange rate between the two specific currencies between the date the instrument is issued and the date the principal or interest payment is due. The staff of the SEC is currently considering whether a mutual fund's purchase of this type of security would result in the issuance of a "senior security" within the meaning of the 1940 Act. The Trust believes that such investments do not involve the creation of such a senior security, but nevertheless undertakes, pending the resolution of this issue by the staff, to establish a segregated account with respect to such investments and to maintain in such account cash not available for investment or U.S. government securities or other liquid high quality debt securities having a value equal to the aggregate principal amount of outstanding securities of this type.

Investment in Exchange Rate-Related Securities entails certain risks. There is the possibility of significant changes in rates of exchange between the U.S. dollar and any foreign currency to which an Exchange Rate-Related Security is linked. In addition, there is no assurance that sufficient trading interest to create a liquid secondary market will exist for a particular Exchange Rate-Related Security due to conditions in the debt and foreign currency markets. Illiquidity in the forward foreign exchange market and the high volatility of the foreign exchange market may from time to time combine to make it difficult to sell an Exchange Rate-Related Security prior to maturity without incurring a significant price loss.

OTHER INVESTMENT PRACTICES AND RISKS

REPURCHASE AGREEMENTS

All Portfolios may invest in repurchase agreements. The term of such an agreement is generally quite short, possibly overnight or for a few days, although it may extend over a number of months (up to one year) from the date of delivery. The resale price is in excess of the purchase price by an amount, which reflects an agreed-upon market rate of return, effective for the period of time the Portfolio is invested in the security. This results in a fixed rate of return protected from market fluctuations during the period of the agreement. This rate is not tied to the coupon rate on the security subject to the repurchase agreement.

The Portfolio Manager monitors the value of the underlying securities held as collateral at the time the repurchase agreement is entered into and at all times during the term of the agreement to ensure that their value always equals or exceeds the agreed-upon repurchase price to be paid to the

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Portfolio. The Portfolio Manager, in accordance with procedures established by the Board of Trustees, also evaluates the creditworthiness and financial responsibility of the banks and brokers or dealers with which the Portfolio enters into repurchase agreements.

A Portfolio may engage in repurchase transactions in accordance with guidelines approved by the Board of Trustees of the Trust, which include monitoring the creditworthiness of the parties with which a Portfolio engages in repurchase transactions, obtaining collateral at least equal in value to the repurchase obligation, and marking the collateral to market on a daily basis.

A Portfolio may not enter into a repurchase agreement having more than seven days remaining to maturity if, as a result, such agreements, together with any other securities that are not readily marketable, would exceed that Portfolio's limitation of 15% of the net assets of the Portfolio on investing in illiquid securities. If the seller should become bankrupt or default on its obligations to repurchase the securities, a Portfolio may experience delay or difficulties in exercising its rights to the securities held as collateral and might incur a loss if the value of the securities should decline. A Portfolio also might incur disposition costs in connection with liquidating the securities.

REVERSE REPURCHASE AGREEMENTS

A reverse repurchase agreement involves the sale of a security by the Portfolio and its agreement to repurchase the instrument at a specified time and price. A Portfolio will use the proceeds of a reverse repurchase agreement to purchase other money market instruments which either mature at a date simultaneous with or prior to the expiration of the reverse repurchase agreement or which are held under an agreement to resell maturing as of that time. A Portfolio will maintain a segregated account consisting of cash and/or liquid securities to cover its obligations under reverse repurchase agreements. Under the 1940 Act,

reverse repurchase agreements may be considered to be borrowings by the seller; accordingly, a Portfolio will limit its investments in reverse repurchase agreements consistent with the borrowing limits applicable to the Portfolio. See "Borrowing" for further information on these limits. The use of reverse repurchase agreements by a Portfolio creates leverage, which increases a Portfolio's investment risk. If the income and gains on securities purchased with the proceeds of reverse repurchase agreements exceed the cost of the agreements, the Portfolio's earnings or net asset value will increase faster than otherwise would be the case; conversely, if the income and gains fail to exceed the costs, earnings or net asset value would decline faster than otherwise would be the case.

OTHER INVESTMENT COMPANIES

All Portfolios may invest in shares issued by other investment companies. A Portfolio is limited in the degree to which it may invest in shares of another investment company in that it may not, at the time of the purchase, (1) acquire more than 3% of the outstanding voting shares of the investment company, (2) invest more than 5% of the Portfolio's total assets in the investment company, or (3) invest more than 10% of the Portfolio's total assets in all investment company holdings. As a shareholder in any investment company, a Portfolio will bear its ratable share of the investment company's expenses, including management fees in the case of a management investment company. The Special Situations and Growth and Income Portfolios may invest in shares of Janus' Money Market Funds and the Asset Allocation Growth and Diversified Mid-Cap Portfolios may invest in shares of Fidelity Money Market Funds pursuant to the receipt of SEC exemptive orders.

SHORT SALES

A short sale is a transaction in which the Portfolio sells a security it does not own in anticipation of a decline in market price. A Portfolio may make short sales to offset a potential decline in a long position or a group of long positions, or if the Portfolio Manager believes that a decline in the price of a particular security or group of securities is likely.

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The Portfolio's obligation to replace the security borrowed in connection with the short sale will be secured by collateral deposited with a broker, consisting of cash or securities acceptable to the broker. In addition, with respect to any short sale, other than short sales against the box, the Portfolio will be required to deposit collateral consisting of cash, cash items, or U.S. government securities in a segregated account with its custodian in an amount such that the value of the sum of both collateral deposits is at all times equal to at least 100% of the current market value of the securities sold short. The deposits do not necessarily limit the Portfolio's potential loss on a short sale, which may exceed the entire amount of the collateral.

A Portfolio is not required to liquidate an existing short sale position solely because a change in market values has caused one or more of these percentage limitations to be exceeded.

SHORT SALES AGAINST THE BOX

A short sale "against the box" is a short sale where, at the time of the short sale, the Portfolio owns or has the immediate and unconditional right, at no added cost, to obtain the identical security. A Portfolio would enter into such a transaction to defer a gain or loss for Federal income tax purposes on the security owned by the Portfolio. Short sales against the box are not subject to the percentage limitations on short sales described in the Prospectus.

ILLIQUID SECURITIES

Illiquid securities are securities that are not readily marketable, including, where applicable: (1) repurchase agreements with maturities greater than seven calendar days or with a demand period of more than seven days; (2) time deposits maturing in more than seven calendar days; (3) to the extent a liquid secondary market does not exist for the instruments, futures contracts and options thereon; (4) certain over-the-counter options, as described in this Statement of Additional Information; (5) certain variable rate demand notes having a demand period of more than seven days; and (6) securities the disposition of which is restricted under Federal securities laws (excluding Rule 144A Securities, described below).

RESTRICTED SECURITIES

Each Portfolio may also purchase securities that are not registered under the Securities Act of 1933 ("1933 Act") ("restricted securities"), including those that can be offered and sold to "qualified institutional buyers" under Rule 144A under the 1933 Act ("Rule 144A securities"). The Trust's Board of Trustees confirms based upon information and recommendations provided by the Portfolio Manager that a specific Rule 144A security is liquid and thus not subject to the limitation on investing in illiquid investments. The Board of Trustees has adopted guidelines and has delegated to the Portfolio Manager the daily function of determining and monitoring the liquidity of Rule 144A securities. The Board, however, has retained sufficient oversight and is ultimately responsible for the determinations. This investment practice could have the effect of decreasing the level of liquidity in a Portfolio to the extent that qualified institutional buyers become for a time uninterested in purchasing Rule 144A securities held in the investment Portfolio. Subject to limitation on investments in illiquid investments and subject to the diversification requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Portfolios may also invest in restricted securities that may not be sold under Rule 144A, which presents certain risks. As a result, the Portfolio might not be able to sell these securities when the Portfolio Manager wishes to do so, or might have to sell them at less than fair value. In addition, market quotations are

less readily available. Therefore, judgment may at times play a greater role in valuing these securities than in the case of unrestricted securities.

BORROWING

Leveraging by means of borrowing will exaggerate the effect of any increase or decrease in the value of portfolio securities on a Portfolio's net asset value; money borrowed will be subject to interest and other costs (which may include commitment fees and/or the cost of maintaining

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minimum average balances), which may or may not exceed the income received from the securities purchased with borrowed funds. The use of borrowing tends to result in a faster than average movement, up or down, in the net asset value of the Portfolio's shares. A Portfolio also may be required to maintain minimum average balances in connection with such borrowing or to pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate.

Reverse repurchase agreements, short sales of securities, and short sales of securities against the box will be included as borrowing subject to the borrowing limitations described below, except those Portfolios that are permitted to engage in short sales of securities with respect to an additional 15% of the Portfolio's net assets in excess of the limits otherwise applicable to borrowing. Securities purchased on a when-issued or delayed delivery basis will not be subject to a Portfolio's borrowing limitations to the extent that a Portfolio establishes and maintains liquid assets in a segregated account with the Trust's custodian equal to the Portfolio's obligations under the when-issued or delayed delivery arrangement.

LENDING PORTFOLIO SECURITIES

For the purpose of realizing additional income, certain Portfolios may make secured loans of portfolio securities. Securities loans are made to banks, brokers and other financial institutions pursuant to agreements requiring that the loans be continuously secured by collateral at least equal at all times to the value of the securities lent marked to market on a daily basis. The collateral received will consist of cash, U.S. government securities, letters of credit or such other collateral as may be permitted under the Portfolio's investment program. While the securities are being lent, the Portfolio will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The Portfolio has a right to call each loan and obtain the securities on five business day's notice or, in connection with securities trading on foreign markets, within such longer period of time which coincides with the normal settlement period for purchases and sales of such securities in such foreign markets. The Portfolio will not have the right to vote securities while they are being lent, but it will call a loan in anticipation of any important vote. The risks in lending portfolio securities, as with other extensions of secured credit, consist of possible delay in receiving additional collateral in the event the value of the collateral decreased below the value of the securities loaned or of delay in recovering the securities loaned or even loss of rights in the collateral should the borrower of the securities fail financially. Loans will not be made unless, in the judgment of the Portfolio Manager, the consideration to be earned from such loans would justify the risk.

REAL ESTATE INVESTMENT TRUSTS.

REITs are pooled investment vehicles that invest primarily in income producing real estate or real estate related loans or interests. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest most of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest most of their assets in real estate mortgages and derive income from interest payments. Like investment companies, REITs are not taxed on income distributed to shareholders if they comply with several requirements of the Internal Revenue Code of 1986 (the "Code"). A Portfolio will indirectly bear its proportionate share of any expenses (such as operating expenses and advisory fees) paid by REITs in which it invests in addition to the expenses paid by the Portfolio.

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RISKS ASSOCIATED WITH THE REAL ESTATE INDUSTRY. Although a Portfolio that invests in REITs does not invest directly in real estate, it does invest primarily in real estate equity securities and may concentrate its investments in the real estate industry, and, therefore, an investment in the Portfolio may be subject to certain risks associated with the direct ownership of real estate and with the real estate industry in general. These risks include, among others:

- o possible declines in the value of real estate;
- o adverse general or local economic conditions;
- o possible lack of availability of mortgage funds;
- o overbuilding;
- o extended vacancies of properties;

- o increases in competition, property taxes and operating expenses;
- o changes in zoning or applicable tax law;
- o costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems;
- o casualty or condemnation losses;
- o uninsured damages from floods, earthquakes or other natural disasters;
- o limitations on and variations in rents; and
- o unfavorable changes in interest rates.

In addition to the risks discussed above, REITs may be affected by any changes in the value of the underlying property owned by the trusts or by the quality of any credit extended. REITs are dependent upon management skill, are not diversified, and are therefore subject to the risk of financing single or a limited number of projects. REITs are also subject to heavy cash flow dependency, defaults by borrowers, self liquidation, and the possibility of failing to qualify for special tax treatment under Subchapter M of the Internal Revenue Code of 1986 and to maintain an exemption under the 1940. Act Finally, certain REITs may be self-liquidating in that a specific term of existence is provided for in the trust document and such REITs run the risk of liquidating at an economically inopportune time.

SMALL COMPANIES

Certain of the Portfolios may invest in small companies, some of which may be unseasoned. Such companies may have limited product lines, markets, or financial resources and may be dependent on a limited management group. While the markets in securities of such companies have grown rapidly in recent years, such securities may trade less frequently and in smaller volume than more widely held securities. The values of these securities may fluctuate more sharply than those of other securities, and a Portfolio may experience some difficulty in establishing or closing out positions in these securities at prevailing market prices. There may be less publicly available information about the issuers of these securities or less market interest in such securities than in the case of larger companies, and it may take a longer period of time for the prices of such securities to reflect the full value of their issuers' underlying earnings potential or assets.

Some securities of smaller issuers may be restricted as to resale or may otherwise be highly illiquid. The ability of a Portfolio to dispose of such securities may be greatly limited, and a Portfolio may have to continue to hold such securities during periods when the Manager or a Portfolio Manager would otherwise have sold the security. It is possible that the Adviser or a Portfolio Manager or its affiliates or clients may hold securities issued by the same issuers, and may in some cases have acquired the securities at different times, on more favorable terms, or at more favorable prices, than a Portfolio which it manages.

STRATEGIC TRANSACTIONS

Subject to the investment limitations and restrictions for each of the Portfolios as stated elsewhere in this Statement of Additional Information, certain of the Portfolios may, but are not required to, utilize various investment strategies as described herein to hedge various market risks, to manage the effective maturity or duration of fixed income securities, or to seek potentially higher returns Utilizing these investment strategies, the Portfolio may purchase and sell, to the extent not otherwise limited or restricted for such Portfolios, exchange-listed and over-the-counter put and call on securities, equity and fixed income indexes and other financial instruments, purchase and sell financial futures contracts and options thereon, enter into various Interest Rate Transactions such as swaps, caps, floors or collars, and enter into various currency transactions such as currency forward contracts, currency futures contracts, currency swaps or options on currencies or currency futures (collectively, all the above are called "Strategic Transactions").

Strategic Transactions may be used to attempt to protect against possible changes in the market value of securities held in or to be purchased for the Portfolios resulting from securities markets or currency exchange rate fluctuations, to protect the Portfolio's unrealized gains in the value of its Portfolio securities, to facilitate the sale of such securities for investment purposes, to manage the effective maturity or duration of the Portfolio, or to establish a position in the derivatives markets as a temporary substitute for purchasing or selling particular securities. Some Strategic Transactions may also be used to seek potentially higher returns, although no more than 5% of the Portfolio's assets will be used as the initial margin or purchase price of options for Strategic Transactions entered into for purposes other than "bona fide hedging" positions as defined in the regulations adopted by the Commodity Futures Trading Commission. Any or all of these investment techniques may be used at any time, as use of any Strategic Transaction is a function of numerous variables including market conditions. The ability of the Portfolio to utilize these Strategic Transactions successfully will depend on the Manager's or Portfolio Manager's ability to predict, which cannot be assured, pertinent market movements. The Portfolio will comply with applicable regulatory requirements when utilizing Strategic Transactions. Strategic Transactions involving financial futures and options thereon will be purchased, sold or entered into only for bona fide hedging, risk

management or Portfolio management purposes.

SPECIAL SITUATIONS

A special situation arises when, in the opinion of the Portfolio Manager, the securities of a particular company will, within a reasonably estimable period of time, be accorded market recognition at an appreciated value solely by reason of a development applicable to that company, and regardless of general business conditions or movements of the market as a whole. Developments creating special situations might include, among others: liquidations, reorganizations, recapitalizations, mergers, material litigation, technical breakthroughs, and new management or management policies. Investments in unseasoned companies and special situations often involve much greater risk than is inherent in ordinary investment securities.

TEMPORARY DEFENSIVE INVESTMENTS

For temporary and defensive purposes, each Portfolio may invest up to 100% of its total assets in investment grade short-term fixed income securities (including short-term U.S. government securities, money market instruments, including negotiable certificates of deposit, non-negotiable fixed time deposits, bankers' acceptances, commercial paper and floating rate notes) and repurchase agreements. Each Portfolio may also hold significant amounts of its assets in cash, subject to the applicable percentage limitations for short-term securities.

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INVESTMENT OBJECTIVES AND ADDITIONAL INVESTMENT STRATEGIES AND ASSOCIATED RISKS

ASSET ALLOCATION GROWTH PORTFOLIO:

Investment Objective: Maximize total return over the long term by allocating its assets among stocks, bonds, short-term instruments and other investments.

The Portfolio may also purchase illiquid or restricted securities (such as private placements). The Portfolio may not invest more than 15% of its net assets in illiquid securities.

While it is not generally the Portfolio's policy to invest or trade for short-term profits, the Portfolio may dispose of a portfolio security whenever the Portfolio Manager is of the opinion that such security no longer has an appropriate appreciation potential or when another security appears to offer relatively greater appreciation potential. Portfolio changes are made without regard to the length of time a security has been held, or whether a sale would result in a profit or loss. Therefore, the rate of portfolio turnover is not a limiting factor when a change in the Portfolio is appropriate. Because the Portfolio is expected to have a portfolio turnover rate of over 100%, transaction costs incurred by the Portfolio and the realized capital gains and losses of the Portfolio may be greater than that of a Portfolio with a lesser turnover rate.

Asset Allocation: The stock class includes domestic and foreign equity securities for all types (other than adjustable rate preferred stocks that are included in the bond class). Securities in the stock class may include common stocks, fixed-rate preferred stocks (including convertible preferred stocks), warrants, rights, depositary receipts, securities of closed-end investment companies, and other equity securities issued by companies of any size, located anywhere in the world.

The bond class includes all varieties of domestic and foreign fixed-income securities maturing in more than one year. The Portfolio Manager will seek to maximize total return within the bond class by adjusting the Portfolio's investments in securities with different credit qualities, maturities, and coupon or dividend rates, and by seeking to take advantage of yield differentials between securities. Securities in these asset classes may include bonds, notes, adjustable-rate preferred stocks, convertible bonds, mortgage-related and asset-backed securities, domestic and foreign government and government agency securities, zero coupon bonds, and other intermediate and long-term securities. These securities may be denominated in U.S. dollars or foreign currency.

The short-term/money market class includes all types of domestic and foreign short-term and money market instruments. Short-term and money market instruments may include commercial paper, notes, and other corporate debt securities, government securities issued by U.S. or foreign governments or their agencies or instrumentalities, bank deposits and other financial institution obligations, repurchase agreements involving any type of security, and other similar short-term instruments. These instruments may be denominated in U.S. dollars or foreign currency. The Portfolio Manager may use its judgment to place a security in the most appropriate asset class based on its investment characteristics. Fixed-income securities may be classified in the bond or short-term/money market class according to interest rate sensitivity as well as maturity. The Portfolio may also make other investments that do not fall within these asset classes. In making asset allocation decisions, the Portfolio Manager will evaluate projections of risk, market conditions, economic conditions, volatility, yields, and returns. The Portfolio Manager's management will use database systems to help analyze past situations and trends, research specialists in each of the asset classes to help in securities selection, portfolio management professionals to determine asset allocation and to select individual securities, and its own credit analysis as well as credit analyses provided by rating services.

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DIVERSIFIED MID-CAP PORTFOLIO:

Investment Objective: Long-term growth of capital.

The Portfolio may also purchase illiquid or restricted securities (such as private placements). The Portfolio may not invest more than 15% of its net assets in illiquid securities.

While it is not generally the Portfolio's policy to invest or trade for short-term profits, the Portfolio may dispose of a portfolio security whenever the Portfolio Manager is of the opinion that such security no longer has an appropriate appreciation potential or when another security appears to offer relatively greater appreciation potential. Portfolio changes are made without regard to the length of time a security has been held, or whether a sale would result in a profit or loss. Therefore, the rate of portfolio turnover is not a limiting factor when a change in the Portfolio is appropriate. Because the Portfolio is expected to have a portfolio turnover rate of over 100%, transaction costs incurred by the Portfolio and the realized capital gains and losses of the Portfolio may be greater than that of a Portfolio with a lesser turnover rate.

SPECIAL SITUATIONS PORTFOLIO AND GROWTH AND INCOME PORTFOLIO:

Special Situations Portfolio's Investment Objective: Capital

Growth and Income Portfolio's Investment Objective: Long-term capital

appreciation.

growth and current
income.

In addition to the Portfolios' primary strategies discussed in the Prospectus, each Portfolio may engage in several other strategies. To hedge against changes in net asset value or to attempt to increase its investment return, each Portfolio may buy and sell: put and call options; futures contracts; options on futures contracts; index futures contracts and options on index futures and on indexes; warrants; foreign securities indexes; and options in the over-the-counter markets but only when appropriate exchange-traded transactions are unavailable and when, in the opinion of the Portfolio Manager, the pricing mechanism and liquidity of over-the-counter markets are satisfactory and the participants are responsible parties likely to meet their obligations.

To the extent that a Portfolio holds positions in futures contracts and related options that do not fall within the definition of bona fide hedging transactions, the aggregate initial margin and premiums required to establish such positions will not exceed 5% of the fair market value of the Portfolio's net assets, after taking into account unrealized profits and unrealized losses on any such contracts it has entered into.

When the Portfolio Manager believes that market conditions are not favorable for profitable investing or when the Portfolio Manager is otherwise unable to locate favorable investment opportunities, a Portfolio's investments may be hedged to a greater degree and/or its cash or similar investments may increase. In other words, the Portfolio does not always stay fully invested in stocks and bonds. Cash or similar investments are a residual -- they represent the assets that remain after a portfolio manager has committed available assets to desirable investment opportunities. Larger hedged positions and/or larger cash positions may serve as a means of preserving capital in unfavorable market conditions.

Securities that each Portfolio may invest in as a means of receiving a return on idle cash include high-grade commercial paper, certificates of deposit, repurchase agreements or other short-term obligations. Each Portfolio may also invest in money market funds (including funds managed by the Portfolio Manager). When a Portfolio is hedged or its investments in cash or similar investments increase, it may not participate in stock or bond market advances or declines to the same extent that it would if the Portfolio was not hedged or remained more fully invested in stocks or bonds.

At times each Portfolio may invest more than 25% of its assets in securities of issuers in one or more market sectors such as, for example, the technology sector. A market sector may be made up of companies in a number of related industries. The Portfolio would only concentrate its investments in a particular market sector if the Portfolio Manager believed that the investment return available

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from concentration in that sector justified any additional risk associated with concentration in that sector. When a Portfolio concentrates its investments in a market sector, financial, economic, business, and other developments affecting issuers in that sector will have a greater effect on the Portfolio than if it had not concentrated its assets in that sector.

Each Portfolio may enter into repurchase agreements. These transactions must be fully collateralized at all times, but involve some risk to the Portfolio if the other party should default on its obligations and the Portfolio is delayed or prevented from recovering the collateral.

At times, the Portfolio Manager may judge that market conditions make pursuing the Portfolio's basic investment strategy inconsistent with the best interests of its shareholders. At such times, the Portfolio Manager may temporarily use alternative strategies, primarily designed to reduce fluctuations in the values of the Portfolio's assets. In implementing these "defensive" strategies, the Portfolio may invest in U.S. government securities, other high-quality debt instruments, and other securities the Portfolio Manager believes to be consistent with the Portfolio's best

interests. During extremely unusual conditions, the Portfolio may take a position of cash and cash equivalents.

The length of time a Portfolio has held a particular security is not generally a consideration in investment decisions. The investment policies of a Portfolio may lead to frequent changes in the Portfolio's investments, particularly in periods of volatile market movements. Such portfolio turnover generally involves some expense to a Portfolio, including brokerage commissions or dealer markups and other transaction costs on the sale of securities and reinvestment in other securities. Such sales may result in realization of taxable capital gains.

INVESTMENT RESTRICTIONS

FUNDAMENTAL INVESTMENT RESTRICTIONS

The following investment restrictions are considered fundamental, which means they may be changed only with the approval of the holders of a majority of a Portfolio's outstanding voting securities, defined in the 1940 Act as the lesser of: (1) 67% or more of that Portfolio's voting securities present at a meeting if the holders of more than 50% of that Portfolio's outstanding voting securities are present or represented by proxy, or (2) more than 50% of that Portfolio's outstanding voting securities.

A Portfolio may not:

1. with respect to 75% of each Portfolio's total assets (50% of the Special Situations Portfolio's total assets), purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities) if, as a result, (a) more than 5% of the Portfolio's total assets would be invested in the securities of that issuer, or (b) a Portfolio would hold more than 10% of the outstanding voting securities of that issuer;
2. issue senior securities, except as permitted under the Investment Company Act of 1940;
3. borrow money, except that the Portfolio may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of its total assets (including the amount borrowed) less liabilities (other than borrowings). Any borrowings that come to exceed this amount will be reduced within three days (not including Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation;
4. underwrite securities issued by others, except to the extent that the Portfolio may be considered an underwriter within the meaning of the Securities Act of 1933 in the

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disposition of restricted securities or in connection with investments in other investment companies.

5. purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, or securities of other investment companies), if, as a result, more than 25% of the Portfolio's total assets would be invested in companies whose principal business activities are in the same industry;
6. purchase or sell real estate unless acquired as a result of ownership of securities or other instruments (but this will not prevent the Portfolio from investing in securities or other instruments backed by real estate or securities of companies engaged in the real estate business);
7. purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Portfolio from purchasing or selling options and futures contracts or from investing in securities or other instruments backed by physical commodities); and
8. lend any security or make any loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties, but this limitation does not apply to purchases of debt securities or to repurchase agreements.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS

The following restrictions are not fundamental and may be modified by the Trustees without shareholder approval.

A Portfolio may not:

1. The Portfolio does not currently intend to sell securities short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold short, and provided that transactions in futures contracts and options are not deemed to constitute selling securities short.
2. The Portfolio does not currently intend to purchase securities on margin, except that the Portfolio may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin.

3. The Portfolio may borrow money only (a) from a bank or from a registered investment company or portfolio for which the Portfolio Manager or an affiliate serves as investment adviser or (b) by engaging in reverse repurchase agreements with any party (reverse repurchase agreements are treated as borrowings for purposes of fundamental investment limitation (3)).
4. The Portfolio does not currently intend to purchase any security if, as a result, more than 15% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.
5. The Portfolio does not currently intend to lend assets other than securities to other parties, except by (a) lending money (up to 15% of the Portfolio's net assets) to a registered investment company or portfolio for which the Portfolio Manager or an affiliate serves as investment adviser or (b) acquiring loans, loan participations, or other forms of direct debt instruments and, in connection therewith, assuming any associated unfunded commitments of the sellers. (This limitation does not apply to purchases of debt securities or to repurchase agreements.)

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With respect to Limitation (iv), if through a change in values, net assets, or other circumstances, the Portfolio were in a position where more than 15% of its net assets was invested in illiquid securities, it would consider appropriate steps to protect liquidity.

Except with respect to 300% asset coverage for borrowing, whenever any investment restriction states a maximum percentage of a Portfolio's assets that may be invested in any security, such percentage limitation will be applied only at the time the Portfolio acquires such security and will not be violated by subsequent increases in value relative to other assets held by the Portfolio.

MANAGEMENT OF THE TRUST

The business and affairs of the Trust are managed under the direction of the Board of Trustees according to the applicable laws of the Commonwealth of Massachusetts and the Trust's Agreement and Declaration of Trust. The Trustees are Barnett Chernow, J. Michael Earley, R. Barbara Gitenstein, Robert A. Grayson, Elizabeth J. Newell, Stanley B. Seidler, John R. Barmeyer and Roger B. Vincent. The Executive Officers of the Trust are Barnett Chernow, Myles R. Tashman, and Mary Bea Wilkinson.

Trustees and Executive Officers of the Trust, their business addresses, and principal occupations during the past five years are:

| NAME AND ADDRESS | POSITION WITH THE TRUST | BUSINESS AFFILIATIONS AND PRINCIPAL OCCUPATIONS |
|---|---------------------------------------|---|
| Barnett Chernow* Golden American Life Insurance Co. 1475 Dunwoody Drive West Chester, PA 19380 | President, Trustee and Chairman | President and Chairman of the GCG Trust since December 1999; President and Director, Golden American Life Insurance Company, May 1998 to present; Executive Vice President, Directed Services, Inc., October 1993 to present; Executive Vice President and then President, First Golden American Life Insurance Company of New York, October 1993 to present. Age 49. |
| John R. Barmeyer* ING's American Region 5780 Powers Ferry Road Atlanta, GA 30327-4390 | Trustee | Senior Vice President, General Counsel and Secretary of ING America Life Corporation and its subsidiaries since 1992. Age 55. |
| J. Michael Earley 665 Locust Street Des Moines, IA 50309 | Trustee | President, and Chief Executive Officer, Bankers Trust Company, Des Moines, Iowa since July 1992. Age 53. |
| R. Barbara Gitenstein Office of the President The College of New Jersey 200 Pennington Road Ewing, NJ 08628-0718 | Trustee | President, The College of New Jersey since January, 1999; Trustee Provost, Drake University from July 1992 to December 1998. Age 50. |

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|---|-----------|--|
| Robert A. Grayson Grayson Associates 108 Loma Media Road Santa Barbara, CA 93103 | Trustee | Co-founder, Grayson Associates, Inc. since 1970; Adjunct Professor of Marketing, New York University School of Business Administration; former Director, The Golden Financial Group, Inc.; former Senior Vice President, David & Charles Advertising. Age 72. |
| Myles R. Tashman Golden American Life | Secretary | Executive Vice President, Secretary, Golden American Life Insurance |

Insurance Co.
1475 Dunwoody Drive
West Chester, PA 19380

Company since 1993; General Counsel since July 1996 and Director since January 1998; Director, Executive Vice President, Secretary and General Counsel, Directed Services, Inc. since August 1994; Executive Vice President, Secretary, First Golden American Life Insurance Company of New York; since 1993; General Counsel since July 1996 and Director since January 1998.
Age 57.

Stanley B. Seidler
P.O. Box 1297
3301 McKinley Avenue
Des Moines, IA 50321

Trustee President, Iowa Periodicals, Inc. since 1990 and President, Excell Marketing L.C. since 1994. Age 71.

Mary Bea Wilkinson
Golden American Life
1475 Dunwoody Drive
West Chester, PA 19380

Treasurer Senior Vice President & Treasurer, First Golden American Life Insurance Company of New York from November 1997 to present; Senior Vice President and Treasurer, Golden American Life Insurance Co. from November 1993 to November 1997; and President and Treasurer, Directed Services, Inc. October 1993 to December 1996.
Age 43.

Roger B. Vincent
Springwell Corporation
230 Park Avenue
New York, NY 10169

Trustee President, Springwell Corporation since June 1989; Director Amerigas Partners, Inc.; Director, Tatham Offshore, Inc. since June 1996 formerly, Managing Director Bankers Trust Company. Age 54.

Elizabeth J. Newell
KRAGIE/NEWELL, Inc.
2633 Fleur Drive
Des Moines, IA 50321

Trustee President and Chief Executive Officer of KRAGIE/NEWELL, Inc. since 1990.
Age 52.

* Messrs. Chernow and Barmeyer are deemed to be "interested persons" of the Trust pursuant to the 1940 Act.

As of May 31, 2000, none of the Trustees directly owned shares of the Portfolios. In addition, as of May 31, 2000, the Trustees and Officers as a group owned Variable Contracts that entitled them

to give voting instructions with respect to less than one percent of the outstanding shares of each Portfolio in the aggregate.

Effective May 18, 2000, each Trustee of the Trust who is not an interested person of the Trust or Manager or Portfolio Manager (the "non-interested Trustees") receives an annual retainer of \$20,000 plus \$5,000 for each regular quarterly Board meeting attended in person (\$1,250 if attended by telephone), as well as reimbursement for expenses incurred in connection with attendance at such meetings or carrying out their responsibilities as Trustees of the Trust. In addition, the Trust pays the Trustees an annual stipend of \$5,000 for each committee chairmanship and \$1,000 for attendance at any committee meeting not held in conjunction with a regular Board meeting or for any specially called telephonic meeting. The Trustee designated by the Board as Lead Trustee also receives additional compensation in an amount 50% greater than the amount paid for services as a non-interested Trustee (i.e. 50% of the regular retainer of \$20,000 plus 50% of the full quarterly meeting fee of \$20,000 or \$20,000).

With respect to the 12 month period ended December 31, 1999, the Trust paid the Trustees a fee in the amount of \$6,000 for each Trustees' meeting attended and reimbursed any expenses incurred in attending such meetings in the aggregate amount of \$144,000. The following table shows the compensation paid to each Trustee for the year ended December 31, 1999:

COMPENSATION TABLE

| (1) NAME OF PERSON, POSITION | (2) AGGREGATE FROM REGISTRANT | (3) PENSION OR BENEFITS COMPENSATION EXPENSES | (4) TOTAL RETIREMENT ANNUAL ACCRUED AS PART OF FUND RETIREMENT | | (5) ESTIMATED FROM REGISTRANT BENEFITS AND FUND COMPLEX TO TRUSTEES | | PAID |
|------------------------------------|--|---|--|----------|---|--|------|
| | | | | | | | |
| J. Michael Earley Trustee | \$24,000 | N/A | N/A | \$24,000 | | | |
| R. Barbara Gitenstein Trustee | \$24,000 | N/A | N/A | \$24,000 | | | |
| Robert A. Grayson Trustee | \$24,000 | N/A | N/A | \$24,000 | | | |
| Stanley B. Seidler Trustee | \$24,000 | N/A | N/A | \$24,000 | | | |
| Elizabeth J. Newell | \$24,000 | N/A | N/A | \$24,000 | | | |

Trustee

| | | | | |
|------------------|----------|-----|-----|----------|
| Roger B. Vincent | \$24,000 | N/A | N/A | \$24,000 |
|------------------|----------|-----|-----|----------|

Trustee

THE MANAGEMENT AGREEMENT

Directed Services, Inc. ("DSI" or the "Manager") serves as Manager to the Portfolios pursuant to a Management Agreement (the "Management Agreement") between the Manager and the Trust. DSI's address is 1475 Dunwoody Drive, West Chester, PA 19380-1478. DSI is a New York corporation that is a wholly owned subsidiary of Equitable of Iowa Companies, Inc. ("Equitable of Iowa"), which, in turn, is a subsidiary of ING Groep N.V. ("ING"), a global financial services holding company based in The Netherlands. DSI is registered with the SEC as an investment adviser and a broker-dealer.

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The Trust currently offers the shares of its operating Portfolios to, among others, separate accounts of Golden American Life Insurance Company ("Golden American") to serve as the investment medium for Variable Contracts issued by Golden American. DSI is the principal underwriter and distributor of the Variable Contracts issued by Golden American. Golden American is a stock life insurance company organized under the laws of the State of Delaware. Prior to December 30, 1993, Golden American was a Minnesota corporation. Golden American is a wholly owned subsidiary of Equitable of Iowa.

Pursuant to the Management Agreement, the Manager, subject to the direction of the Board of Trustees, is responsible for providing all supervisory, management, and administrative services reasonably necessary for the operation of the Trust and its Portfolios other than the investment advisory services performed by the Portfolio Managers. These services include, but are not limited to, (i) coordinating for all Portfolios, at the Manager's expense, all matters relating to the operation of the Portfolios, including any necessary coordination among the Portfolio Managers, Custodian, Dividend Disbursing Agent, Portfolio Accounting Agent (including pricing and valuation of the Portfolio's portfolios), accountants, attorneys, and other parties performing services or operational functions for the Trust; (ii) providing the Trust and the Portfolio, at the Manager's expense, with the services of a sufficient number of persons competent to perform such administrative and clerical functions as are necessary to ensure compliance with federal securities laws and to provide effective supervision and administration of the Trust; (iii) maintaining or supervising the maintenance by third parties selected by the Manager of such books and records of the Trust and the Portfolios as may be required by applicable federal or state law; (iv) preparing or supervising the preparation by third parties selected by the Manager of all federal, state, and local tax returns and reports of the Trust relating to the Portfolios required by applicable law; (v) preparing and filing and arranging for the distribution of proxy materials and periodic reports to shareholders of the Portfolios as required by applicable law in connection with the Portfolios; (vi) preparing and arranging for the filing of such registration statements and other documents with the SEC and other federal and state regulatory authorities as may be required by applicable law in connection with the Portfolio; (vii) taking such other action with respect to the Trust, as may be required by applicable law, including without limitation the rules and regulations of the SEC and other regulatory agencies; and (viii) providing the Trust at the Manager's expense, with adequate personnel, office space, communications facilities, and other facilities necessary for operation of the Portfolios contemplated in the Management Agreement. Other responsibilities of the Manager are described in the Prospectus.

The Manager shall make its officers and employees available to the Board of Trustees and Officers of the Trust for consultation and discussions regarding the supervision and administration of the Portfolio.

Pursuant to the Management Agreement, the Manager is authorized to exercise full investment discretion and make all determinations with respect to the day-to-day investment of a Portfolio's assets and the purchase and sale of portfolio securities for one or more Portfolios in the event that at any time no Portfolio Manager is engaged to manage the assets of such Portfolio.

The Management Agreement continues in effect from year to year so long as it is approved annually by (i) the holders of a majority of the outstanding voting securities of the Trust or by the Board of Trustees, and (ii) a majority of the Trustees who are not parties to such Management Agreement or "interested persons" (as defined in the 1940 Act) of any such party. The Management Agreement, dated October 24, 1997, was approved by shareholders at a meeting held on October 9, 1997, and was last approved by the Board of Trustees, including the Trustees who are not parties to the Management Agreement or interested persons of such parties, at a meeting held on November 16, 1999. The Management Agreement may be terminated without penalty by vote of the Trustees or the shareholders of the Portfolio or by the Manager, on 60 days' written notice by either party to the Management Agreement, and will terminate automatically if assigned as that term is described in the 1940 Act.

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Prior to October 24, 1997, DSI served as the manager to the Trust pursuant to a Management Agreement dated August 13, 1996, and prior to August 13, 1996, DSI served as manager to the Trust pursuant to a Management Agreement dated October 1, 1993.

As compensation for its services under the Management Agreement, the Trust pays the Manager a monthly fee expressed as an annual percentage of the applicable Portfolio's average daily net assets as follows:

| | |
|--|---|
| Diversified Mid-Cap and Asset Allocation Growth Series | 1.00% of the first \$500 million; 0.95% of the next \$250 million; 0.90% of the next \$500 million; and 0.85% of the amount in excess of \$1.25 billion. |
| Special Situation Series and Growth and Income Series | 1.10% of the first \$250 million; 1.05% of the next \$400 million; 1.00% of the next \$450 million; and 0.95% of the amount in excess of \$1.1 billion |

PORTFOLIO MANAGERS

The Manager has engaged the services of certain portfolio managers (the "Portfolio Managers") to provide portfolio management services to the Portfolios. The Trust, DSI and each Portfolio Manager have entered into Portfolio Management Agreements, which were approved by the Trustees of the Trust and by shareholders of each Portfolio of the Trust.

Pursuant to the separate Portfolio Management Agreements, the Manager (and not the Trust) pays each Portfolio Manager for its services a monthly fee expressed as an annual percentage of the applicable Portfolio's average daily net assets as follows:

| PORTFOLIO MANAGER | PORTFOLIO | PORTFOLIO MANAGEMENT FEE |
|--|---|--|
| Fidelity Research & Management Company | Diversified Mid-Cap & Asset Allocation Growth | 0.50% of First \$250 million 0.40% of next \$500 million 0.35% of amount in excess of \$750 million |
| | Special Situations and Growth and Income | 0.55% of first \$100 million 0.50% of next \$400 million 0.45% of amounts in excess of \$500 million |

Fidelity Research & Management Company ("FMR") is the portfolio manager to the Diversified Mid-Cap and Asset Allocation Growth Portfolios. Its principal office is located at 82 Devonshire Street, Boston, Massachusetts 02109. FMR is a corporation organized in the Commonwealth of Massachusetts. FMR is a registered investment adviser and has been providing investment advisory services focused in the financial services industry since 1946.

Fidelity Investments Money Management, Inc. ("FIMM") serves as sub-adviser to the Asset Allocation Growth Portfolio. FIMM is responsible for choosing certain types of fixed income securities for the Portfolio. The principal office of FIMM is One Spartan Way, Merrimack, New Hampshire 03054.

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Janus Capital Corporation ("Janus") is the Portfolio Manager to the Growth and Income and Special Situations Portfolios. Its principal office is located at 100 Fillmore Street, Denver, Colorado 80206. Janus is a corporation registered in the state of Colorado. Janus is a registered investment adviser and has been providing advisory services to managed accounts and investment companies since 1970. Currently Stillwell Financial, Inc. owns 81.5% of the outstanding voting stock of Janus.

DISTRIBUTION OF TRUST SHARES

DSI serves as the Portfolio's Distributor and Principal Underwriter. DSI is not obligated to sell a specific amount of the Portfolio's shares. DSI bears all expenses of providing distribution services including the costs of sales presentations, mailings, advertising, and any other marketing efforts by DSI in connection with the distribution or sale of the shares. DSI also serves as Manager to the Trust and therefore is an affiliate to the Trust.

CODE OF ETHICS

To mitigate the possibility that a Portfolio will be adversely affected by personal trading of employees, the Portfolios, Manager, Portfolio Managers, any sub-advisers and Distributor have adopted Codes of Ethics under Rule 17j-1 of the 1940 Act. These Codes of Ethics contain policies restricting securities trading in personal trading accounts of Trustees and others who normally come into possession of information on portfolio transactions. The Codes of Ethics permit personnel subject to the codes to invest in securities, including securities that may be purchased or held by the Trust. These Codes of Ethics can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-942-8090. The Codes of Ethics are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov> and copies of the Codes of Ethics also may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

INVESTMENT DECISIONS

Investment decisions for each Portfolio are made by the Portfolio Manager of each Portfolio. Each Portfolio Manager has investment advisory clients other than the Portfolio. A particular security may be bought or sold by a Portfolio Manager for clients even though it could have been bought or sold for other clients at the same time. In the event that two or more clients simultaneously purchase or sell the same security, in which event each day's transactions in such security are, insofar as possible, allocated between such clients in a manner deemed fair and reasonable by the Portfolio Manager. Although there is no specified formula for allocating such transactions, the various allocation methods used by the Portfolio Manager, and the results of such allocations, are subject to periodic review by the Trust's Manager and Board of Trustees. There may be circumstances when purchases or sales of portfolio securities for one or more clients will have an adverse effect on other clients.

BROKERAGE AND RESEARCH SERVICES

The Portfolio Manager for a Portfolio places all orders for the purchase and sale of portfolio securities, options, and futures contracts for a Portfolio through a substantial number of brokers and dealers or futures commission merchants. In executing transactions, the Portfolio Manager will attempt to obtain the best execution for a Portfolio taking into account such factors as price (including the applicable brokerage commission or dollar spread), size of order, the nature of the market for the security, the timing of the transaction, the reputation, experience and financial stability of the broker-dealer involved, the quality of the service, the difficulty of execution and operational facilities of the firms involved, and the firm's risk in positioning a block of securities. In

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transactions on stock exchanges in the United States, payments of brokerage commissions are negotiated. In effecting purchases and sales of portfolio securities in transactions on U.S. stock exchanges for the account of the Trust, the Portfolio Manager may pay higher commission rates than the lowest available when the Portfolio Manager believes it is reasonable to do so in light of the value of the brokerage and research services provided by the broker effecting the transaction, as described below. In the case of securities traded on some foreign stock exchanges, brokerage commissions may be fixed and the Portfolio Manager may be unable to negotiate commission rates for these transactions. In the case of securities traded on the over-the-counter markets, there is generally no stated commission, but the price includes an undisclosed commission or markup. There is generally no stated commission in the case of fixed income securities, which are generally traded in the over-the-counter markets, but the price paid by the Portfolio usually includes an undisclosed dealer commission or mark-up. In underwritten offerings, the price paid by the Portfolio includes a disclosed, fixed commission or discount retained by the underwriter or dealer. Transactions on U.S. stock exchanges and other agency transactions involve the payment by the Portfolio of negotiated brokerage commissions. Such commissions vary among different brokers. Also, a particular broker may charge different commissions according to such factors as the difficulty and size of the transaction.

It has for many years been a common practice in the investment advisory business for advisers of investment companies and other institutional investors to receive research services from broker-dealers. Consistent with this practice, the Portfolio Manager for a Portfolio may receive research services from many broker-dealers with which the Portfolio Manager places the Portfolio's portfolio transactions. These services, which in some cases may also be purchased for cash, include such matters as general economic and security market reviews, industry and company reviews, evaluations of securities and recommendations as to the purchase and sale of securities. Some of these services may be of value to the Portfolio Manager and its affiliates in advising its various clients (including the Portfolio), although not all of these services are necessarily useful and of value in managing a Portfolio. The advisory fee paid by the Portfolio to the Portfolio Manager is not reduced because the Portfolio Manager and its affiliates receive such services.

As permitted by Section 28(e) of the Securities Exchange Act of 1934, the Portfolio Manager may cause a Portfolio to pay a broker-dealer, which provides "brokerage and research services" (as defined in the Act) to the Portfolio Manager, a disclosed commission for effecting a securities transaction for the Portfolio in excess of the commission which another broker-dealer would have charged for effecting that transaction.

A Portfolio Manager may place orders for the purchase and sale of exchange-listed portfolio securities with a broker-dealer that is an affiliate of the Portfolio Manager where, in the judgment of the Portfolio Manager, such firm will be able to obtain a price and execution at least as favorable as other qualified brokers.

Pursuant to SEC Rules, a broker-dealer that is an affiliate of the Manager or a Portfolio Manager or, if it is also a broker-dealer, the Portfolio Manager may receive and retain compensation for effecting portfolio transactions for a Portfolio on a national securities exchange of which the broker-dealer is a member if the transaction is "executed" on the floor of the exchange by another broker which is not an "associated person" of the affiliated broker-dealer or Portfolio Manager, and if there is in effect a written contract between the Portfolio Manager and the Trust expressly permitting the affiliated broker-dealer or Portfolio Manager to receive and retain such compensation. The Portfolio Management Agreements provide that each Portfolio Manager may retain compensation on transactions effected for a Portfolio in accordance with the terms of these rules.

SEC rules further require that commissions paid to such an affiliated broker-dealer or Portfolio Manager by a Portfolio on exchange transactions not exceed "usual and customary brokerage commissions." The rules define "usual and customary" commissions to include amounts which are "reasonable and fair compared to the commission, fee or other remuneration received or to be

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received by other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time." The Board of Trustees has adopted procedures for evaluating the reasonableness of commissions paid to broker-dealers that are affiliated with Portfolio Managers or to Portfolio Managers that are broker-dealers and will review these procedures periodically. Barings Securities Corporation, Furman Selz Securities Corp. and ING Securities are also registered broker-dealers and each is an affiliate of Directed Services, Inc. the Manager to the GCG Trust. Any of the above firms may retain compensation on transactions effected for a Portfolio in accordance with these rules and procedures.

The Manager, Directed Services, Inc., is an affiliate of the GCG Trust.

NET ASSET VALUE

As indicated under "Net Asset Value" in the prospectus, the Portfolio's net asset value per share for the purpose of pricing purchase and redemption orders is determined at the close of the New York Stock Exchange (generally 4:00 P.M.), Eastern time, on each day the New York Stock Exchange is open for trading, exclusive of federal holidays.

PERFORMANCE INFORMATION

The Trust may, from time to time, include the yield of the Portfolios, and the total return of the Portfolios in advertisements or sales literature. In the case of Variable Contracts, performance information for a Portfolio will not be advertised or included in sales literature unless accompanied by comparable performance information for the separate account to which the Portfolio offers its shares.

Quotations of yield for the Portfolios will be based on all investment income per share earned during a particular 30-day period (including dividends and interest and calculated in accordance with a standardized yield formula adopted by the SEC), less expenses accrued during the period ("net investment income"), and are computed by dividing net investment income by the maximum offering price per share on the last day of the period, according to the following formula:

$$\text{YIELD} = 2 \left[\left(\frac{a-b}{cd} + 1 \right)^6 - 1 \right]$$

where,

- a = dividends and interest earned during the period,
- b = expenses accrued for the period (net of reimbursements),
- c = the average daily number of shares outstanding during the period that were entitled to receive dividends, and
- d = the maximum offering price per share on the last day of the period.

Quotations of average annual total return for a Portfolio will be expressed in terms of the average annual compounded rate of return of a hypothetical investment in the Portfolio over certain periods that will include periods of one, five, and ten years (or, if less, up to the life of the Portfolio), calculated pursuant to the following formula: $P(1 + T)^n = ERV$ (where P = a hypothetical initial payment of \$1,000, T = the average annual total return, n = the number of years, and ERV = the ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the period). Quotations of total return may also be shown for other periods. All total return figures reflect the

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deduction of a proportional share of Portfolio expenses on an annual basis, and assume that all dividends and distributions are reinvested when paid.

Each Portfolio may be categorized as to its market capitalization make-up ("large cap," "mid cap" or "small cap") with regard to the market capitalization of the issuers whose securities it holds. A Portfolio average or median market capitalization may also be cited. Certain other statistical measurements may be used to provide measures of a Portfolio's characteristics. Some of these statistical measures include without limitation: median or average P/E ratios, duration and beta. Median and average P/E ratios are measures describing the relationship between the price of a Portfolio's various securities and their earnings per share. Duration is a weighted-average term-to-maturity of the bond's cash flows, the weights being present value of each cash flow as a percentage of the bond's full price.

Beta is a historical measure of a portfolio's market risk; a Beta of 1.10 indicates that the portfolio's returns tended to be 10% higher

(lower) than the market return during periods in which market returns were positive (negative).

Performance information for a Portfolio may be compared, in advertisements, sales literature, and reports to shareholders to: (i) the Standard & Poor's 500 Stock Index ("S&P 500"), the Dow Jones Industrial Average ("DJIA"), the Lehman Brothers Government Bond Index, the Donoghue Money Market Institutional Averages, the Lehman Brothers Government Corporate Index, the Salomon HighYield Index, the Russell MidCap Index, the Wilshire 5000 Index, the Lehman Brothers Aggregate Index, or other indexes that measure performance of a pertinent group of securities, (ii) other groups of mutual funds tracked by Lipper Analytical Services, Inc., a widely used independent research firm which ranks mutual funds by overall performance, investment objectives, and assets, or tracked by other services, companies, publications, or persons who rank mutual funds on overall performance or other criteria; and (iii) the Consumer Price Index (measure for inflation) to assess the real rate of return from an investment in the Portfolio. Unmanaged indexes may assume the reinvestment of dividends but generally do not reflect deductions for administrative and management costs and expenses.

Reports and promotional literature may also contain other information including (i) the ranking of any Portfolio derived from rankings of mutual funds or other investment products tracked by Lipper Analytical Services, Inc. or by other rating services, companies, publications, or other persons who rank mutual funds or other investment products on overall performance or other criteria, and (ii) the effect of tax deferred compounding on a Portfolio's investment returns, or returns in general, which may be illustrated by graphs, charts, or otherwise, and which may include a comparison, at various points in time, of the return from an investment in a Portfolio (or returns in general) on a tax-deferred basis (assuming one or more tax rates) with the return on a taxable basis.

In addition, reports and promotional literature may contain information concerning the Manager, the Portfolio Managers, or affiliates of the Trust, the Manager, or the Portfolio Managers, including (i) performance rankings of other mutual funds managed by a Portfolio Manager, or the individuals employed by a Portfolio Manager who exercise responsibility for the day-to-day management of a Portfolio, including rankings of mutual funds published by Morningstar, Inc., Value Line Mutual Fund Survey, or other rating services, companies, publications, or other persons who rank mutual funds or other investment products on overall performance or other criteria; (ii) lists of clients, the number of clients, or assets under management; and (iii) information regarding services rendered by the Manager to the Trust, including information related to the selection and monitoring of the Portfolio Managers. Reports and promotional literature may also contain a description of the type of investor for whom it could be suggested that a Portfolio is intended, based upon each Portfolio's investment objectives.

In the case of Variable Contracts, quotations of yield or total return for a Portfolio will not take into account charges and deductions against any Separate Accounts to which the Portfolio shares are sold or charges and deductions against the life insurance policies or annuity contracts issued by

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Golden American, although comparable performance information for the Separate Account will take such charges into account. Performance information for any Portfolio reflects only the performance of a hypothetical investment in the Portfolio during the particular time period on which the calculations are based. Performance information should be considered in light of the Portfolio's investment objective or objectives and investment policies, the characteristics and quality of the portfolios, and the market conditions during the given time period, and should not be considered as a representation of what may be achieved in the future.

TAXES

Shares of the Portfolios are offered only to the Separate Accounts that fund Variable Contracts. See the respective prospectus for the Variable Contracts for a discussion of the special taxation of insurance companies with respect to the Separate Accounts and of the Variable Contracts and the holders thereof.

Each Portfolio intends to qualify, and expects to continue to qualify, for treatment as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"). In order to qualify for that treatment, a Portfolio must distribute to its shareholders for each taxable year at least 90% of its investment company taxable income (consisting generally of net investment income, net short-term capital gain, and net gains from certain foreign currency transactions) ("Distribution Requirement") and must meet several additional requirements. These requirements include the following (1) the Portfolio must derive at least 90% of its gross income each taxable year from dividends, interest, payments with respect to securities loans, and gains from the sale or other disposition of securities or foreign currencies, or other income (including gains from options, futures or forward contracts) derived with respect to its business of investing in securities or those currencies ("Income Requirement"); (2) at the close of each quarter of the Portfolio's taxable year, at least 50% of the value of its total assets must be represented by cash and cash items, U.S. government securities, securities of other RICs, and other securities that, with respect to any one issuer, do not exceed 5% of the value of the Portfolio's total assets and that do not represent more than

10% of the outstanding voting securities of the issuer; and (3) at the close of each quarter of the Portfolio's taxable year, not more than 25% of the value of its total assets may be invested in securities (other than U.S. government securities or the securities of other RICs) of any one issuer. If each Portfolio qualifies as a regulated investment company and distributes to its shareholders substantially all of its net income and net capital gains, then each Portfolio should have little or no income taxable to it under the Code.

Each Portfolio must, and intends to also comply with, the diversification requirements imposed by section 817(h) of the Code and the regulations thereunder. These requirements, which are in addition to the diversification requirements mentioned above, place certain limitations on the proportion of each Portfolio's assets that may be represented by any single investment (which includes all securities of the same issuer). For purposes of section 817(h), all securities of the same issuer, all interests in the same real property project, and all interest in the same commodity are treated as a single investment. In addition, each U.S. government agency or instrumentality is treated as a separate issuer, while the securities of a particular foreign government and its agencies, instrumentalities and political subdivisions all will be considered securities issued by the same issuer.

If a Portfolio fails to qualify as a regulated investment company, the Portfolio will be subject to federal, and possibly state, corporate taxes on its taxable income and gains (without any deduction for its distributions to its shareholders) and distributions to its shareholders will constitute ordinary income to the extent of such Portfolio's available earnings and profits. Owners of Variable Contracts which have invested in such a Portfolio might be taxed currently on the investment earnings under their contracts and thereby lose the benefit of tax deferral. In addition, if a Portfolio failed to comply

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with the diversification requirements of section 817(h) of the Code and the regulations thereunder, owners of Variable Contracts which have invested in the Portfolio could be taxed on the investment earnings under their contracts and thereby lose the benefit of tax deferral. For additional information concerning the consequences of failure to meet the requirements of section 817(h), see the prospectuses for the Variable Contracts.

Generally, a RIC must distribute substantially all of its ordinary income and capital gains in accordance with a calendar year distribution requirement in order to avoid a nondeductible 4% excise tax. However, the excise tax does not apply to certain Portfolios whose only shareholders are segregated asset accounts of life insurance companies held in connection with Variable Contracts. To avoid the excise tax, each Portfolio that does not qualify for this exemption intends to make its distributions in accordance with the calendar year distribution requirement.

The use of hedging strategies, such as writing (selling) and purchasing options and futures contracts and entering into forward contracts, involves complex rules that will determine for income tax purposes the character and timing of recognition of the income received in connection therewith by the Portfolios. Income from the disposition of foreign currencies (except certain gains therefrom that may be excluded by future regulations); and income from transactions in options, futures, and forward contracts derived by a Portfolio with respect to its business of investing in securities or foreign currencies, are expected to qualify as permissible income under the Income Requirement.

Foreign Investments -- Portfolios investing in foreign securities or currencies may be required to pay withholding, income or other taxes to foreign governments or U.S. possessions. Foreign tax withholding from dividends and interest, if any, is generally at a rate between 10% and 35%. The investment yield of any Portfolio that invests in foreign securities or currencies is reduced by these foreign taxes. Owners of Variable Contracts investing in such Portfolios bear the cost of any foreign taxes but will not be able to claim a foreign tax credit or deduction for these foreign taxes. Tax conventions between certain countries and the United States may reduce or eliminate these foreign taxes, however, and foreign countries generally do not impose taxes on capital gains in respect of investments by foreign investors.

The Portfolios listed above may invest in securities of "passive foreign investment companies" ("PFICs"). A PFIC is a foreign corporation that, in general, meets either of the following tests: (1) at least 75% of its gross income is passive or (2) an average of at least 50% of its assets produce, or are held for the production of, passive income. A Portfolio investing in securities of PFICs may be subject to U.S. Federal income taxes and interest charges, which would reduce the investment yield of a Portfolio making such investments. Owners of Variable Contracts investing in such Portfolios would bear the cost of these taxes and interest charges. In certain cases, a Portfolio may be eligible to make certain elections with respect to securities of PFICs which could reduce taxes and interest charges payable by the Portfolio. However, a Portfolio's intention to qualify annually as a regulated investment company may limit a Portfolio's elections with respect to PFIC securities and no assurance can be given that such elections can or will be made.

The foregoing is only a general summary of some of the important Federal income tax considerations generally affecting the Portfolios and their shareholders. No attempt is made to present a complete explanation of the Federal tax treatment of each Portfolio's activities, and this discussion and the discussion in the prospectus and/or statements of additional information for the Variable Contracts are not intended as a

substitute for careful tax planning. Accordingly, potential investors are urged to consult their own tax advisors for more detailed information and for information regarding any state, local, or foreign taxes applicable to the Variable Contracts and the holders thereof.

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OTHER INFORMATION

CAPITALIZATION

The Trust is a Massachusetts business trust established under an Agreement and Declaration of Trust dated August 3, 1988, an open-end management investment company and currently consists of 28 Portfolios. Three Portfolios are discussed in this Statement of Additional Information and accompanying prospectus. Twenty-five additional operational portfolios and one non-operational portfolio are described in separate prospectuses and statements of additional information. The capitalization of the Trust consists of an unlimited number of shares of beneficial interest with a par value of \$0.001 each. The Board of Trustees may establish additional Portfolios (with different investment objectives and fundamental policies) at any time in the future. Establishment and offering of additional Portfolios will not alter the rights of the Trust's shareholders, the Separate Accounts. When issued in accordance with the terms of the Agreement and Declaration of Trust, shares are fully paid, redeemable, freely transferable, and non-assessable by the Trust. Shares do not have preemptive rights or subscription rights. In liquidation of a Portfolio of the Trust, each shareholder is entitled to receive his or her pro rata share of the net assets of that Portfolio. All of the Portfolios discussed in this Statement of Additional Information are diversified with the exception of the Special Situations Portfolio.

On January 31, 1992, the name of the Trust was changed to The GCG Trust. Prior to that change, the name of the Trust was The Specialty Managers Trust.

VOTING RIGHTS

Shareholders of the Portfolio are given certain voting rights. Each share of each Portfolio will be given one vote, unless a different allocation of voting rights is required under applicable law for a mutual fund that is an investment medium for variable insurance products.

Massachusetts business trust law does not require the Trust to hold annual shareholder meetings, although special meetings may be called for a specific Portfolio, or for the Trust as a whole, for purposes such as electing or removing Trustees, changing fundamental policies, or approving a contract for investment advisory services. The Trust will be required to hold a meeting to elect Trustees to fill any existing vacancies on the Board if, at any time, fewer than a majority of the Trustees have been elected by the shareholders of the Trust. In addition, the Agreement and Declaration of Trust provides that the holders of not less than two-thirds of the outstanding shares or other voting interests of the Trust may remove a person serving as Trustee either by declaration in writing or at a meeting called for such purpose. The Trust's shares do not have cumulative voting rights. The Trustees are required to call a meeting for the purpose of considering the removal of a person serving as Trustee, if requested in writing to do so by the holders of not less than 10% of the outstanding shares of the Trust. The Trust is required to assist in shareholders' communications.

PURCHASE OF SHARES

Shares of a Portfolio may be offered for purchase by separate accounts of insurance companies to serve as an investment medium for the variable contracts issued by the insurance companies and to certain qualified pension and retirement plans, as permitted under the federal tax rules relating to the Portfolios serving as investment mediums for variable contracts. Shares of the Portfolios are sold to insurance company separate accounts funding both variable annuity contracts and variable life insurance contracts and may be sold to insurance companies that are not affiliated. The Trust currently does not foresee any disadvantages to variable contract owners or other investors arising from offering the Trust's shares to separate accounts of unaffiliated insurers, separate accounts funding both life insurance policies and annuity contracts in certain qualified pension and retirement plans; however, due to differences in tax treatment or other considerations, it is theoretically possible that the interests of owners of various contracts or pension and retirement plans participating in the Trust might at sometime be in conflict. However, the Board of Trustees and insurance companies whose separate accounts invest in the Trust are required to monitor events in

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order to identify any material conflicts between variable annuity contract owners and variable life policy owners, between separate accounts of unaffiliated insurers, and between various contract owners or pension and retirement plans. The Board of Trustees will determine what action, if any, should be taken in the event of such a conflict. If such a conflict were to occur, in one or more insurance company separate accounts might withdraw their investment in the Trust. This might force the Trust to sell securities at disadvantageous prices.

Shares of each Portfolio are sold at their respective net asset values (without a sales charge) next computed after receipt of a purchase order by an insurance company whose separate account invests in the Trust.

REDEMPTION OF SHARES

Shares of any Portfolio may be redeemed on any business day.

Redemptions are effected at the per share net asset value next determined after receipt of the redemption request by an insurance company whose separate account invests in the Portfolio. Redemption proceeds normally will be paid within seven days following receipt of instructions in proper form. The right of redemption may be suspended by the Trust or the payment date postponed beyond seven days when the New York Stock Exchange is closed (other than customary weekend and holiday closings) or for any period during which trading thereon is restricted because an emergency exists, as determined by the SEC, making disposal of portfolio securities or valuation of net assets not reasonably practicable, and whenever the SEC has by order permitted such suspension or postponement for the protection of shareholders. If the Board of Trustees should determine that it would be detrimental to the best interests of the remaining shareholders of a Portfolio to make payment wholly or partly in cash, the Portfolio may pay the redemption price in whole or part by a distribution in kind of securities from the portfolio of the Portfolio, in lieu of cash, in conformity with applicable rules of the SEC. If shares are redeemed in kind, the redeeming shareholder might incur brokerage costs in converting the assets into cash.

EXCHANGES

Shares of any one Portfolio may be exchanged for shares of any of the other Portfolios described in the Prospectus. Exchanges are treated as a redemption of shares of one Portfolio and a purchase of shares of one or more of the other Portfolios and are effected at the respective net asset values per share of each Portfolio on the date of the exchange. The Trust reserves the right to modify or discontinue its exchange privilege at any time without notice. Variable contract owners do not deal directly with the Trust with respect to the purchase, redemption, or exchange of shares of the Portfolios, and should refer to the Prospectus for the applicable variable contract for information on allocation of premiums and on transfers of contract value among divisions of the pertinent insurance company separate account that invest in the Portfolio.

The Trust reserves the right to discontinue offering shares of one or more Portfolios at any time. In the event that a Portfolio ceases offering its shares, any investments allocated by an insurance company to such Portfolio will be invested in the Liquid Asset Portfolio or any successor to such Portfolio.

CUSTODIAN AND OTHER SERVICE PROVIDERS

The Bank of New York, One Wall Street, New York, NY 10286, serves as Custodian of the Trust's securities and cash and is responsible for safekeeping the Trust's assets. PFPC Inc., a Delaware corporation, located at 103 Bellevue Parkway, Wilmington, DE 19809, provides administrative and portfolio accounting services for all Portfolios.

INDEPENDENT AUDITORS

Ernst & Young LLP, Two Commerce Square, Suite 4000, 2001 Market Street, Philadelphia, Pennsylvania 19103 serves as the Trust's independent auditor. The auditor examines financial statements for the Trust and provides other audit, tax and related services.

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COUNSEL

Sutherland Asbill & Brennan LLP, 1275 Pennsylvania Avenue, NW, Washington, D.C. 20004-2440 serves as counsel to the Trust.

REGISTRATION STATEMENT

This Statement of Additional Information and the accompanying Prospectus do not contain all the information included in the Trust's Registration Statement filed with the SEC under the Securities Act of 1933 with respect to the securities offered by the Prospectus. Certain portions of the Registration Statement have been omitted pursuant to the rules and regulations of the SEC.

The Registration Statement, including the exhibits filed therewith, may be examined at the offices of the SEC in Washington, D.C.

Statements contained herein and in the Prospectus as to the contents of any contract or other documents referred to are not necessarily complete, and, in each instance, reference is made to the copy of such contract or other documents filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference.

FINANCIAL STATEMENTS

Audited Financial Statements of the Trust for each annual period ended December 31 are included in the Trust's Annual Report to Shareholders. Financial statements and financial highlights for the Portfolios discussed in this Statement of Additional Information will be included in the Trust's Annual Report for the calendar year ended December 31, 2000. Shareholders also will receive unaudited semi-annual reports describing the Portfolios' investment operations.

You can obtain a copy of the Trust's Annual Report dated December 31, 1999 by writing or calling the Distributor at the address or telephone number set forth on the cover of this Statement of Additional Information.

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APPENDIX 1: DESCRIPTION OF BOND RATINGS

Excerpts from Moody's Investors Service, Inc.'s ("Moody's") description of its bond ratings:

Aaa - judged to be the best quality; they carry the smallest degree of

investment risk. Aa - judged to be of high quality by all standards; together with the Aaa group, they comprise what are generally known as high grade bonds. A - possess many favorable investment attributes and are to be considered as "upper medium grade obligations." Baa - considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured; interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Ba - judged to have speculative elements; their future cannot be considered as well assured. B - generally lack characteristics of the desirable investment. Caa - are of poor standing; such issues may be in default or there may be present elements of danger with respect to principal or interest. Ca - speculative in a high degree; often in default. C - lowest rate class of bonds; regarded as having extremely poor prospects.

Moody's also applies numerical indicators 1, 2, and 3 to rating categories. The modifier 1 indicates that the security is in the higher end of its rating category; 2 indicates a mid-range ranking; and 3 indicates a ranking toward the lower end of the category.

Excerpts from Standard & Poor's Rating Group ("S&P") description of its bond ratings:

AAA - highest grade obligations; capacity to pay interest and repay principal is extremely strong. AA - also qualify as high grade obligations; a very strong capacity to pay interest and repay principal and differs from AAA issues only in small degree. A - regarded as upper medium grade; they have a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories. BBB - regarded as having an adequate capacity to pay interest and repay principal; whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity than in higher rated categories - this group is the lowest which qualifies for commercial bank investment. BB, B, CCC, CC, C - predominately speculative with respect to capacity to pay interest and repay principal in accordance with terms of the obligation: BB indicates the lowest degree of speculation and C the highest.

S&P applies indicators "+", no character, and "-" to its rating categories. The indicators show relative standing within the major rating categories.

DESCRIPTION OF MOODY'S RATINGS OF NOTES AND VARIABLE RATE DEMAND INSTRUMENTS:

Moody's ratings for state and municipal short-term obligations will be designated Moody's Investment Grade or MIG. Such ratings recognize the differences between short-term credit and long-term risk. Short-term ratings on issues with demand features (variable rate demand obligations) are differentiated by the use of the VMIG symbol to reflect such characteristics as payment upon periodic demand rather than fixed maturity dates and payments relying on external liquidity.

MIB 1/VMIG 1: This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.

MIG 2/VMIG 2: This denotes high quality. Margins of protection are ample although not as large as in the preceding group.

A1

DESCRIPTION OF MOODY'S TAX-EXEMPT COMMERCIAL PAPER RATINGS:

Moody's commercial paper ratings are opinions of the ability of issuers to repay punctually promissory obligations which have an original maturity not exceeding nine months. Moody's makes no representation that such obligations are exempt from registration under the Securities Act of 1933, nor does it represent that any specific note is a valid obligation of a rated issuer or issued in conformity with any applicable law. The following designations, all judged to be investment grade, indicate the relative repayment ability of rated issuers of securities in which the Trust may invest:

PRIME-1: Issuers rates Prime-1 (or supporting institutions) have a superior ability for repayment of senior short-term promissory obligations.

PRIME-2: Issuers rated Prime-2 (or supporting institutions) have a strong ability for repayment of senior short-term promissory obligations.

DESCRIPTION OF S&P'S RATINGS FOR MUNICIPAL BONDS:

INVESTMENT GRADE

AAA: Debt rated "AAA" has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA: Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in a small degree.

A: Debt rated "A" has strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects

of changes in circumstances and economic conditions than debt in higher rated categories.

BBB: Debt rated "BBB" is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

SPECULATIVE GRADE

BB, B, CCC, CC: Debt rated in these categories is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

CI: The "CI" rating is reserved for income bonds on which no interest is being paid.

D: Debt rated "D" is in default, and repayment of interest and/or repayment of principal is in arrears.

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

A2

DESCRIPTION OF S&P'S RATINGS FOR INVESTMENT GRADE MUNICIPAL NOTES AND SHORT-TERM DEMAND OBLIGATIONS:

SP-1: Issues carrying this designation have a very strong or strong capacity to pay principal and interest. Those issued determined to possess overwhelming safety characteristics will be given a plus (+) designation.

SP-2: Issues carrying this designation have a satisfactory capacity to pay principal and interest.

A2

DESCRIPTION OF S&P'S RATINGS FOR DEMAND OBLIGATIONS AND TAX-EXEMPT COMMERCIAL PAPER:

An S&P commercial paper rating is a current assessment of the likelihood of timely repayment of debt having an original maturity of no more than 365 days. The two rating categories for securities in which the Trust may invest are as follows:

A-1: This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics will be denoted with a plus (+) designation.

A-2: Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated "A-1."

PART C. OTHER INFORMATION

Item 23. Exhibits

Exhibits

- (a) (1) Amended and Restated Agreement and Declaration of Trust 3/19/96 (1)
- (2) Amendment to the Restated Agreement and Declaration of Trust adding the Managed Global Series 6/10/96 (2)
- (3) Amendment to the Restated Agreement and Declaration of Trust changing the name of the Natural Resources Series to the Hard Assets Series and adding the Mid-Cap Growth Series 1/23/97 (43)
- (4) Amendment to the Restated Agreement and Declaration of Trust redesigning the Global Equity Series as the Managed Global Series; terminating the Mid-Cap Growth Series-added January 23, 1997; adding the Mid-Cap Growth Series, Research Series, Total Return Series, Growth & Income Series, Value + Growth Series, Global Fixed Income Series, Growth Opportunities Series & Developing World Series 1/12/98 (3)
- (5) Amendment to the Restated Agreement and Declaration of Trust adding Large Cap Value Series and the International Equity Series, also to change the names of the Multiple Allocation Series to the Equity Income Series and Value + Growth Series to the Growth Series 2/16/99 (43)
- (6) Amendment to the Restated Agreement and Declaration of Trust changing the name of the Growth & Income Series to the Capital Growth Series 6/30/99 (43)
- (7) Amendment to the Restated Agreement and Declaration of Trust adding the Investors Series, All Cap Series and the Large Cap Growth Series 8/17/99 (43)
- (8) Amendment to the Restated Agreement and Declaration of Trust adding the Diversified Mid-Cap Series, Asset Allocation Growth Series and the Special Situations Series 5/18/00 -- filed electronically herewith

- (b) By-laws (17)
- (c) Instruments Defining Rights of Security Holders (18)
- (d) (1) (A) Management Agreement for all Series except The Fund For Life (4)
- (B) Addendum to the Management Agreement, Mid-Cap Growth Series, Research Series, Total Return Series, Growth & Income Series, Value + Growth Series, Global Fixed Income Series, Growth Opportunities Series & Developing World Series 1/2/98 (43)
- (C) Addendum to the Management Agreement, adding International Equity Series and the Large Cap Value Series 2/16/99 (43)
- (D) Addendum to the Management Agreement, adding Investors Series, All Cap Series and the Large Cap Growth Series 8/17/99 (43)
- (E) Addendum to the Management Agreement, adding Diversified Mid-Cap Series, Asset Allocation Growth Series and the Special Situations Series 5/18/00 -- filed electronically herewith
- (F) Management Agreement for The Fund For Life (19)
- (2) Portfolio Management Agreements
- (A) Portfolio Management Agreement with T. Rowe Price Associates, Inc. (5)
- (B) Portfolio Management Agreement with ING Investment Management LLC, formerly Equitable Investment Services, Inc. (6)
- (C) Portfolio Management Agreement with Kayne Anderson Investment Management, LLC. (7)
- (D) Addendum to the Kayne Anderson Investment Management, LLC Agreement (43)
- (E) Portfolio Management Agreement with Eagle Asset Management, Inc. (8)
- (F) Portfolio Management Agreement with Massachusetts Financial Services Company (9)
- (G) Portfolio Management Agreement with Baring International Investment Limited (20)
- (H) Portfolio Management Agreement with A I M Capital Management, Inc. (21)
- (I) Portfolio Management Agreement with Janus Capital Corporation (22)
- (J) Portfolio Management Agreement with Alliance Capital Management L.P. (23)
- (K) Schedule Pages for T. Rowe Price Associates, Inc. (24)
- (L) Portfolio Management Agreement with Salomon Smith Barney Asset Management, Inc. (44)
- (M) Portfolio Management Agreement with Capital Guardian Trust Company (44)
- (N) Form of Portfolio Management Agreement with The Prudential Investment Corporation (44)
- (O) Addendum to the A I M Capital Management, Inc. Agreement (44)
- (P) Addendum to the Baring International Investment Limited Agreement (44)
- (Q) Addendum to the Capital Guardian Trust Company Agreement (44)
- (R) Form of Portfolio Management Agreement with Fidelity Management & Research Company -- filed electronically herewith
- (S) Form of Sub-Advisory Agreement between Fidelity Management & Research Company and Fidelity Investments Money Management, Inc. -- filed electronically herewith
- (T) Form of Addendum to the Janus Capital Corporation Agreement -- filed electronically herewith
- (3) Administrative Services Agreement for The Fund For Life (25)
- (4) (A) Administration and Fund Accounting Agreement among the Trust, Directed Services, Inc., and PFPC, Inc. (formerly, First Data Corporation) (26)
- (B) Consent to Transaction signed by Directed Services, Inc. and The GCG Trust dated 9/9/99 -- filed electronically herewith
- (e) Distribution Agreement (10)
- (f) Not Applicable
- (g) Custodial Agreement with Bank of New York (44)
- (h) (1) (A) Transfer Agency and Service Agreement (27)
- (B) Addendum to the Transfer Agency and Service Agreement for The Fund For Life, Zero Target 2002 Series, and Capital Appreciation Series (12)
- (2) (A) Organizational Agreement for Golden American Life Insurance Company (28)
- (B) Assignment Agreement for Organizational Agreement (29)
- (C) Organizational Agreement for The Mutual Benefit Life Insurance Company (30)
- (D) Assignment Agreement for Organizational Agreement (31)
- (E) Addendum to Organizational Agreement adding Market Manager Series and Value Equity Series (13)
- (F) Addendum to the Organizational Agreement adding the Strategic Equity Series (32)
- (G) Addendum to the Organizational Agreement adding the Small Cap Series (14)
- (H) Addendum to the Organizational Agreement adding Managed Global Series (15)
- (I) Addendum to the Organizational Agreement adding Mid-Cap Growth Series, Research Series, Total Return

Series, Growth & Income Series, Value & Growth, Global Fixed Income Series, Growth Opportunities Series, and Developing World Series (11)

- (J) Addendum to the Organizational Agreement adding International Equity Series and the Large Cap Value Series 2/16/99 (44)
 - (K) Addendum to the Organizational Agreement adding Investors Series, All Cap Series and the Large Cap Growth Series 6/15/99 (44)
 - (L) Addendum to the Organizational Agreement adding Diversified Mid-Cap Series, Asset Allocation Growth Series and the Special Situations Series 5/18/00 -- filed electronically herewith
- (3) (A) Settlement Agreement for Golden American Life Insurance Company (33)
- (B) Assignment Agreement for Settlement Agreement (16)
- (C) Settlement Agreement for The Mutual Benefit Life Insurance Company (34)
- (D) Assignment Agreement for Settlement Agreement (35)
- (4) Indemnification Agreement (36)
- (5) (A) Expense Reimbursement Agreement (37)
- (B) Amendment No. 1 to the Expense Reimbursement Agreement (38)
- (C) Amendment No. 2 to the Expense Reimbursement Agreement (39)
- (D) Amendment No. 3 to the Expense Reimbursement Agreement (40)
- (E) Amendment No. 4 to the Expense Reimbursement Agreement (41)
- (i) Consent of Sutherland Asbill & Brennan LLP -- filed electronically herewith
- (j) Not Applicable
- (k) Not Applicable
- (l) Initial Capital Agreement (42)
- (m) Not Applicable
- (n) Not Applicable
- (o) Not Applicable
- (p) Other Exhibits
- (1) Powers of Attorney -- filed electronically herewith
 - (2) ING Group affiliate list -- filed electronically herewith
 - (3) The GCG Trust Code of Ethics -- filed electronically herewith
 - (4) Fidelity Management & Research Company Code of Ethics -- filed electronically herewith
 - (5) Janus Capital Corporation Code of Ethics -- filed electronically herewith
- (1) Incorporated by reference to Exhibit 1(a) of Post-Effective Amendment No. 25 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 2, 1996, File No. 33-23512.
- (2) Incorporated by reference to Exhibit 1(b) of Post-Effective Amendment No. 27 to the Registration Statement on Form N-1A of The GCG Trust as filed on June 14, 1996, File No. 33-23512.
- (3) Incorporated by reference to Exhibit (b)1(c) of Post-Effective Amendment No. 33 to the Registration Statement on Form N-1A of The GCG Trust as filed on September 2, 1997, File No. 33-23512.
- (4) Incorporated by reference to Exhibit 5(a) (i) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (5) Incorporated by reference to Exhibit 5(b) (iv) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (6) Incorporated by reference to Exhibit 5(b) (vi) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (7) Incorporated by reference to Exhibit 5(b) (ix) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (8) Incorporated by reference to Exhibit 5(b) (xi) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (9) Incorporated by reference to Exhibit 5(b) (xii) of Post-Effective Amendment No. 33 to the Registration Statement on Form N-1A of The GCG Trust as filed on September 2, 1997, File No. 33-23512.
- (10) Incorporated by reference to Exhibit 6 of Post-Effective Amendment No. 27 to the Registration Statement on Form N-1A of The GCG Trust as filed on June 14, 1996, File No. 33-23512.
- (11) Incorporated by reference to Exhibit 9(b) (ix) of Post-Effective Amendment No. 33 to the Registration Statement on Form N-1A of The GCG Trust as filed on September 2, 1997, File No. 33-23512.

- (12) Incorporated by reference to Exhibit 9(a) (ii) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (13) Incorporated by reference to Exhibit 9(b) (v) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (14) Incorporated by reference to Exhibit 9(b) (vii) of Post-Effective Amendment No. 24 to the Registration Statement on Form N-1A of The GCG Trust as filed on December 22, 1995, File No. 33-23512.
- (15) Incorporated by reference to Exhibit 9(b) (viii) of Post-Effective Amendment No. 27 to the Registration Statement on Form N-1A of The GCG Trust as filed on June 14, 1996, File No. 33-23512.
- (16) Incorporated by reference to Exhibit 9(c) (ii) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997, File No. 33-23512.
- (17) Incorporated by reference to Exhibit (b) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (18) Incorporated by reference to Exhibit (c) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (19) Incorporated by reference to Exhibit (d) (1) (B) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (20) Incorporated by reference to Exhibit (d) (2) (K) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (21) Incorporated by reference to Exhibit (d) (2) (L) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (22) Incorporated by reference to Exhibit (d) (2) (M) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (23) Incorporated by reference to Exhibit (d) (2) (N) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (24) Incorporated by reference to Exhibit (d) (2) (O) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (25) Incorporated by reference to Exhibit (d) (3) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (26) Incorporated by reference to Exhibit (d) (4) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (27) Incorporated by reference to Exhibit (h) (1) (A) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (28) Incorporated by reference to Exhibit (h) (2) (A) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (29) Incorporated by reference to Exhibit (h) (2) (B) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (30) Incorporated by reference to Exhibit 9(b) (iii) of Post-Effective Amendment No. 35 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 26, 1997 File No. 33-23512.
- (31) Incorporated by reference to Exhibit (h) (2) (D) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (32) Incorporated by reference to Exhibit (h) (2) (F) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (33) Incorporated by reference to Exhibit (h) (3) (A) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (34) Incorporated by reference to Exhibit (h) (3) (C) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (35) Incorporated by reference to Exhibit (h) (3) (D) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (36) Incorporated by reference to Exhibit (h) (4) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.

- (37) Incorporated by reference to Exhibit (h) (5) (A) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (38) Incorporated by reference to Exhibit (h) (5) (B) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (39) Incorporated by reference to Exhibit (h) (5) (C) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (40) Incorporated by reference to Exhibit (h) (5) (D) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (41) Incorporated by reference to Exhibit (h) (5) (E) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (42) Incorporated by reference to Exhibit (l) (1) of Post-Effective Amendment No. 40 to the Registration Statement on Form N-1A of The GCG Trust as filed on May 3, 1999 File No. 33-23512.
- (43) Incorporated by reference to Post-Effective Amendment No. 41 to the Registration Statement on Form N-1A of The GCG Trust as filed on November 8, 1999 File No. 33-23512.
- (44) Incorporated by reference to Post-Effective Amendment No. 42 to the Registration Statement on Form N-1A of The GCG Trust as filed on February 29, 2000 File No. 33-23512.

Item 24. Persons Controlled by or Under Control with Registrant.

As of the date of this Post-Effective Amendment, a separate account of Security Equity Life Insurance Company; a separate account of Equitable Life Insurance Company of Iowa; Golden American Life Insurance Company and its separate account; and First Golden American Life Insurance Company of New York own all of the outstanding shares of the Registrant.

Security Equity Life Insurance Company, a separate account of Equitable Life Insurance Company of Iowa, Golden American Life Insurance Company and First Golden American Life Insurance Company of New York is required to vote fund shares in accordance with instructions received from owners of variable life insurance and annuity contracts funded by separate accounts of the relevant company.

The subsidiaries of ING Groep N.V. are -- filed electronically herewith as Exhibit p(2) this Registration Statement.

Item 25. Indemnification.

Reference is made to Article V, Section 5.4 of the Registrant's Agreement and Declaration of Trust, which is incorporated by reference herein.

Pursuant to Indemnification Agreements between the Trust and each Independent Trustee, the Trust indemnifies each Independent Trustee against any liabilities resulting from the Independent Trustee's serving in such capacity, provided that the Trustee has not engaged in certain disabling conduct.

The Trust has a management agreement with Directed Services Inc. ("DSI"), and The Trust and DSI have various portfolio management agreements with the portfolio managers (the "Agreements"). Generally, the Trust will indemnify DSI and the portfolio managers under the Agreements for acts and omissions by DSI and/or the portfolio managers. Also, DSI will indemnify the portfolio managers under the Agreements for acts and omissions by the portfolio managers. Neither DSI nor the portfolio managers are indemnified for acts or omissions where DSI and/or the portfolio managers commit willful misfeasance, bad faith, gross negligence and/or by reason of reckless disregard.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the Registrant by the Registrant pursuant to the Trust's Agreement and Declaration of Trust, its By-laws or otherwise, the Registrant is aware that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and, therefore, is unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by directors, officers or controlling persons or the Registrant in connection with the successful defense of any act, suit or proceeding) is asserted by such directors, officers or controlling persons in connection with the shares being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issues.

Item 26. Business and Other Connections of Investment Adviser.

Directed Services, Inc.

The Manager of all Series of the Trust is Directed Services, Inc.

("DSI"). The directors and officers of the Manager have, during the past two fiscal years, had substantial affiliations with Golden American Life Insurance Company ("Golden American") and Equitable of Iowa Companies ("EIC") and its affiliates. Unless otherwise indicated below all officers of DSI have a principal business address of 1475 Dunwoody Drive, West Chester, Pennsylvania 19380. Most directors of DSI are employees of either EIC or one of its affiliates and each serves as a director of some or all of EIC's subsidiaries. In addition to DSI and Golden American, EIC's subsidiaries are Equitable Life Insurance Company of Iowa ("Equitable Life"), Equitable American Insurance Company ("Equitable American") USG Annuity & Life Company ("USG") and Locust Street Securities. EIC's principal business address 909 Locust Street, Des Moines, Iowa 50306.

<TABLE>

| <S> Name | <C> Position With Adviser | <C> Other Affiliations |
|--|---|---|
| Myles R. Tashman | Director, Executive Vice President, Secretary and General Counsel | Director, Executive Vice President, General Counsel, and Secretary of Golden American Life Insurance Company, Inc. and First Golden American Insurance Company of New York, and Secretary, The GCG Trust. |
| R. Lawrence Roth VESTAX Capital Corporation 1931 Georgetown Road Hudson, OH 44236 | Director | President of VESTAX Capital Corporation |
| James R. McInnis | President | Executive Vice President of Golden American Life Insurance Company and First Golden American Life Insurance Company of New York. |
| Barnett Chernow | Director and Executive Vice President | President of Golden American Life Insurance Company and First Golden American Life Insurance Company of New York; Vice President of Equitable Life Insurance Company of Iowa and USG Annuity & Life Company; and President, Chairmand and Trustee of The GCG Trust. |
| Stephen J. Preston | Executive Vice President | Executive Vice President and Chief Actuary Golden American Life Insurance Company, Inc. and First Golden American Life Insurance Company of New York |
| Jodie Schult Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309 | Treasurer | Treasurer of Locust Street Securities, Inc. |
| David L. Jacobson | Senior Vice President | Senior Vice President and Assistant Secretary of Golden American Life Insurance Company, Inc. and First Golden American Life Insurance Company of New York |

</TABLE>

T. Rowe Price Associates, Inc.

For information regarding T. Rowe Price Associates, Inc., reference is made to Form ADV of T. Rowe Price Associates, Inc., SEC File No. 801-00856, which is incorporated by reference.

Kayne Anderson Investment Management, LLC

For information regarding Kayne Anderson Investment Management, LLC, reference is made to Form ADV of Kayne Anderson Investment Management, LLC, SEC File No. 801-24241, which is incorporated by reference.

Eagle Asset Management, Inc.

For information regarding Eagle Asset Management, Inc., reference is made to Form ADV of Eagle Asset Management, Inc., SEC File No. 801-21343, which is incorporated by reference.

EII Realty Securities, Inc.

For information regarding EII Realty Securities, Inc., reference is made to Form ADV of EII Realty Securities, Inc., SEC File No. 801-44099, which is incorporated herein by reference.

A I M Capital Management, Inc.

For information regarding A I M Capital Management, Inc., reference is made to Form ADV of A I M Capital Management, Inc., SEC File No. 801-15211, which is incorporated by reference.

ING Investment Management, LLC

For information regarding ING Investment Management, LLC, reference is made to Form ADV of ING Investment Management, LLC, SEC File No. 801-15160, which is incorporated by reference.

Baring International Investment Limited

For information regarding Baring International Investment Limited, reference is made to Form ADV of Baring International Investment Limited, SEC File No.

801-15160, which is incorporated by reference.

Massachusetts Financial Services Company

For information regarding Massachusetts Financial Services Company, reference is made to Form ADV of Massachusetts Financial Services Company, SEC File No. 801-15160, which is incorporated by reference.

Janus Capital Corporation

For information regarding Janus Capital Corporation reference is made to Form ADV of Janus Capital Corporation, SEC File No. 801-13991, which is incorporated by reference.

Alliance Capital Management L.P.

For information regarding Alliance Capital Management L.P. reference is made to Form ADV of Alliance Capital Management L.P., SEC File No. 801-32361, which is incorporated by reference.

Salomon Smith Barney Asset Management, Inc.

For information regarding Salomon Smith Barney Asset Management, Inc., reference is made to Form ADV of Salomon Smith Barney Asset Management, Inc., SEC File No. 801-32046, which is incorporated by reference.

The Prudential Investment Corporation

For information regarding The Prudential Investment Corporation reference is made to Form ADV of The Prudential Investment Corporation SEC File No. 801-22808, which is incorporated by reference.

Capital Guardian Trust Company

The information as to the directors and officers of Capital Guardian Trust company is set forth below. to the knowledge of the Trust, none of the directors or officers of Capital Guardian is or has been at anytime during the past two fiscal years engaged in any other business, profession, vocation or employment of a substantial nature, except as set forth below.

These persons may be contacted c/o Capital Guardian Trust Company, 333 South Hope Street, Los Angeles, California 90071.

Donnalisa Barnum, Senior Vice President of Capital Guardian Trust Company. Vice President, Capital International Limited.

Andrew F. Barth, Director of Capital Guardian Trust Company. Executive Vice President and Research Manager, Capital Guardian Research Company.

Michael D. Beckman, Senior Vice President, Treasurer and Director of Capital Guardian Trust Company. Director, Capital Guardian Trust Company of Nevada; and Treasurer, Capital Guardian Research Company.

Elizabeth A. Burns, Senior Vice President of Capital Guardian Trust Company.

Larry P. Clemmensen, Director of Capital Guardian Trust Company and American Funds Distributors, Inc. Chairman of the Board, American Funds Service Company; Director and President, The Capital Group Companies, Inc.; Senior Vice President and Director, Capital Research and Management Company; President and Director, Capital Management Services, Inc.; Treasurer, Capital Strategy Research, Inc.; and Senior Vice President, Capital Income Builder, Inc. and Capital World Growth & Income Fund, Inc.

Roberta A. Conroy, Senior Vice President, Director and Counsel of Capital Guardian Trust Company. Senior Vice President and Secretary, Capital International, Inc. and Emerging Markets Growth Fund, Inc.; Assistant General Counsel, The Capital Group Companies, Inc.; and Secretary. Capital Management Services, Inc.

John B. Emerson, Senior Vice President of Capital Guardian Trust Company. Deputy Assistant to the President for Intergovernmental Affairs and Deputy Director of Presidential Personnel, The White House.

Michael E. Ericksen, Senior Vice President of Capital Guardian Trust Company. Senior Vice President, Capital International, Limited.

David I. Fisher, Chairman and Director of The Capital Group Companies, Inc. and Capital Guardian Trust Company. Vice Chairman and Director, Capital International, Inc., Capital International K.K., Capital International Limited and Emerging Markets Growth Fund, Inc.; President and Director, Capital Group International, Inc. and Capital International Limited (Bermuda); Presidente du Conseil, Capital International S.A.; and Director, Capital Group Research, Inc., Capital Research International, EuroPacific Growth Fund and New Perspective Fund.

William Flumenbaum, Senior Vice President of Capital Guardian Trust Company Personal Investment Management Division. Vice President, Capital Guardian Trust Company, a Nevada Corporation; Director, Principal Gifts - UCLA Development; Executive Director, UCLA Jonsson Cancer Center Foundation; and Deputy Director, UCLA Health Science Development.

Richard N. Havas, Senior Vice President of Capital Guardian Trust Company, Capital International Limited, Capital Research International and Capital Guardian Canada, Inc.

Frederick M. Hughes, Jr., Senior Vice President of Capital Guardian Trust Company.

William H. Hurt, Senior Vice President and Director of Capital Guardian Trust

Company. Chairman, Capital Guardian Trust Company of Nevada and Capital Strategy Research, Inc.

Robert G. Kirby, Chairman Emeritus of Capital Guardian Trust Company. Senior Partner, The Capital Group Partners L.P.

Nancy J. Kyle, Senior Vice President and Director of Capital Guardian Trust Company. President, Capital Guardian Canada, Inc. and Vice President, Emerging Markets Growth Fund, Inc.

Karin L. Larson, Director of Capital Guardian Trust Company and The Capital Group Companies, Inc. President, Director and Director of Research, Capital Guardian Research Company; Chairperson, President and Director, Capital Group Research, Inc.; and President, Director and Director of International Research, Capital Research International.

D. James Martin, Director of Capital Guardian Trust Company. Senior Vice President and Director, Capital Guardian Research Company.

John R. McIlwraith, Senior Vice President and Director of Capital Guardian Trust Company. Senior Vice President and Director, Capital International Limited.

James R. Mulally, Senior Vice President and Director of Capital Guardian Trust Company. Senior Vice President, Capital International Limited; Director, Capital Guardian Research Company; and Vice President, Capital Research Company.

Shelby Notkin, Senior Vice President of Capital Guardian Trust Company. Director, Capital Guardian Trust Company of Nevada.

Mary M. O'Hern, Senior Vice President of Capital Guardian Trust Company and Capital International Limited; Vice President, Capital International, Inc.

Jeffrey C. Paster, Senior Vice President of Capital Guardian Trust Company.

Robert V. Pennington, Senior Vice President of Capital Guardian Trust Company; President, Capital Guardian Trust Company of Nevada.

Jason M. Pilalas, Director of Capital Guardian Trust Company. Senior Vice President and Director, Capital Guardian Research Company.

Robert Ronus, President and Director of Capital Guardian Trust Company. Chairman and Director, Capital Guardian Canada, Inc., Capital Guardian Research Company and Capital Research International; Director, The Capital Group Companies, Inc., Capital Group International, Inc. and Capital International Fund S.A.; Directeur, Capital International S.A.; and Senior Vice President, Capital International Limited.

Theodore R. Samuels, Senior Vice President and Director of Capital Guardian Trust Company. Director, Capital Guardian Research Company.

Lionel A. Sauvage, Senior Vice President of Capital Guardian Trust Company. Director, Capital Guardian Research Company; and Vice President, Capital International Research, Inc.

John H. Seiter, Executive Vice President of Client Relations & Marketing and Director of Capital Guardian Trust Company. Senior Vice President, Capital Group International, Inc.; and Vice President, The Capital Group Companies, Inc.

Robert L. Spare, Senior Vice President of Capital Guardian Trust Company.

Eugene P. Stein, Executive Vice President and Director of Capital Guardian Trust Company. Director, Capital Guardian Research Company.

Bente L. Strong, Senior Vice President of Capital Guardian Trust Company Personal Investment Management Division. Publisher, Capital Publishing's The American Benefactor Magazine.

Philip A. Swan, Senior Vice President of Capital Guardian Trust Company.

Shaw B. Wagener, Director of Capital Guardian Trust Company, Capital International Asia Pacific Management Company, S.A., Capital International Management Company, Capital International Emerging Countries Fund and Capital International Latin American Fund. President and Director, Capital International, Inc.; and Senior Vice President, Capital Group International, Inc. and Emerging Markets Growth Fund, Inc.

Eugene M. Waldron, Senior Vice President of Capital Guardian Trust Company. Vice President, Loomis, Sayles & Company.

N. Dexter Williams, Senior Vice President of Capital Guardian Trust Company Personal Investment Management Division. Senior Vice President, American Funds Distributors, Inc.

Fidelity Management & Research Company

For information regarding Fidelity Management & Research Company reference is made to Form ADV of Fidelity Investment Management SEC File No. 801-7884, which is incorporated by reference.

Item 27. Principal Underwriters.

- (a) Directed Services, Inc. serves as Distributor of Shares of The GCG Trust.
- (b) The following officers of Directed Services, Inc. hold positions with the registrant: Barnett Chernow, Vice President, and Myles R. Tashman, Secretary.

| <S> NAME and PRINCIPAL BUSINESS ADDRESS | <C> POSITIONS and OFFICES with UNDERWRITER | <C> POSITIONS and OFFICES with FUND |
|--|---|---|
| Barnett Chernow Golden American Life Insurance Co. 1475 Dunwoody Drive West Chester, PA 19380 | Director and Executive Vice President | President, Chairman and Trustee |
| Myles R. Tashman Golden American Life Insurance Co. 1475 Dunwoody Drive West Chester, PA 19380 | Director, Executive Vice President, Secretary and General Counsel | Secretary |

</TABLE>

(c) Not Applicable (Underwriter Receives No Compensation)

Item 28. Location of Accounts and Records.

The Trust maintains its books of account for each Series as required by Section 31(a) of the 1940 Act and rules thereunder at its principal office at 1475 Dunwoody Drive, West Chester, Pennsylvania 19380-1478. The Trust's books of account are also kept at the offices of PFPC Inc., 3200 Horizon Drive, P.O. Box 61503, King of Prussia, Pennsylvania 19406-0903.

Item 29. Management Services.

There are no management-related service contracts not discussed in Part A or Part B.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Post-Effective Amendment No. 43 to the Registration Statement on Form N-1A (File No. 33-23512) to be signed on its behalf by the undersigned, thereto duly authorized, in the City of West Chester, and the Commonwealth of Pennsylvania, on July 14, 2000.

THE GCG TRUST
(Registrant)

Barnett Chernow*
President

*By: /s/Marilyn Talman

Marilyn Talman
as Attorney-in-Fact

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 43 to the Registration Statement on Form N-1A (File No. 33-23512) has been duly signed below by the following persons on behalf of The GCG Trust in the capacity indicated on July 14, 2000.

| Signature | Title |
|---------------------------------|------------------------------------|
| ----- Barnett Chernow* | Chairman, President and Trustee |
| ----- John R. Barmeyer* | Trustee |
| ----- J. Michael Earley* | Trustee |
| ----- R. Barbara Gitenstein* | Trustee |
| ----- Robert A. Grayson* | Trustee |
| ----- Elizabeth J. Newell* | Trustee |
| ----- Stanley B. Seidler* | Trustee |
| ----- Roger B. Vincent* | Trustee |

*By: /s/ Marilyn Talman

Marilyn Talman
as Attorney-in-Fact

EXHIBIT INDEX

| Number | Exhibit Name | Exhibit |
|-------------|---|----------|
| ----- | ----- | ----- |
| (a) (8) | Addendum to the Restated Agreement and Declaration of Trust adding the Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series 5/18/00 | EX99.a8 |
| (d) (1) (E) | Addendum to the Management Agreement adding Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series 5/18/00 | EX99.d1e |
| (d) (2) (R) | Form of Portfolio Management Agreement with Fidelity Management & Research Company | EX99.d2r |
| (d) (2) (S) | Form of Sub-Advisory Agreement between Fidelity Management & Research Company and Fidelity Investments Money Management, Inc. | EX99.d2s |
| (d) (2) (T) | Form of Addendum to the Janus Capital Corporation Portfolio Management Agreement | EX99.d2t |
| (d) (4) (B) | Consent to Transaction signed by Directed Services, Inc. and The GCG Trust dated 9/9/99 | EX99.d4b |
| (h) (2) (1) | Addendum to the Organizational Agreement adding Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series 5/18/00 | EX99.h21 |
| (i) | Consent of Sutherland Asbill & Brennan LLP | EX99.i |
| (p) (1) | Powers of Attorney | EX99.p1 |
| (p) (2) | ING Group affiliate list | EX99.p2 |
| (p) (3) | The GCG Trust Code of Ethics | EX99.p3 |
| (p) (4) | Fidelity Management & Research Company Code of Ethics | EX99.p4 |
| (p) (5) | Janus Capital Corporation Code of Ethics | EX99.p5 |

WRITTEN INSTRUMENT AMENDING
THE AGREEMENT AND DECLARATION OF TRUST OF
THE GCG TRUST

The undersigned, being a majority of the Trustees of The GCG Trust (the "Trust"), hereby amend the Trust's Agreement and Declaration of Trust, which was Amended and Restated on March 19, 1996 and further amended on June 10, 1996, January 23, 1997, January 12, 1998, February 16, 1999, June 30, 1999 and August 17, 1999 ("Declaration of Trust"), as follows:

1. Acting pursuant to Sections 6.2 and 11.4 of the Declaration of Trust, under which the shares of beneficial interest of the Trust, pursuant to Section 6.2, are divided into thirty-five separate series (each a Series, and collectively, the Series), the undersigned hereby amend Section 6.2 of the Declaration of Trust to establish and designate three new Series of the Trust, to be known as the Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series.

(a). Each Series shall be authorized to hold cash and invest in securities, instruments and other property and use investment techniques as from time to time described in the Trust's then currently effective prospectus relating to the respective Series and the Trust's registration statement under the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended (the "Act"). Each share of beneficial interest ("Share") of each Series shall be redeemable as provided in the Declaration of Trust, and shall be entitled to one vote (or fraction thereof in respect of a fractional Share), unless otherwise required by law, on matters in which Shares of the respective Series shall be entitled to vote, and shall represent a pro rata beneficial interest in the assets allocated to the respective Series. The proceeds of sales of Shares of each Series, together with any income and gain thereon, less any diminution or expenses thereof, shall irrevocably belong to the respective Series, unless otherwise required by law. Each Share of each Series shall be entitled to receive its pro rata share of net assets of the Series upon liquidation of the respective Series, all as provided in the Declaration of Trust. Upon redemption of a shareholder's Shares, or indemnification for liabilities incurred by reason of a shareholder being or having been the shareholder of any Series, such shareholder shall be paid solely out of the property of the respective Series.

- (b). Shareholders of each Series shall vote separately as a class on any matter except, consistent with the Act and the rules thereunder, and the Trust's registration statement thereunder, (i) the election of Trustees, (ii) any amendment to the Declaration of Trust, unless the amendment affects fewer than all classes, in which case shareholders of the affected classes shall vote separately, and (iii) ratification of the selection of auditors. In each case of such separate voting, the Trustees shall determine whether, for the matter to be effectively acted upon within the meaning of Rule 18f-2 under the Act or any successor rule as to each Series, the applicable percentage (as specified in the Declaration of Trust, or the Act and the rules thereunder) of the Shares of the respective Series alone must be voted in favor of the matter, or whether the favorable vote of such applicable percentage of the Shares of each Series entitled to vote on the matter is required.
- (c). The assets and liabilities of the Trust shall be allocated among the Series as set forth in Section 6.2 of the Declaration of Trust, except as provided below:
- (i) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Managed Global Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
 - (ii) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Mid-Cap Growth Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
 - (iii) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Total Return Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
 - (iv) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Research Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
 - (v) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Growth & Income Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.

- (vi) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Growth Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (vii) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Global Fixed Income Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (viii) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Growth Opportunities Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (ix) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Developing World Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (x) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Large Cap Value Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (xi) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated International Equity Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (xii) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Investors Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (xiii) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated All Cap Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.
- (xiv) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated

Large Cap Growth Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.

(xv) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Diversified Mid-Cap Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.

(xvi) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Asset Allocation Growth Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.

(xvii) Costs incurred by the Trust in connection with the organization, registration and public offering of Shares designated Special Situations Series may be amortized for such Series over the lesser of the life of the Series or the five-year period beginning with the month that such Series commences operations.

(xviii) The liabilities, expenses, costs, charges or reserves of the Trust (other than the management fee, distribution fee or the organizational expenses paid by the Trust) which are not readily identifiable as belonging to any particular Series shall be allocated among the Series on the basis of their relative average daily net assets.

(xix) The Trustees may from time to time in particular cases make specific allocations of assets or liabilities among the Series.

(d). The Trustees (including any successor Trustees) shall have the right at any time and from time to time to reallocate assets and expenses or to change the designation of any Series now or hereafter created, or to otherwise change the special and relative rights of any such Series provided that such change shall not adversely affect the rights of shareholders of the Series.

This instrument may be executed in counterparts.

IN WITNESS WHEREOF, the undersigned have caused these presents to be executed as of the 18th day of May, 2000.

/s/Barnett Chernow

Barnett Chernow

/s/John Barmeyer

John Barmeyer

/s/J. Michael Earley

J. Michael Earley

/s/R. Barbara Gitenstein

R. Barbara Gitenstein

/s/Robert A. Grayson

Robert A. Grayson

/s/Elizabeth J. Newell

Elizabeth J. Newell

/s/Stanley B. Siedler

Stanley B. Siedler

/s/Roger B. Vincent

Roger B. Vincent

PRESIDENT'S CERTIFICATE

The undersigned, being the duly elected, qualified and active President of The GCG Trust (the "Trust"), hereby certifies, pursuant to Section 11.4 of the Trust's Agreement and Declaration of Trust ("Declaration of Trust"), that the amendment to the Declaration of Trust, dated May 18, 2000, has been duly adopted in accordance with the provisions of the Declaration of Trust.

Dated: May 18, 2000

/s/Barnett Chernow

Barnett Chernow
President

ADDENDUM TO MANAGEMENT AGREEMENT

The Management Agreement (the "Agreement") between The GCG Trust (the "Trust"), a Massachusetts business trust having its principal place of business 1475 Dunwoody Drive, West Chester, PA 19380, and Directed Services, Inc. ("DSI" or the "Manager"), a New York corporation having its principal place of business 1475 Dunwoody Drive, West Chester, PA 19380, dated October 24, 1997 is hereby amended by the addition of the provisions set forth in this Addendum to the Agreement, which is dated as of the 18th day of May 2000.

WITNESSETH:

WHEREAS, the Trust is authorized to issue an unlimited number of shares of beneficial interest in separate series, each such series representing interests in a separate portfolio of securities and other assets; and

WHEREAS, the Trust currently offers shares in multiple series, may offer shares of additional series in the future, and intends to offer shares of additional series in the future; and

WHEREAS, the Trust has established three new series designated as the Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series; and

WHEREAS, the Trust desires to appoint DSI as Manager for the Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series, under the provisions set forth in the Agreement and in this Addendum to the Agreement; and

WHEREAS, the Manager is willing to accept such appointment.

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Addendum, it is agreed between the parties hereto as follows:

1. In addition to its responsibilities as specified in the Agreement, the Trust hereby appoints DSI to act as Manager with respect to the the Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series which, together with all other Series previously established and listed on Schedule A to the

Agreement, shall be Series under the Agreement as provided in paragraph one (1), subject to the terms and conditions as specified in the Agreement, including paragraph nine (9), "Compensation."

2. Schedule A to the Agreement shall be replaced with a new Schedule A, a form of which is attached hereto.

3. Schedule B to the Agreement ("Compensation for Services to Series") shall be replaced with a new Schedule B, a form of which is attached hereto.

This Addendum shall take effect as of the date of its execution.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed on the date indicated.

THE GCG TRUST

Attest _____
Title: _____

By: _____
Title: _____

DIRECTED SERVICES, INC.

Attest _____
Title: _____

By: _____
Title: _____

SCHEDULE A

The Series of The GCG Trust, as described in the attached Management Agreement, to which Directed Services, Inc. shall act as Manager are as follows:

Equity Income Series (formerly, Multiple Allocation Series)
Fully Managed Series
Limited Maturity Bond Series
Hard Assets Series
Real Estate Series
Liquid Asset Series
Capital Appreciation Series
Rising Dividends Series
Emerging Markets Series
Market Manager Series

Value Equity Series
 Strategic Equity Series
 Small Cap Series
 Mid-Cap Growth Series
 Total Return Series
 Research Series
 Growth Series (formerly, Growth & Income Series)
 Value + Growth Series
 Global Fixed Income Series
 Developing World Series
 Capital Growth Series
 Investors Series
 All Cap Series
 Large Cap Value Series
 Managed Global Series
 Diversified Mid-Cap Series
 Asset Allocation Growth Series
 Special Situations Series

SCHEDULE B
 COMPENSATION FOR SERVICES TO SERIES

For the services provided by Directed Services, Inc. (the "Manager") to the following Series of The GCG Trust (the "Trust"), pursuant to the attached Management Agreement, the Trust will pay the Manager a fee, payable monthly, based on the average daily net assets of the Series at the following annual rates of the average daily net assets of that Series.

| Series | Rate |
|---|--|
| Diversified Mid-Cap and Asset Allocation Growth Series: | 1.00% of first \$500 million; 0.95% of next \$250 million; 0.90% of next \$500 million; and 0.85% of amount in excess of \$1.25 billion |
| Special Situations Series | 1.10% of first \$250 million; 1.05% of next \$400 million; 1.00% of next \$450 million; and 0.95% of amount in excess of \$1.1 billion |

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PORTFOLIO MANAGEMENT AGREEMENT

AGREEMENT made this ____ day of _____, 2000, among The GCG Trust (the "Trust"), a Massachusetts business trust, Directed Services, Inc. (the "Manager"), a New York corporation, and Fidelity Management & Research Company ("Portfolio Manager"), a Massachusetts corporation.

WHEREAS, the Trust is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end, management investment company;

WHEREAS, the Trust is authorized to issue separate series, each of which will offer a separate class of shares of beneficial interest, each series having its own investment objective or objectives, policies, and limitations;

WHEREAS, the Trust currently offers shares in multiple series, may offer shares of additional series in the future, and intends to offer shares of additional series in the future;

WHEREAS, pursuant to a Management Agreement, effective as of October 24, 1997, a copy of which has been provided to the Portfolio Manager, the Trust has retained the Manager to render advisory, management, and administrative services to many of the Trust's series;

WHEREAS, the Trust and the Manager wish to retain the Portfolio Manager to furnish investment advisory services to one or more of the series of the Trust, and the Portfolio Manager is willing to furnish such services to the Trust and the Manager;

NOW THEREFORE, in consideration of the premises and the promises and mutual covenants herein contained, it is agreed between the Trust, the Manager, and the Portfolio Manager as follows:

1. APPOINTMENT. The Trust and the Manager hereby appoint Fidelity Management & Research Company to act as Portfolio Manager to the Series designated on Schedule A of this Agreement (each a "Series") for the periods and on the terms set forth in this Agreement. The Portfolio Manager accepts such appointment and agrees to furnish the services herein set forth for the compensation herein provided.

In the event the Trust designates one or more series other than the Series with respect to which the Trust and the Manager wish to retain the Portfolio Manager to render investment advisory services hereunder, they shall promptly notify the Portfolio Manager in writing. If the Portfolio Manager is willing to render such services, it shall so notify the Trust and Manager in writing, whereupon such series shall become a Series hereunder, and be subject to this Agreement.

2. PORTFOLIO MANAGEMENT DUTIES. Subject to the supervision of the Trust's Board of Trustees and the Manager, the Portfolio Manager will provide a continuous investment program for each Series' portfolio and determine the composition of the assets of each Series' portfolio, including decisions regarding the purchase, retention, or sale of the securities, cash, and other investments contained in the portfolio of each Series. The Portfolio Manager will provide investment research and conduct a continuous program of evaluation, investment, sales, and reinvestment of each Series' assets by determining the securities and other investments that shall be purchased, entered into, sold, closed, or exchanged for the Series, when these transactions should be executed, and what portion of the assets of each Series should be held in the various securities and other investments in which it may invest, and the Portfolio Manager is hereby authorized to execute and perform such services on behalf of each Series. The Portfolio Manager will provide the services under this Agreement in accordance with the Series' investment objective or objectives, policies, and restrictions as stated in the Trust's Registration Statement filed with the Securities and Exchange Commission (the "SEC"), as from time to time amended, copies of which shall be sent to the Portfolio Manager by the Manager upon filing with the SEC. The Portfolio Manager shall not be responsible for administrative affairs of the Series, including but not limited to accounting for and pricing of the Series. The Portfolio Manager further agrees as follows:

(a) The Portfolio Manager will use best efforts to (1) manage each Series so that no action or omission on the part of the Portfolio Manager will cause a Series to fail to meet the requirements to qualify as a regulated investment company specified in Section 851 of the Internal Revenue Code (other than the requirements for the Trust to register under the 1940 Act and to file with its tax return an election to be a regulated investment company, both of which shall not be the responsibility of the Portfolio Manager), (2) manage each Series so that no action or omission on the part of the Portfolio Manager shall cause a Series to fail to comply with the diversification requirements of Section 817(h) of the Internal Revenue Code and regulations issued thereunder, and (3) manage the Series so that no action or omission on the part of the Portfolio Manager shall cause a Series to fail to comply with applicable federal and state laws, rules and regulations as the Manager has informed the Portfolio Manager to be applicable to it as

Portfolio Manager of the Series. The Manager will notify the Portfolio Manager promptly if the Manager believes that a Series is in violation of any requirement specified in the first sentence of this paragraph. The Manager or the Trust will notify the Portfolio Manager of any pertinent changes, modifications to, or interpretations of Section 817(h) of the Internal Revenue Code and regulations issued thereunder and of other applicable rules or regulations pertaining to the Series. The Manager acknowledges and agrees that the Portfolio Manager's compliance with its obligations under Sections 2(a)(1) and 2(a)(2) will be based on information supplied by the Manager or portfolio accounting agent as to each Series, including but not limited to, portfolio security lot information.

(b) The Portfolio Manager will perform its duties hereunder pursuant to the 1940 Act and all rules and regulations thereunder and the applicable Internal Revenue Code and regulations issued thereunder, with any applicable procedures adopted by the Trust's Board of Trustees of which the Portfolio Manager has been notified in writing, and the provisions of the Registration Statement of the Trust under the Securities Act of 1933 (the "1933 Act") and the 1940 Act, as supplemented or amended, of which the Portfolio Manager has received a copy ("Registration Statement").

(c) On occasions when the Portfolio Manager deems the purchase or sale of a security to be in the best interest of a Series as well as of other investment advisory clients of the Portfolio Manager or any of its affiliates, the Portfolio Manager may, to the extent permitted by applicable laws and regulations, but shall not be obligated to, aggregate the securities to be so sold or purchased with those of its other clients where such aggregation is not inconsistent with the policies set forth in the Registration Statement. In such event, allocation of the securities so purchased or sold, as well as the expenses incurred in the transaction, will be made by the Portfolio Manager in a manner that is fair and equitable in the judgment of the Portfolio Manager in the exercise of its fiduciary obligations to the Trust and to such other clients, subject to policy review by the Manager and the Board of Trustees. The Portfolio Manager may give advice and take action with respect to other funds or clients, or for its own account, which may differ from the advice or the timing or nature of action taken with respect to the Series.

(d) In connection with the purchase and sale of securities for a Series, the Portfolio Manager will arrange for the transmission to the custodian and portfolio accounting agent for the Series on a daily basis, such confirmation, trade tickets, and other documents and information, including, but not limited to, Cusip, Sedol, or other numbers that identify securities to be purchased or sold on behalf of the Series, as may be reasonably necessary to enable the custodian and portfolio accounting agent to perform its

administrative and recordkeeping responsibilities with respect to the Series. With respect to portfolio securities to be purchased or sold through the Depository Trust Company, the Portfolio Manager will arrange for the automatic transmission of the confirmation of such trades to the Trust's custodian and portfolio accounting agent.

(e) The Portfolio Manager will provide reasonable assistance to the portfolio accounting agent for the Trust in determining or confirming, consistent with the procedures and policies stated in the Registration Statement for the Trust, the value of any portfolio securities or other assets of the Series for which the portfolio accounting agent seeks assistance from or identifies for review by the Portfolio Manager, and the parties agree that the Portfolio Manager shall not bear responsibility or liability for the determination or accuracy of the valuation of any portfolio securities and other assets of the Series.

(f) The Portfolio Manager will make available to the Trust and the Manager, promptly upon request, all of the Series' investment records and ledgers maintained by the Portfolio Manager (which shall not include the records and ledgers maintained by the custodian and portfolio accounting agent for the Trust) as are necessary to assist the Trust and the Manager to comply with requirements of the 1940 Act and the Investment Advisers Act of 1940 (the "Advisers Act"), as well as other applicable laws. The Portfolio Manager will promptly supply to the Manager copies of any such records upon request.

(g) The Portfolio Manager will provide quarterly and annual reports to the Trust's Board of Trustees for consideration at meetings of the Board on the investment program for the Series and the issuers and securities represented in the Series' portfolio, and will furnish the Trust's Board of Trustees with respect to the Series such monthly, quarterly or annual special reports as the Trustees and the Manager may reasonably request.

(h) In rendering the services required under this Agreement, the Portfolio Manager may, from time to time, employ or associate with itself such person or persons as it believes necessary to assist it in carrying out its obligations under this Agreement. However, the Portfolio Manager may not retain as subadviser any company that would be an "investment adviser," as that term is defined in the 1940 Act, to the Series unless the contract with such company is approved by a majority of the Trust's Board of Trustees and a majority of Trustees who are not parties to any agreement or contract with such company and who are not "interested persons," as defined in the 1940 Act, of the Trust, the Manager, or the Portfolio Manager, or any such company that is retained as subadviser, and is approved by the vote of a majority of the outstanding voting securities of the applicable Series of the Trust to the extent required by the 1940 Act. The Portfolio Manager shall be responsible for making reasonable inquiries and for reasonably ensuring that any employee of the

Portfolio Manager, any subadviser that the Portfolio Manager has employed or with which it has associated with respect to the Series, or any employee thereof has not, to the best of the Portfolio Manager's knowledge, in any material connection with the handling of Trust assets:

(i) been convicted, in the last ten (10) years, of any felony or misdemeanor arising out of conduct involving embezzlement, fraudulent conversion, or misappropriation of funds or securities, involving violations of Sections 1341, 1342, or 1343 of Title 18, United States Code, or involving the purchase or sale of any security; or

(ii) been found by any state regulatory authority, within the last ten (10) years, to have violated or to have acknowledged violation of any provision of any state insurance law involving fraud, deceit, or knowing misrepresentation; or

(iii) been found by any federal or state regulatory authorities, within the last ten (10) years, to have violated or to have acknowledged violation of any provision of federal or state securities laws involving fraud, deceit, or knowing misrepresentation.

3. BROKER-DEALER SELECTION. The Portfolio Manager is responsible for decisions to buy and sell securities and other investments for each Series' portfolio, broker-dealer selection, and negotiation of brokerage commission rates. The Portfolio Manager's primary consideration in effecting a security transaction will be to obtain the best overall terms for the Series, taking into account the factors that include the factors it deems relevant including, but not limited to, price (including the applicable brokerage commission or dollar spread), the size and character of the order, the nature of the market for the security, the financial condition of the broker-dealer involved, the execution and settlement capabilities of the broker-dealer involved, and the execution services on a continuing basis. Accordingly, the price to the Series in any transaction may be less favorable than that available from another broker-dealer if the difference is reasonably justified, in the judgment of the Portfolio Manager in the exercise of its fiduciary obligations to the Trust, by other aspects of the portfolio execution services offered. Subject to such policies as the Board of Trustees may determine and consistent with Section 28(e) of the Securities Exchange Act of 1934, the Portfolio Manager shall not be deemed to have acted unlawfully or to have breached any duty created by this Agreement or otherwise solely by reason of its having caused the Series to pay a broker-dealer for effecting a portfolio investment transaction in excess of the amount of commission another broker-dealer would have charged for effecting that transaction, if the Portfolio Manager or its affiliate determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research

services provided by such broker-dealer, viewed in terms of either that particular transaction or the Portfolio Manager's or its affiliate's overall responsibilities with respect to the Series and to their other clients as to which they exercise investment discretion. To the extent consistent with these standards, the Portfolio Manager is further authorized to allocate the orders placed by it on behalf of the Series to the Portfolio Manager if it is registered as a broker-dealer with the SEC, to its affiliated broker-dealer, or to such brokers and dealers who also provide research or statistical material, or other services to the Series, the Portfolio Manager, or an affiliate of the Portfolio Manager. Such allocation shall be in such amounts and proportions as the Portfolio Manager shall determine consistent with the above standards, and the Portfolio Manager will report on said allocation regularly to the Board of Trustees of the Trust indicating the broker-dealers to which such allocations have been made and the basis therefor.

4. DISCLOSURE ABOUT PORTFOLIO MANAGER. The Portfolio Manager has reviewed the post-effective amendment to the Registration Statement for the Trust filed with the SEC that contains disclosure about the Portfolio Manager, and represents and warrants that, with respect to the disclosure about or information relating, directly or indirectly, to the Portfolio Manager, to the Portfolio Manager's knowledge, such Registration Statement contains, as of the date hereof, no untrue statement of any material fact and does not omit any statement of a material fact which was required to be stated therein or necessary to make the statements contained therein not misleading. The Portfolio Manager further represents and warrants that it is a duly registered investment adviser under the Advisers Act, or alternatively that it is not required to be a registered investment adviser under the Advisers Act to perform the duties described in this Agreement, and that it is a duly registered investment adviser in all states in which the Portfolio Manager is required to be registered.

5. EXPENSES. During the term of this Agreement, the Portfolio Manager will pay all expenses incurred by it and its staff and for their activities in connection with its portfolio management duties under this Agreement. The Manager or the Trust shall be responsible for all the expenses of the Trust's operations including, but not limited to:

(a) Expenses of all audits by the Trust's independent public accountants;

(b) Expenses of the Series' transfer agent, registrar, dividend disbursing agent, and shareholder recordkeeping services;

(c) Expenses of the Series' custodial services including recordkeeping services provided by the custodian;

(d) Expenses of obtaining quotations for calculating the value of each Series' net assets;

(e) Expenses of obtaining Portfolio Activity Reports and Analyses of International Management Reports (as appropriate) for each Series;

(f) Expenses of maintaining the Trust's tax records;

(g) Salaries and other compensation of any of the Trust's executive officers and employees, if any, who are not officers, directors, stockholders, or employees of the Portfolio Manager or an affiliate of the Portfolio Manager;

(h) Taxes levied against the Trust;

(i) Brokerage fees and commissions in connection with the purchase and sale of portfolio securities for the Series;

(j) Costs, including the interest expense, of borrowing money;

(k) Costs and/or fees incident to meetings of the Trust's shareholders, the preparation and mailings of prospectuses and reports of the Trust to its shareholders, the filing of reports with regulatory bodies, the maintenance of the Trust's existence, and the regulation of shares with federal and state securities or insurance authorities;

(l) The Trust's legal fees, including the legal fees related to the registration and continued qualification of the Trust's shares for sale;

(m) Costs of printing stock certificates representing shares of the Trust;

(n) Trustees' fees and expenses to trustees who are not officers, employees, or stockholders of the Portfolio Manager or any affiliate thereof;

(o) The Trust's pro rata portion of the fidelity bond required by Section 17(g) of the 1940 Act, or other insurance premiums;

(p) Association membership dues;

(q) Extraordinary expenses of the Trust as may arise including expenses incurred in connection with litigation, proceedings, and other claims (unless the Portfolio Manager is responsible for such expenses under Section 14 of this Agreement), and the legal obligations of the Trust to indemnify its Trustees, officers, employees, shareholders, distributors, and agents with respect thereto; and

(r) Organizational and offering expenses.

6. COMPENSATION. For the services provided, the Manager will pay the Portfolio Manager a fee, payable as described in Schedule B.

7. SEED MONEY. The Manager agrees that the Portfolio Manager shall not be responsible for providing money for the initial capitalization of the Series.

8. COMPLIANCE.

(a) The Portfolio Manager shall promptly notify the Manager and the Trust if (1) the SEC or other governmental authority has censured the Portfolio Manager; or has commenced proceedings or an investigation that may result in any of these actions, (2) it has reason to believe that a Series may fail to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, (3) it has reason to believe that a Series may cease to comply with the diversification provisions of Section 817(h) of the Internal Revenue Code or the regulations thereunder; or (4) there is an untrue or a required omitted statement of fact relating to the Portfolio Manager in material in the Prospectus or Statement of Additional Information for the Trust previously supplied by the Portfolio Manager.

(b) The Manager shall promptly notify the Portfolio Manager and the Trust if (1) the SEC or other governmental authority has censured the Manager; or has commenced proceedings or an investigation that may result in any of these actions, (2) it has reason to believe that a Series may fail to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, or (3) it has reason to believe that a Series may cease to comply with the diversification provisions of Section 817(h) of the Internal Revenue Code or the regulations thereunder.

9. BOOKS AND RECORDS. In compliance with the requirements of Rule 31a-3 under the 1940 Act, the Portfolio Manager hereby agrees to maintain and preserve all records related to each Series' portfolio transactions as are required of a sub-adviser under the Advisers Act and further agrees to surrender promptly to the Trust any of such records upon the Trust's or the Manager's request, although the Portfolio Manager may, at its own expense, make and retain a copy of such records. The Portfolio Manager further agrees to preserve for the periods prescribed by Rule 31a-2 under the 1940 Act the records required to be maintained by Rule 31a-1 under the 1940 Act and to preserve the records required by Rule 204-2 under the Advisers Act for the period specified in the Rule.

10. COOPERATION. Each party to this Agreement agrees to cooperate with each other party in connection with any investigation

or inquiry relating to this Agreement or the Trust.

11. REPRESENTATIONS RESPECTING PORTFOLIO MANAGER. During the term of this Agreement,

(a) the Trust and the Manager agree to furnish to the Portfolio Manager at its principal offices prior to use thereof copies of all Registration Statements and amendments thereto, prospectuses, proxy statements, reports to shareholders, sales literature or other material prepared for distribution to shareholders of the Trust or any Series or to the public that refer or relate in any way to the Portfolio Manager or any of its affiliates (other than the Manager), or that use any derivative of the name of the Portfolio Manager or any of its affiliates or any logo associated therewith. The Trust and the Manager agree that they will not use any such material without the prior consent of the Portfolio Manager, which consent shall not be unreasonably withheld. In the event of the termination of this Agreement, the Trust and the Manager will furnish to the Portfolio Manager copies of any of the above-mentioned materials that refer or relate in any way to the Portfolio Manager;

(b) the Trust and the Manager will furnish to the Portfolio Manager such information relating to either of them or the business affairs of the Trust as the Portfolio Manager shall from time to time reasonably request in order to discharge its obligations hereunder;

(c) the Manager and the Trust agree that neither the Trust, the Manager, nor affiliated persons of the Trust or the Manager shall give any information or make any representations or statements in connection with the sale of shares of the Series concerning the Portfolio Manager or the Series other than the information or representations contained in the Registration Statement, prospectus, or statement of additional information for the Trust, as they may be amended or supplemented from time to time, or in reports or proxy statements for the Trust, or in sales literature or other promotional material approved in advance by the Portfolio Manager, except with the prior permission of the Portfolio Manager.

12. CONTROL. Notwithstanding any other provision of the Agreement, it is understood and agreed that the Trust shall at all times retain the ultimate responsibility for and control of all functions performed pursuant to this Agreement and reserve the right to direct, approve, or disapprove any action hereunder taken on its behalf by the Portfolio Manager.

13. SERVICES NOT EXCLUSIVE. It is understood that the services of the Portfolio Manager are not exclusive, and nothing in this Agreement shall prevent the Portfolio Manager (or its affiliates) from providing similar services to other clients, including investment companies (whether or not their investment objectives and policies are similar to those of the Series) or from engaging in

other activities.

14. LIABILITY. Except as may otherwise be required by the 1940 Act or the rules thereunder or other applicable law, the Trust and the Manager agree that the Portfolio Manager, any affiliated person of the Portfolio Manager, and each person, if any, who, within the meaning of Section 15 of the 1933 Act, controls the Portfolio Manager shall not be liable for, or subject to any damages, expenses, or losses in connection with, any act or omission connected with or arising out of any services rendered under this Agreement, except by reason of willful misfeasance, bad faith, or gross negligence in the performance of the Portfolio Manager's duties, or by reason of reckless disregard of the Portfolio Manager's obligations and duties under this Agreement ("Disabling Conduct"). Notwithstanding the foregoing, the Portfolio Manager, its directors, officers and/or employees shall not be liable to the Manager or the Trust for any loss suffered as a consequence of any action or inaction of the custodian or any other service provider of any Series in failing to observe the instructions of the Portfolio Manager.

15. INDEMNIFICATION.

(a) Except for Disabling Conduct, the Manager shall indemnify and hold the Portfolio Manager (and its officers, directors, employees, controlling persons, shareholders and affiliates ("Indemnified Persons")) harmless from any liability arising from the Portfolio Manager's conduct under this Agreement. The Portfolio Manager shall indemnify and hold the Manager (and the Manager's Indemnified Persons) harmless from any liability arising from the Portfolio Manager's Disabling Conduct or breach of the terms of this Agreement. The Manager shall not be liable under this paragraph (a) with respect to any claim made against the Portfolio Manager (and the Portfolio Manager's Indemnified Persons) unless it received notice within a reasonable period of time after the Portfolio Manager first received notice of the claim. The Portfolio Manager shall not be liable under this paragraph (a) with respect to any claim made against the Manager (and the Manager's Indemnified Persons) unless it received notice within a reasonable period of time after the Manager first received notice of the claim.

(b) Notwithstanding Section 14 of this Agreement, the Manager shall indemnify and hold the Portfolio Manager (and the Portfolio Manager's Indemnified Persons) harmless from any liability arising out of the Manager's responsibilities to the Trust which may be based upon any untrue statement or alleged untrue statement of a material fact supplied by, or which is the responsibility of, the Manager and contained in the Registration Statement or prospectus covering shares of the Trust or a Series, or any amendment thereof or any supplement thereto, or the omission or alleged omission to state therein a material fact known or which should have been known to the Manager and was required to be stated therein or necessary to make the

statements therein not misleading, unless such statement or omission was made in reliance upon information furnished to the Manager or the Trust or to any affiliated person of the Manager by a Portfolio Manager's Indemnified Person; provided however, that in no case shall the indemnity in favor of the Portfolio Manager's Indemnified Person be deemed to protect such person against any liability to which any such person would otherwise be subject by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties, or by reason of its reckless disregard of obligations and duties under this Agreement.

(c) Notwithstanding Section 14 of this Agreement, the Portfolio Manager shall indemnify and hold the Manager (and the Manager's Indemnified Persons) harmless from any liability arising out of the Portfolio Manager's responsibilities as Portfolio Manager of a Series which may be based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or prospectus covering the shares of the Trust or a Series, or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact known or which should have been known to the Portfolio Manager and was required to be stated therein or necessary to make the statements therein not misleading, if such a statement or omission was made in reliance upon information furnished to the Manager, the Trust, or any affiliated person of the Manager or Trust by the Portfolio Manager or any affiliated person of the Portfolio Manager; provided, however, that in no case shall the indemnity in favor of a Manager Indemnified Person be deemed to protect such person against any liability to which any such person would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence in the performance of its duties, or by reason of its reckless disregard of its obligations and duties under this Agreement.

16. DURATION AND TERMINATION. This Agreement shall become effective on the date first indicated above. Unless terminated as provided herein, the Agreement shall remain in full force and effect for two (2) years from such date and continue on an annual basis thereafter with respect to each Series; provided that such annual continuance is specifically approved each year by (a) the vote of a majority of the entire Board of Trustees of the Trust, or by the vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of each Series, and (b) the vote of a majority of those Trustees who are not parties to this Agreement or interested persons (as such term is defined in the 1940 Act) of any such party to this Agreement cast in person at a meeting called for the purpose of voting on such approval. The Portfolio Manager shall not provide any services for such Series or receive any fees on account of such Series with respect to which this Agreement is not approved as described in the preceding sentence. However, any approval of this Agreement by the holders of a majority of the outstanding shares (as defined in the 1940 Act) of a Series shall be effective to continue

this Agreement with respect to such Series notwithstanding (i) that this Agreement has not been approved by the holders of a majority of the outstanding shares of any other Series or (ii) that this agreement has not been approved by the vote of a majority of the outstanding shares of the Trust, unless such approval shall be required by any other applicable law or otherwise. Notwithstanding the foregoing, this Agreement may be terminated for each or any Series hereunder: (a) by the Manager at any time without penalty, upon sixty (60) days' written notice to the Portfolio Manager and the Trust, (b) at any time without payment of any penalty by the Trust, upon the vote of a majority of the Trust's Board of Trustees or a majority of the outstanding voting securities of each Series, upon sixty (60) day's written notice to the Manager and the Portfolio Manager, or (c) by the Portfolio Manager at any time without penalty, upon sixty (60) days written notice to the Manager and the Trust. In addition, this Agreement shall terminate with respect to a Series in the event that it is not initially approved by the vote of a majority of the outstanding voting securities of that Series at a meeting of shareholders at which approval of the Agreement shall be considered by shareholders of the Series. In the event of termination for any reason, all records of each Series for which the Agreement is terminated shall promptly be returned to the Manager or the Trust, free from any claim or retention of rights in such records by the Portfolio Manager, although the Portfolio Manager may, at its own expense, make and retain a copy of such records. The Agreement shall automatically terminate in the event of its assignment (as such term is described in the 1940 Act). In the event this Agreement is terminated or is not approved in the manner described above, the Sections or Paragraphs numbered 2(f), 9, 10, 11, 14, 15, and 18 of this Agreement shall remain in effect, as well as any applicable provision of this Paragraph numbered 16.

17. AMENDMENTS. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought, and no amendment of this Agreement shall be effective until approved by an affirmative vote of (i) the holders of a majority of the outstanding voting securities of the Series, and (ii) the Trustees of the Trust, including a majority of the Trustees of the Trust who are not interested persons of any party to this Agreement, cast in person at a meeting called for the purpose of voting on such approval, if such approval is required by applicable law.

18. USE OF NAME.

(a) It is understood that the name "Directed Services, Inc." or any derivative thereof or logo associated with that name is the valuable property of the Manager and/or its affiliates, and that the Portfolio Manager has the right to use such name (or derivative or logo) only with the approval of the Manager and only so long as the

Manager is Manager to the Trust and/or the Series. Upon termination of the Management Agreement between the Trust and the Manager, the Portfolio Manager shall as soon as is reasonably possible cease to use such name (or derivative or logo).

(b) It is understood that the names of the Portfolio Manager and its affiliates and any of their intellectual property, including trademarks and logos, are the valuable property of the Portfolio Manager and its affiliates and that the Trust and/or the Series have the right to use such name (or derivative or logo) in offering materials of the Trust with the approval of the Portfolio Manager and for so long as the Portfolio Manager is a portfolio manager to the Trust and/or the Series. Upon termination of this Agreement between the Trust, the Manager, and the Portfolio Manager, the Trust shall as soon as is reasonably possible cease to use such name (or derivative or logo).

19. CONFIDENTIALITY. The Manager acknowledges that the securities holdings of the Series constitute information of value to the Portfolio Manager, and agrees: (1) not to use for any purpose, other than to supervise the Portfolio Manager, holdings and other trading-related information; and (2) not to disclose the Series holdings as of any given date for at least ten (10) days following such date, except to the Board of Trustees of the Trust or if required by applicable law. Further, the Manager agrees that information supplied by the Portfolio Manager including approved lists, internal procedures, compliance procedures and other board materials, is valuable to the Portfolio Manager, and the Manager agrees not to disclose any of the information contained in such materials, except to the Board of Trustees, or as required by law, or as expressly permitted by the Portfolio Manager, in writing, addressed to the Manager.

20. VOTING RIGHTS. The Manager will be responsible for exercising any voting rights of any securities of the Series.

21. AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST. A copy of the Amended and Restated Agreement and Declaration of Trust for the Trust is on file with the Secretary of the Commonwealth of Massachusetts. The Amended and Restated Agreement and Declaration of Trust has been executed on behalf of the Trust by Trustees of the Trust in their capacity as Trustees of the Trust and not individually. The obligations of this Agreement shall be binding upon the assets and property of the Trust and shall not be binding upon any Trustee, officer, or shareholder of the Trust individually.

22. MISCELLANEOUS.

(a) This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, provided that nothing herein shall be construed in a manner inconsistent with the 1940 Act, the Advisers

Act or rules or orders of the SEC thereunder. The term "affiliate" or "affiliated person" as used in this Agreement shall mean "affiliated person" as defined in Section 2(a)(3) of the 1940 Act.

(b) The captions of this Agreement are included for convenience only and in no way define or limit any of the provisions hereof or otherwise affect their construction or effect.

(c) To the extent permitted under Section 16 of this Agreement, this Agreement may only be assigned by any party with the prior written consent of the other parties.

(d) If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby, and to this extent, the provisions of this Agreement shall be deemed to be severable.

(e) Nothing herein shall be construed as constituting the Portfolio Manager as an agent of the Manager, or constituting the Manager as an agent of the Portfolio Manager.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

THE GCG TRUST

Attest _____
Title: _____

By: _____
Title: _____

DIRECTED SERVICES, INC.

Attest _____
Title: _____

By: _____
Title: _____

FIDELITY MANAGEMENT & RESEARCH
COMPANY

Attest _____
Title: _____

By: _____
Title: _____

SCHEDULE A

The Series of The GCG Trust, as described in Section 1 of the attached Portfolio Management Agreement, to which Fidelity Management & Research Company shall act as Portfolio Manager are as follows:

Diversified Mid-Cap Series
Asset Allocation Growth Series

SCHEDULE B
COMPENSATION FOR SERVICES TO SERIES

For the services provided by Fidelity Management & Research Company ("Portfolio Manager") to the following Series of The GCG Trust, pursuant to the attached Portfolio Management Agreement, the Manager will pay the Portfolio Manager a fee, computed daily and payable monthly, based on the combined average daily net assets of the Series at the following annual rates of the average daily net assets of the Series:

| SERIES | RATE |
|---|---|
| Diversified Mid-Cap Growth and Asset Allocation Growth Series: | 0.50% of first \$250 million in assets; 0.40% of next \$500 million in assets; and 0.35% of amount in excess of \$750 million |

FORM OF

SUB-ADVISORY AGREEMENT

between

FIDELITY INVESTMENTS MONEY MANAGEMENT, INC.

and

FIDELITY MANAGEMENT & RESEARCH COMPANY

AGREEMENT made this _____ day of _____, 199__, by and between Fidelity Investments Money Management, Inc., a New Hampshire corporation with principal offices at 1 Spartan Way, Merrimack, New Hampshire (hereinafter called the ``Sub-Adviser") and Fidelity Management & Research Company, a Massachusetts corporation with principal offices at 82 Devonshire Street, Boston, Massachusetts (hereinafter called the ``Adviser").

WHEREAS the Adviser has entered into a Management Contract with [Trust Name], a [Massachusetts or Delaware] business trust which may issue one or more series of shares of beneficial interest (hereinafter called the ``Fund"), on behalf of [Fund Name] (hereinafter called the ``Portfolio"), pursuant to which the Adviser is to act as investment manager and adviser to the Portfolio, and

WHEREAS the Sub-Adviser was formed for the purpose of providing investment management of money market and fixed-income mutual funds, both taxable and tax-exempt, advising generally with respect to money market and fixed-income instruments, and managing or providing advice with respect to cash management.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the Adviser and the Sub-Adviser agree as follows:

1. (a) The Sub-Adviser shall, subject to the supervision of the Adviser, direct the investments of all or such portion of the Portfolio's assets as the Adviser shall designate in accordance with the investment objective, policies and limitations as provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 and rules thereunder, as amended from time to time (the ``1940 Act"), and such other limitations as the Portfolio may impose by notice in writing to the Adviser or Sub-Adviser. The Sub-Adviser shall also furnish for the use of the Portfolio office space and all necessary office

facilities, equipment and personnel for servicing the investments of the Portfolio; and shall pay the salaries and fees of all personnel of the Sub-Adviser performing services for the Portfolio relating to research, statistical and investment activities. The Sub-Adviser is authorized, in its discretion and without prior consultation with the Portfolio or the Adviser, to buy, sell, lend and otherwise trade in any stocks, bonds and other securities and investment instruments on behalf of the Portfolio. The investment policies and all other actions of the Portfolio are and shall at all times be subject to the control and direction of the Fund's Board of Trustees.

(b) The Sub-Adviser shall also furnish such reports, evaluations, information or analyses to the Fund and the Adviser as the Fund's Board of Trustees or the Adviser may request from time to time or as the Sub-Adviser may deem to be desirable. The Sub-Adviser shall make recommendations to the Fund's Board of Trustees with respect to Portfolio policies, and shall carry out such policies as are adopted by the Trustees. The Sub-Adviser shall, subject to review by the Board of Trustees, furnish such other services as the Sub-Adviser shall from time to time determine to be necessary or useful to perform its obligations under this Agreement and which are not otherwise furnished by the Adviser.

(c) The Sub-Adviser shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Sub-Adviser, which may include brokers or dealers affiliated with the Adviser or Sub-Adviser. The Sub-Adviser shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and/or the other accounts over which the Sub-Adviser, Adviser or their affiliates exercise investment discretion. The Sub-Adviser is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Sub-Adviser determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. This determination may be viewed in terms of either that particular transaction or the overall responsibilities which the Sub-Adviser and its affiliates have with respect to accounts over which they exercise investment discretion. The Trustees of the Fund shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

2. As compensation for the services to be furnished by the Sub-Adviser hereunder, the Adviser agrees to pay the Sub-Adviser a monthly fee equal to 50% of the management fee which the Portfolio is obligated to pay the Adviser under the Portfolio's Management Contract with the Adviser in respect of that portion of the Portfolio's assets managed by the Sub-Adviser during such month. Such fee shall not be reduced to reflect expense reimbursements or fee waivers by the Adviser, if any, in effect from time to time.

3. It is understood that Trustees, officers, and shareholders of the Fund are or may be or become interested in the Adviser or the Sub-Adviser as directors, officers or otherwise and that directors, officers and stockholders of the Adviser or the Sub-Adviser are or may be or become similarly interested in the Fund, and that the Adviser or the Sub-Adviser may be or become interested in the Fund as a shareholder or otherwise.

4. It is understood that the Portfolio will pay all its expenses other than those expressly stated to be payable by the Sub-Adviser hereunder or by the Adviser under the Management Contract with the Portfolio, which expenses payable by the Portfolio shall include, without limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Fund's Trustees other than those who are "interested persons" of the Fund, the Sub-Adviser or the Adviser; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Fund and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefor; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Adviser, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Fund's Trustees and officers with respect thereto.

5. The Services of the Sub-Adviser to the Adviser are not to be deemed to be exclusive, the Sub-Adviser being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of

this Agreement, interfere, in a material manner, with the Sub-Adviser's ability to meet all of its obligations with respect to rendering investment advice hereunder. The Sub-Adviser shall for all purposes be an independent contractor and not an agent or employee of the Adviser or the Fund.

6. In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Sub-Adviser, the Sub-Adviser shall not be subject to liability to the Advisor, the Trust or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

7. (a) Subject to prior termination as provided in sub-paragraph (d) of this paragraph 7, this Agreement shall continue in force until [date of annual contract renewals:_____], and indefinitely thereafter, but only so long as the continuance after such period shall be specifically approved at least annually by vote of the Fund's Board of Trustees or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Agreement may be modified by mutual consent subject to the provisions of Section 15 of the 1940 Act, as modified by or interpreted by any applicable order or orders of the Securities and Exchange Commission (the "Commission") or any rules or regulations adopted by, or interpretive releases of, the Commission.

(c) In addition to the requirements of sub-paragraphs (a) and (b) of this paragraph 7, the terms of any continuance or modification of the Agreement must have been approved by the vote of a majority of those Trustees of the Fund who are not parties to such Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either the Adviser, the Sub-Adviser or the Portfolio may, at any time on sixty (60) days' prior written notice to the other parties, terminate this Agreement, without payment of any penalty, by action of its Board of Trustees or Directors, or by vote of a majority of its outstanding voting securities. This Agreement shall terminate automatically upon the termination of the Management Contract between the Fund, on behalf of the Portfolio, and the Adviser. This Agreement shall terminate automatically in the event of its assignment.

8. The Sub-Adviser is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Declaration of Trust or other organizational document of the Fund and agrees that any obligations of the Fund or the Portfolio arising in connection with this Agreement shall be limited in all cases to the Portfolio and its assets, and the Sub-Adviser shall not seek satisfaction of

any such obligation from the shareholders or any shareholder of the Portfolio. Nor shall the Sub-Adviser seek satisfaction of any such obligation from the Trustees or any individual Trustee.

9. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, WITHOUT GIVING EFFECT TO THE CHOICE OF LAWS PROVISIONS THEREOF.

The terms "registered investment company," "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the Investment Company Act of 1940 as now in effect or as hereafter amended.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed in their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

FIDELITY INVESTMENTS MONEY MANAGEMENT, INC.

By

Treasurer

FIDELITY MANAGEMENT & RESEARCH COMPANY

By

President

AMENDED SCHEDULE A

The Series of The GCG Trust, as described in Section 1 of the attached Portfolio Management Agreement, to which Janus Capital Corporation shall act as Portfolio Manager are as follows:

- Growth Series
- Special Situations Series

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

THE GCG TRUST

Attest _____
Title: _____

By: _____
Title: _____

DIRECTED SERVICES, INC.

Attest _____
Title: _____

By: _____
Title: _____

JANUS CAPITAL CORPORATION

Attest _____
Title: _____

By: _____
Title: _____

AMENDED SCHEDULE B
COMPENSATION FOR SERVICES TO SERIES

For the services provided by ("Portfolio Manager") to the following Series of The GCG Trust, pursuant to the attached Portfolio Management Agreement, the Manager will pay the Portfolio Manager a fee, computed daily and payable monthly, based on the average daily net assets of the Series at the following annual rates of the average daily net assets of the Series:

| SERIES | FEE |
|-------------------|-------------------------------|
| Growth Series and | 0.55% on first \$100 million; |

CONSENT TO TRANSACTION

First Data Corporation ("FDC") and PNC Bank Corp. ("PNC") have entered into a definitive agreement pursuant to which FDC will sell its wholly owned subsidiary, First Data Investor Services Group, Inc. ("FDISG") to PNC's wholly owned subsidiary, PFPC Worldwide, Inc. ("PFPC") or another wholly-owned affiliate of PNC (the "Transaction"). The Transaction is expected to close in the fourth quarter of 1999 (the "Closing Date").

Reference is made to the Agreements listed on Exhibit A and all amendments and supplements thereto (collectively, the "Agreement(s)") between FDISG and the below named company or companies (the "Company") pursuant to which FDISG provides certain services to the Company. Under the terms of the Agreements, the consent of the Company is required in the event of a change of control of FDISG such as described in the first paragraph above.

The undersigned, a duly authorized officer of the Company, hereby agrees and consents to the change of control of FDISG as contemplated by the Transaction, waives any rights arising under the Agreement(s) as a result of, or in connection with, the Transaction and acknowledges and agrees that upon the Closing Date the Agreement(s) shall, subject to the foregoing waiver, remain in full force and effect pursuant to its terms as in effect immediately prior to the Closing Date.

Directed Services, Inc.

By: /s/Mary Bea Wilkinson

Name: Mary Bea Wilkinson

Title: Senior Vice President

Date: 9-9-99

The GCG Trust

By: /s/Mary Bea Wilkinson

Name: Mary Bea Wilkinson

Title: Treasurer

Date: 9-9-99

PAGE>

EXHIBIT A

Administration and Fund Accounting Agreement, dated as of January 1, 1995,
among FDISG, Directed Services, Inc. and the GCG Trust.

ADDENDUM TO ORGANIZATIONAL AGREEMENT

The Organizational Agreement, made the 28th day of December, 1988 among The GCG Trust (the "Trust"), Directed Services, Inc. ("DSI"), and Golden American Life Insurance Company ("Golden American") (the "Organizational Agreement"), as amended by the Assignment Agreement to the Organizational Agreement dated March 20, 1991 and Addenda to the Organizational Agreement dated October 1, 1993, November 7, 1994, December 29, 1995, March 4, 1997, August 19, 1997, February 16, 1999, June 15, 1999, and of February 17, 2000 is hereby amended by the addition of the provisions set forth in this Addendum to the Organizational Agreement, which is dated as of the 18th day of May 2000.

WITNESSETH:

WHEREAS, the Trust is authorized to issue separate series, each of which will offer a separate class of shares of beneficial interest, each series having its own investment objective or objectives, policies, or limitations;

WHEREAS, the Trust currently offers shares in multiple series, may offer shares of additional series in the future, and intends to offer shares of additional series in the future;

WHEREAS, the Trust has established three new series designated as the Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series; and

WHEREAS, the Trust and Golden American desire that the Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series be sold to the separate accounts of Golden American to fund benefits under variable life insurance policies and variable annuity contracts issued by Golden American;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Addendum, it is agreed between the parties hereto as follows:

1. The Diversified Mid-Cap Series, Asset Allocation Growth Series and Special Situations Series, together with all other Series listed on Exhibit B to the Organizational Agreement, shall be series under the Organizational Agreement.

2. Exhibit B to the Organizational Agreement shall be replaced with a new Exhibit B, a copy of which is attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the date indicated above.

THE GCG TRUST

By: _____
Title: _____

DIRECTED SERVICES, INC.

By: _____
Title: _____

GOLDEN AMERICAN
LIFE INSURANCE COMPANY

By: _____
Title: _____

EXHIBIT B

The Series of The GCG Trust, as described in the attached Organizational Agreement, are as follows:

Equity Income Series (formerly, Multiple Allocation Series)
Fully Managed Series
Limited Maturity Bond Series
Hard Assets Series
Real Estate Series
Liquid Asset Series
Capital Appreciation Series
Rising Dividends Series
Emerging Markets Series
Market Manager Series
Value Equity Series
Strategic Equity Series
Small Cap Series
Mid-Cap Growth Series
Total Return Series
Research Series
Growth Series (formerly, Growth & Income Series)
Value + Growth Series
Global Fixed Income Series
Developing World Series
Capital Growth Series
Investors Series

All Cap Series
Large Cap Value Series
Managed Global Series
Diversified Mid-Cap Series
Asset Allocation Growth Series
Special Situations Series

SUTHERLAND
ASBILL &
BRENNAN LLP
Attorneys at Law

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Washington, D.C. 20004-2415
202.383.0100
202.637.3593
www.sablaw.com

STEPHEN E. ROTH
DIRECT LINE: (202) 383-0158
Internet: sroth@sablaw.com

...

CONSENT OF SUTHERLAND ASBILL & BRENNAN LLP

We consent to the reference to our firm under the heading "Legal Counsel" in the prospectuses and under "Counsel" in the statement of additional information included in Post-Effective Amendment No. 43 to the Registration Statement on Form N-1A for The GCG Trust (File Nos. 33-23512, 811-5629). In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

SUTHERLAND ASBILL & BRENNAN LLP

By: /s/ Stephen E. Roth

Stephen E. Roth

Washington, D.C.
July 14, 2000

Atlanta Austin New York Tallahassee Washington, DC

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned, being duly elected or appointed Trustees and/or Officers of The GCG Trust (the "Trust"), constitute and appoint Myles R. Tashman, and Marilyn Talman, and each of them, his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her in his or her name, place and stead, in any and all capacities, to sign the following the Trust registration statements, and current amendments to registration statements, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and affirming all that said attorneys-in-fact and agents, or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof:

Post-Effective Amendment currently designated #43 to The GCG
Trust Registration Statement on Form N-1A (Nos. 033-23512; 811-5629)

| SIGNATURE ----- | TITLE ----- | DATE ----- |
|---|------------------------------------|-----------------|
| /s/ Barnett Chernow ----- Barnett Chernow | President, Chairman and Trustee | June 5, 2000 |
| /s/ John R. Barmeyer ----- John R. Barmeyer | Trustee | June 5, 2000 |
| /s/ Myles R. Tashman ----- Myles R. Tashman | Secretary | June 2, 2000 |
| ----- Mary Bea Wilkinson | Treasurer | June ____, 2000 |
| /s/ Elizabeth J. Newell ----- Elizabeth J. Newell | Trustee | June 5, 2000 |

| | | |
|--|---------|--------------|
| /s/J. Michael Earley ----- J. Michael Earley | Trustee | June 2, 2000 |
| /s/ Barbara Gitenstein ----- R. Barbara Gitenstein | Trustee | June 2, 2000 |
| /s/ Robert A. Grayson ----- Robert A. Grayson | Trustee | June 5, 2000 |
| /s/ Stanley B. Seidler ----- Stanley B. Seidler | Trustee | June 2, 2000 |
| /s/ Roger B. Vincent ----- Roger B. Vincent | Trustee | June 2, 2000 |

BHF-Bank AG
 BHF Securities Corporation
 ING Bank N.V.
 Alegron Belegging B.V.
 ING Bank Ukraine
 ING Baring Securities (Romania) S.A.
 Amsterdam Exchanges N.V.
 Argencontrol
 Artolis B.V.
 Assurantiebedrijf ING Bank N.V.
 Assurantiekantoor Honig & Hageman BV
 Noordster V.O.F.
 Volmachtbedrijf ING Bank B.V.
 Atlas Investeringsgroep N.V.
 Atlas Investors Partnership III C.V.
 B.V. Gemeenschappelijk Bezit Aandelen Necigef
 Bank Brussels Lambert S.A.
 ING Bank (Belgium) N.V./S.A.
 Bancard Company S.A.
 Cooperation Liquidation Terme Bourse S.C.
 Europay Belgium S.C.
 Institut De Reescompte S.C.
 Societe Belge D' Investissement International S.C.
 Society for Worldwide Interbank Financial Telecommunication S.C.
 Visa Belgium SC
 Bank Mendes Gans NV
 B.V. Deelnemings En Financieringsmaatschappij "Nova Zembla"
 B.V. Trust En Administratiekantoor Van Bank Mendes Gans N.V.
 Bank Mendes Gans Effectenbewaarbedrijf N.V.
 Brenko B.V.
 Cabel B.V.
 Handamar N.V.
 Handamar Corporation
 Intervest B.V.
 Intervest PPM B.V.
 Bank Slaski S.A. W Katowicach
 *Rodkowoeropejskie Centrum Ratingu I Analiz S.A.
 Bankowe Przewodni*Biorstwo Telekom. Telebank S.A.
 BSK Konsulting SP Z.O.O.
 BSK Leasing S.A.
 Centralna Tabela Ofert S.A.
 Dom Maklerski BSK S.A.
 Gie*Da Papierow Warto*Clowych S.A.
 ING BSK Asset Management S.A.
 Krajowa Izba Rozliczeniowa S.A.
 Biuro Informacji Kredytowe S.A.
 Mi*Dzvnarodowa Szko*A Bankowo*Ci I Finansow SP Z.O.O.

Society for Worldwide Interbank Financial Telecommunication S.C.
Banque Baring Brothers (Suisse) S.A.
Benelux Investment Fund B.V.
Berliner Handels - Und Frankfurter Bank A.G.
Buenos Aires Equity Investments N.V.
Emprendimiento Recoleta S.A. (ERSA)
BPEP Holdings Limited
Baring Asia (GP) Limited
Baring European Fund Managers Limited
Baring Latin America GP Limited
Baring Latin America Partners Limited
Baring Private Equity Partners (Asia) PTE. Limited
Baring Private Equity Partners (China) Limited
ING Barings Private Equity (China) Limited
ING BPE (China) Advisers Limited
Baring Private Equity Partners (India) Limited
Baring Private Equity Partners GMBH
Baring Private Equity Partners Limited
Baring Venture Partners GMBH
Baring Venture Partners S.A
BHB Management Limited
BPEP General Partner I Limited
BPEP General Partner II Limited
BPEP Management (UK) Limited
BPEP Nominees Limited
Quartz Capital Partners Limited
Transtech Limited
BCEE Advisers Limited
BCEF Advisers Limited
BHR Management Limited
BI Advisers Limited
Blac Holdings Inc.
Blac Corp. Incorporated
BPEP Management Limited
Baring Mexico (GP) Limited
Baring Private Equity Partners Espana S.A.
Baring Private Equity Partners Mexico S.C.
BVP Mexico S.A.
Cavendish Nominees Limited
BPEP Participations Limited
Baring Vostok Capital Partners Limited
Baring Vostok Fund Managers Limited
ESD Managers Limited
Easdaq S.A.
International Private Equity Services Limited
Polytechnos Venture Partners GMBH
BVP Holdings Limited
Baring Capricorn Ventures Limited
Baring Communications Equity Limited
BCEA Advisers Limited
BCEA Management PTE. Limited

Capricorn Venture Fund N.V.
Procuritas Partners KB
PAB Partner AB
BVP Management Limited
Capricorn Venture Partners N.V.
Czech Venture Partners S.R.O.
CI European Limited
SCGF Advisers Limited
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis B'
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis'
Amsterdamse Poort III B.V.
Bijlmerplein Leasing BV
Foppingadreef Leasing B.V.
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis A'
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis C'
Grondpoort III B.V.
C.V. Exploitatiemaatschappij Tunnel Onder De Noord
Cardona B.V.
Cedel International S.A.
Centrum Cocarde B.V.
Cene Bankiers N.V.
Administratie & Trustkantoor Beleggingsfonds Protestants Nederland BV
Amsterdam Exchanges N.V.
Arma Beheer B.V.
Beheer Administratie en Beleggingsmaatschappij Kant B.V.
Bewaarbedrijf Cene Bankiers B.V.
BV Algemene Beleggingsmaatschappij Cene Bankiers N.V.
Beheermaatschappij Jansen Groenekan B.V.
Copar B.V.
Fidele Management B.V.
Flexibel Beheer Utrecht B.V.
Hercules Beheer B.V.
Langosta B.V.
Mercurius Beheer B.V.
Nivo Investments B.V.
Remazon B.V.
Cene Bankiers Holdings N.V.
Cene Asset Management N.V.
Cene Management N.V.
Tawny Owl Investment Company N.V.
Cene Verzekeringen B.V.
N.V. Instituut Voor Ziekenhuisfinanciering
Utrechtse Participatiemaatschappij B.V.
Cofiton B.V.
Sterling Developments B.V.
Brooks Equities Inc.
Location 3 Ltd.
SDC Properties Inc.
Tripolis Vastgoed B.V.
Tripolis A C.V.
Tripolis B C.V.

Tripolis C C.V.
Combdring B.V.
Compensadora Electronica S.A.
Computer Centrum Twente B.V.
Corporacion Financiera ING (Colombia) S.A.
Credit Commercial De France S.A.
Depositary Company ING Bank B.V.
Destara B.V.
 ING Bank Ukraine
 ING Baring Securities (Romania) S.A.
Effectenbeursvennootschap Van Brussel C.V.
Effectenbewaarbedrijf ING Bank N.V.
Euroclear Clearance System Public Limited Company
European Investment Fund (Center 757)
European Investment Fund (Center 920)
Extra Clearing B.V.
 Amsterdam Exchanges N.V.
 Extra Clearing GMBH
 YVOF Floorbrokers B.V.
Easdaq S.A.
Financial Advisory & Consultancy Services B.V.
 Owen Stanley Financial S.A.
Financial Facilities Management B.V.
Finemij B.V.
Gabela Belegging B.V.
Hamgia Beheer B.V.
 ING Bank Ukraine
 ING Baring Securities (Romania)S.A.
Ingvest III B.V.
Institucion Financiera Externa Middenbank Curacao N.V. (Uruguay)
Interbank On-Line System Limited
International Bankers S.A.
Interpay Nederland B.V.
Interunion Bank (Antilles) N.V.
Interadvies N.V.
 Administratiekantoor De Leuve BV
 Crediet Service Bank B.V.
 Incassobureau Fiditon BV
 NV Nationale Volksbank
 Arenda B.V.
 Sparfondsen Beheer B.V.
 Sparfondsen Bewaar B.V.
 Welvaert Financieringen NV
 Welstand B.V.
Internationale Nederlanden (U.S.) Funding Corporation
ING (U.S.) Financial Holdings Corporation
 ING (U.S.) Capital Financial Holdings LLC
 ING (U.S.) Capital LLC
 ING (U.S.) Capital Management Company LLC
 ING (U.S.) Investment Corporation
 Alliance Precision Plastics Corporation

Nitrogen Products, Inc.
ING Furman Selz Asset Management LLC
FSIP LLC
Taurus Partners, L.P.
The Corner Fund, L.P.
Fairway Capital Partners, L.P.
Anvers, L.P.
Anvers II, L.P.
Artemis Partners, L.P.
Furman Selz Capital Management LLC
Delta Asset Management
NorthStar Asset Management
ING Capital Advisors, LLC
ING Capital Advisors Portfolio Management Corp.
ING Capital Senior Secured High Income Fund, L.P.
ING Emerging Markets Investors LLC
ING Emerging Partners L.P.
ING Equity Holdings, Inc.
ING Equity Partners L.P.
ING Realty Services, Inc.
ING (U.S.) Financial Services Corporation
ING Baring Grupo Financiero (Mexico) S.A. De C.V.
ING Inmobiliaria (Mexico) S.A. de C.V.
ING Bank (Mexico) S.A.
ING Baring (Mexico), S.A. de C.V., Casa de Bolsa
ING Baring (U.S.) Financial Holdings LLC
ING Baring (U.S.) Capital Markets, LLC
ING Baring (U.S.) Capital LLC
ING (U.S.) Latin American Capital LLC
Internationale Nederlanden (U.S.) Real Estate Finance, Inc.
1996 Olympic Corporation
California Acquisition Partners I
Coast Atlantic, Inc.
Highridge ING Atlantic L.P.
Apache Investments, Inc.
Kokopelli Associates, Ltd.
Blue Sky Properties Inc.
Montague Court, LLC
Calprop Portfolio, Inc.
The Center at San Marcos Corporation
Crow's Nest Corporation
Genesee Corporation
Algerine Inc.
Genreo Corporation
Northern Springs Portfolio, Inc
Laketon Corporation
Lucre Lake Corporation
ING Real Estate Investors, Inc.
Little Muddy Creek Corporation
FN Realty Advisors, Inc.
Mountain AMD L.P.

First Ohio Service Corporation
5850 Corporation
Colrad Development Corp.
Evergreen Valley Development
LFS Capital Corporation
Lisle Center, Inc.
Spectrum Holdings, Inc.
Cardinal Mortgage Corporation
E.N. One, Inc.
Fairfield Village Mortgage Corporation
Lincoln Ventures Corporation
Pathway Lands Incorporated
Amarak II Investments Corporation
Pimco Corporation
Baloo Corporation
Can II, LLC
Cap II Foreclosure Corporation
Penn Mar Associates, LLC
Calprop II Portfolio, Inc.
Clear River Associates, Inc.
Amarak Investments Corporation
Great Lakes Management, Inc.
Canadian Ventures I L.P.
Falcon Gate, Inc.
Long Ears Corporation
Pleasantlake Corporation
S G Investors Corporation
Southgate Plaza, LLC
Ventura Ridge Associates, Inc.
Triangle Development Corporation
39 Vestry LLC
Tech Air Corporation
ING Barings Real Estate Acquisition Company
Pentagon Parkway Corporation
Artis Realty Advisors, Inc.
Coconut Corp.
Promontory Point, Inc.
Promontory Point Partnership
Seagate Development Corporation
Able Gateway Plaza, LLC
Mountain Creek Investors, Inc.
Mountain Creek Company, LLC
Telluride Mountain Village Ventures, LLC
Nashpike Corporation
Velocity One Inc.
B&I Associates, LLC
Brookhollow Associates, L.P.
Courtyard Plaza Associates, L.P.
Glen Harbor Associates, LLC
Hightree Associates, LLC
Lakebridge Partners, L.P.

Kent Hospitality Associates, L.P.
Northern Springs Limited Partnership
Ventura Hospitality Partners, L.P.
40 East Associates, L.P.
Springfield Corporate Center, LLC
Fountain Park Partners, L.P.
Westmoreland Associates, L.P.
Green Neck, LLC
Mallard Cove Investors, LLC
Calshops, LLC
BHI-Dover VII, L.P.
BHI-Dover VIII, L.P.
BHI-Dover X, L.P.
BHI-Dover XI, L.P.
Brickyard Investors, L.P.
Eastgate Hospitality Partners, L.P.
Festival Pasadena Associates, L.P.
Golden Bear Homes I, L.P.
Golden Bear Homes II, L.P.
Golden Bear Homes III, L.P.
Golden Bear Homes IV, L.P.
SPA Partners, L.P.
Miami Bay Hospitality Associates, L.P.
Royal River Partners, L.P.
Wildewood Holdings, LLC
Madramp, LLC
201 Madison, LLC
RTC Commercial Assets Trust, NP3-3
Boulders Phoenician Limited Partnership
CPR Investments, Inc.
Phoenician Investments, L.P.
Wisconsin Option Inc.
Hammer & Nails, Inc.
RIB Residential LLC
RBG Residential Investors, LLC
RBG XXXV Corp.
Centerline/RBG XXXV, L.P.
RB Florida Partners, L.P.
Center VII Corporation
Center VIII Corporation
Center X Corporation
Fountain Park Corporation
Royal Falls Corporation
Woodward Investors Corporation
Woodward First National LLC
Qualco, Inc.
Quality Fifth Avenue Hotel Associates, LLC
Fifth Avenue Hospitality Associates, LLC
Baldco, Inc.
Sleepy Lake Corporation
High Flyer Corporation

Airport One Investors, LLC
Lower Westside Development Corp.
359 West 11th Street, LLC
Velocity Two, Inc.
Baldwin Hospitality, LLC
Sleepy Lake Partners, L.P.
ING Merger Inc.
Furman Selz Trust Company
Furman Selz (Ireland) LLC
Furman Selz Financial Services Unlimited
Furman Selz Advisors LLC
Furman Selz Capital LLC
Furman Selz Management (BVI) Ltd.
Furman Selz Investments LLC
Furman Selz Investors, L.P.
Furman Selz SBIC Investments LLC
Furman Selz SBIC, L.P.
ING Baring Furman Selz LLC
Furman Selz Investment II
Furman Selz Investors II, L.P.
Furman Selz Parallel Fund
Artisan Investment Management LLC
Michelangelo Partners, L.P.
Total Resources LLC
Furman Selz Resources LLC
Furman Selz Financial Services LLC
Furman Selz Merchant Capital LLC
Furman Selz Ventures, L.P.
Karnak Partners, L.P.
Saugatuck Partners, L.P.
Crestwood Capital Partners, L.P.
Crestwood Capital Partners II, L.P.
Bridgewood Capital Partners, L.P.
ING TT&S (U.S.) Holdings Corporation
ING TT&S (U.S.) Securities, Inc.
ING (U.S.) Securities, Futures & Options Inc.
ING TT&S (U.S.) Capital Corporation
Furman Selz Proprietary, Inc.
ING (U.S.) Capital Investors Holdings, Inc.
ING (U.S.) Capital Securities, Inc.
Brecco, Inc.
FSIC LLC
Mutual Fund Funding 1994-1
Pacifica Funds Distributor, Inc.
Furman Selz Residential Funding LLC
FS Trust Company
ING Bank (Chile) S.A.
Edibank S.A.
Sociedad Interbancaria De Depositos De Valores S.A.
ING Bank (Eurasia)
ING Bank (Hungary) Rt.

Giro Elszamolasforgalmi Rt.
ING Duna Ingotlanhasznositc KFT
ING Bank (Luxembourg) S.A.
CMF Advisory S.A.H.
Euromix Advisory S.A.H.
ING Bank Luxfund Management S.A.
ING International Advisory S.A.H.
ING International II Advisory S.A.H.
ING Bank (Schweiz) A.G.
Kredietbank S.A. Luxembourgeoise
ING Bank (Uruguay) S.A.
Bolsa Electronica De Valores Del Uruguay S.A.
Compania Uruguaya De Medios De Procesamiento S.A.
Red. De Intercomunicacion De Alta Seguridad S.R.L.
ING Bank of Canada
ING Bank Corporate Investments B.V.
Entero B.V.
Eruca Belegging B.V.
ING Bank Mezzaninefonds B.V.
ING Bank Participatie PPM B.V.
MKB Beleggingen B.V.
MKB Vliehors II B.V.
Wijkertunnel Beheer II B.V.
Wijkertunnel Beheer II Management B.V.
MKB Vliehors III B.V.
Small Business Publishing B.V.
N&M Holding N.V.
ING Bank Dutch Fund N.V.
ING Bank Fondsen Beheer B.V.
ING Bank Geldmarkt Fonds N.V.
ING Bank Global Custody UK Nominees Limited
ING Bank Global Fund N.V.
ING Bank Guldem Fonds N.V.
ING Bank I.T. Fund N.V.
ING Bank Luxfund Management S.A.
ING Bank Middutch Fund N.V.
ING Bank Obligatie Fonds N.V.
ING Bank Rentegroei Fonds N.V.
ING Bank Spaardividend Fonds N.V.
ING Bank Vastgoed Fonds B.V.
ING Bank Verre Oosten Fonds N.V.
ING Baring Capital Markets (C.R.), A.S.
ING Baring Financial Products
ING Baring Holding Nederland B.V.
Atlas Capital (Thailand) Limited ("Atlas")
ING Baring Securities (Thailand) Limited
ING Baring Holdings Limited
Baring Asset Management Holdings Ltd.
Baring Asset Management Ltd.
Baring International Investment Limited
Baring International Investment Management Holdings Ltd.

Baring Asset Management Inc.
Baring International Investment (Canada) Limited
Baring International Investment Management Limited
Baring Asset Management Holdings Inc.
Baring Asset Management UK Holdings Limited
Baring Asset Management (Asia) Holdings Limited
Austin Assets Limited
Baring Asset Management (Asia) Limited
Baring Asset Management (Australia) Limited
Baring Asset Management (Japan) Limited
Baring International Fund Managers (Bermuda) Limited
Baring International Fund Managers Limited
Baring International Investment (Far East) Limited
Baring Pacific Investments Limited
Baring Asset Management (C.I.) Limited
Baring International Fund Managers (Ireland) Ltd.
Baring Investment Services Inc.
Baring Mutual Fund Management S.A.
European and Asian Fund Management S.A.
Baring Investment Management Ltd.
Baring Quantative Management Ltd.
Baring Global Fund Managers Limited
Baring Private Asset Management Ltd.
Baring Fund Managers Limited
Baring Managed Funds Services Ltd.
Baring Private Investment Management Ltd.
Baring Trust Company Ltd.
Baring Trustees (Guernsey) Limited
Arnold Limited
International Metal Trading Limited
Barings (Isle of Man) Limited
Control Management Limited
Doyle Administration Limited
International Metal Trading Limited
ING Trust (Jersey) Ltd
Saline Nominees Limited
Truchot Limited
Vivian Limited
Barings (Guernsey) Limited
Barfield Nominees Limited
Barings Ireland Limited
Guernsey International Fund Managers Limited
Arnold Limited
International Metal Trading Limited
Control Management Limited
Doyle Administration Limited
International Metal Trading Limited
International Fund Managers (Ireland) Ltd.
International Securitisation Managers (Ireland) Ltd
Saline Nominees Limited
Truchot Limited

Vivian Limited
International Fund Managers UK Ltd.
Ravensbourne Registration Services Ltd.
Barings Investment Services Limited
Baring Brothers Holdings Limited
Baring (U.S.) Holdings Limited
Abbotstone Investment Company Limited
Baring Brothers Limited
Baring Brothers (Finance) Limited
Baring Brothers Argentina S.A.
Baring Brothers International Limited
Barings C.F. Holdings Limited
B.B.A.H. Pty Limited
Baring Brothers Burrows & Co. Limited
Baring Brothers Burrows Securities Limited
SAIPH Pty Limited
BBHP Pty Limited
Baring Brothers (Deutschland) GMBH
Baring Brothers International GMBH
Baring Brothers (Espana) S.A.
Barings Brothers (Italia) SRL
Baring Properties (London Wall) Limited
Baring Properties Limited
Outwich Finance Limited
Outwich Limited
Baring Warrants PLC
Barings France S.A.
Barings Nominees Limited
Bishopscourt Holdings Limited
Bishopscourt Leasing (Holdings) Limited
Bishopscourt Asset Leasing Limited
Bishopscourt Equipment Leasing Limited
Bishopscourt Industrial Finance Limited
Bishopscourt Limited
Bishopscourt Securities Limited
BVC Nominees Limited
Cotton Nominees Limited
ING Baring International Advisers Limited
ING Baring Services (Eastern Europe) Limited
ING Baring Services Limited
The Mortgage Acceptance Corporation (Holdings) Limited
The Mortgage Acceptance Corporation Limited
Yealme Securities Limited
ING Baring Financial Products
ING Baring Securities Holdings Limited
ING Baring Securities Limited
ING Baring Securities (Andean Pact) Ltda
ING Barings Peru S.A.
ING Baring Securities Services Limited
Baring Securities (Property Services) Ltd
BS Property Services (Japan) Limited

ING Baring Data Limited
INGB Dormant Holding Company Limited
Baring Securities (London) Limited
Baring Securities (OTC Options) Limited
ING Baring Management Services PTE Ltd
ING Baring Research Limited
ING Baring Securities (Overseas) Ltd.
ING Baring Securities Management Services (Hong Kong) Ltd
Makettravel Limited
INGB Securities (International) Holdings Limited
Baring Securities (Financial Services) Limited
Barsec (International) Limited
Baring Nominees (Australia) Pty Ltd
Baring Research S.A. De C.V.
Baring Securities (Australia) Limited
Baring Securities (France) S.A.
Baring Securities Pakistan (Private) Limited
Barings Mauritius Limited
ING Barings India Private Limited
ING Baring Securities (India) Pvt. Ltd.
Celtec Holdings S.A.
ING Baring Corretora De Valores Mobiliarios S.A.
Corinvest Limited
Epcorp Limited
Galax Limited
Dropny B.V.
ING Baring Chile Limitada
ING Baring International PTE Ltd
ING Baring Operational Services (Taiwan) Limited
ING Baring Securities (Andean Pact) Ltda
ING Baring Securities (Hong Kong) Ltd
ING Baring Far East Nominees Limited
ING Baring Securities (Philippines) Inc.
ING Baring Securities (Singapore) PTE Ltd
ING Baring Nominees (Singapore) PTE Ltd
ING Baring Research (Malaysia) SDN. Bhd.
ING Baring Securities (Taiwan) Limited (SICE)
ING Baring Securities, Argentina S.A.
ING Baring South Africa Limited
ING Barings Southern Africa (Proprietary) Ltd
Anodyne Nominees (Proprietary) Limited
ING Barings Peru S.A.
ING Futures & Options (Hong Kong) Limited
ING UK Capital Limited
Lokmaipattana Co. Limited
PT ING Baring Securities Indonesia
INGB Securities Client Services Limited
Aliwall Limited
Barings Securities Nominees Limited
Brunera Limited
Cereus Limited

Dianthus Limited
Eranthis Limited
Francoa Limited
Grassmere Limited
Leacroft Limited
Mountbatten Limited
ING Baring Securities (Japan) Limited
ING Baring Securities (Thailand) Limited
ING Baring Investment (Eurasia) Zao
ING Baring Securities (Hungary) Rt.
ING Baring Securities (Poland) Holding B.V.
ING Baring Securities (Romania) S.A.
ING Baring Securities (Slovakia), S.R.O.
Proctor & Gamble S.R.O.
ING Barings Ecuador Casa De Valores S.A.
ING BSK Asset Management S.A.
ING Capital Markets (Hong Kong) Limited
ING Compania De Inversiones Y Servicios Limitada
Bolsa Electronica De Chile, Bolsa De Valores S.A.
CISL Aruba A.E.C.
ING Consultants Co., Ltd.
ING Derivatives (London) Limited
Belgian Futures & Options Exchange
London Clearing House Limited
Liffe (Holdings) PLC
The International Petroleum Exchange of London Limited
ING Empreendimentos E Participacoes Ltda.
Guilder Corretora De Valores Mobiliarios S/A
ING Guilder Distribuidora De Titulos E Valores Mobiliarios S/A
ING Investment Management Ltda.
ING Servicios Ltda.
ING Finance (Ireland) Ltd
ING Forex Corporation
ING Futures & Options (Singapore) PTE Ltd
ING Inversiones, Ltda.
Corporacion Financiera ING (Colombia) S.A.
ING Investment Management Holdings (Antilles) N.V.
ING Lease Holding N.V.
CW Lease Belgium NV
CW Finance N.V.
CW Lease Luxembourg S.A.
Dealer Lease Service Belgium N.V.
CW Lease Nederland BV
Autolease OSS B.V.
CW Finance N.V.
CW Lease Belgium NV
CW Finance N.V.
CW Lease Luxembourg S.A.
Dealer Lease Service Belgium N.V.
CW Lease France S.N.C.
CW Lease Luxembourg S.A.

Dealer Lease Service Belgium N.V.
Gothia Estate II B.V.
Westment II B.V.
International Driver Service B.V.
Schade Herstel Bedrijf B.V.
ING Aircraft Lease B.V.
Fokker Brasil B.V.
ING Lease (Belgium) N.V.
Real Estate Lease SPC 1 N.V.
Savin Lease N.V.
ING Lease (Espana) EFC, SA
ING Lease (France) S.A.
ING Lease (France) S.N.C.
ING Lease (Italia) SPA
ING Lease (Nederland) B.V.
Blauwe IRM B.V.
Graphic Lease B.V.
Groen Lease B.V.
GIL 1997 (Windkracht) B.V.
ING Lease Vastgoed B.V.
Newco-One Corp.
Ship Lease International B.V.
ZIL '96 B.V.
ING Lease (Polska)
ING Lease Holding (Deutschland) GMBH
CW Lease Deutschland GMBH
CW Lease Berlin GMBH
ING Lease Deutschland GMBH
IFSC Beteiligungsgesellschaft GMBH
ING Lease (Berlin) GMBH
ING Lease Kran und Schwertransport GMBH
ING Leasing Besitzgesellschaft MBH
ING Leasing Geschaeftsfuhrungsgesellschaft MBH
ING Leasing Gesellschaft Fur Beteiligungen MBH
ING Leasing GMBH & Co. Golf KG
ING Leasing GMBH & Co. Juliett KG
ING Leasing Treuhandgesellschaft GMBH
ING Leasing Verwaltungsgesellschaft GMBH
Uta Finanz und Leasing GMBH
ING Lease Holdings (UK) Limited
CW Lease UK Ltd
CW Finance Ltd.
Leasing Principals Limited
ING Lease (UK) Limited
ING Farm Finance Limited
ING Farm Finance (June) Limited
ING Farm Finance (March) Limited
ING Farm Finance (September) Limited
ING Lease (UK) Nine Limited
ING Lease (UK) Six Limited
ING Lease (UK) Three Limited

MKL Rentals Limited
ING Lease Interfinance B.V.
CW Lease France S.N.C.
ING Lease (Italia) SPA
Real Estate Lease SPC 1 N.V.
Runoto Belgium N.V.
Diamond Lease
ING Lease International Equipment Finance B.V.
ING Aviation Lease B.V.
Air Finance Holland B.V.
Aviation Service Holland B.V.
ING Lease (Far East 2) B.V.
ING Lease (Far East) N.V.
ING Lease (Ireland) B.V.
ING Lease (France) S.N.C.
ING Lease Structured Finance B.V.
Esbelto B.V.
Green Assets B.V.
Hirando B.V.
Hokabe Lease B.V.
ING Bank Geldmarkt Fonds Beheer B.V.
ING Lease Milieu B.V.
Quadralock 2 B.V.
SFING Europe B.V.
Tropelia B.V.
Virgula B.V.
ING Lease International Equipment Management B.V.
Air Finance Amsterdam B.V.
Air Holland Leasing II B.V.
ING (Holland Aircraft Lease) B.V.
ING Lease Aircraft B.V.
ING Lease Delaware, Inc.
Noord Lease B.V.
Postbank-Lease B.V.
Renting De Equipos E Inmuebles SA
Runoto Leasing BV
Runoto Belgium N.V.
Diamond Lease
ING Mercantile Mutual Bank Limited
ING Merchant Bank (Singapore) Limited
Export Credit Insurance Corporation of Singapore Ltd
ING Asset Management (Singapore) Ltd
ING Nominees (Singapore) PTE Ltd
ING Participation Dalrybbank B.V.
ING Private Banking Beheer B.V.
ING Bank Vastgoed Management B.V.
ING Securities (Eurasia) Zao
ING Servicios, C.A.
ING Sociedad De Bolsa (Argentina), S.A.
Mercado De Valores De Buenos Aires S.A.
ING Sviluppo Sim S.P.A.

ING Trust B.V.
Ingress N.V.
ING Management (Hong Kong) Ltd
ING Nominees (Hong Kong) Ltd
ING Trust (Antilles) NV
Formid Management N.V.
ING (Antilles) Portfolio Management N.V.
Monna NV
Jet NV
Simbad N.V.
ING Trust (Aruba) N.V.
ING Trust (BVI) Ltd.
ING Trust (Luxembourg) S.A.
ING Trust (Nederland) B.V.
ING Bank (Eurasia)
ING Bank (Luxembourg) S.A.
CMF Advisory S.A.H.
Euromix Advisory S.A.H.
ING Bank Luxfund Management S.A.
ING International Advisory S.A.H.
ING International II Advisory S.A.H.
ING Baring Securities (Romania) S.A.
ING Holdings Empreendimentos Participacao Ltda.
Guilder Corretora De Valores Mobiliarios S/A
Management Services ING Bank B.V.
ING Bank (Eurasia)
ING Baring Investment (Eurasia) Zao
ING Securities (Eurasia) Zao
Muteka BV
ING Trust (Suisse) AG
Trust Maatschappij ING Bank B.V.
Anorga B.V.
Corpovea B.V.
N.V. Balmore Vastgoed U.S.A.
Den Hamer Beheer B.V.
Diagonac B.V.
Henry F. Holding B.V.
ING Aconto N.V.
N.V. Balmore Vastgoed U.S.A.
Mijcene B.V.
Vitigudino B.V.
N.V. Balmore Vastgoed U.S.A.
N.V. Balmore Vastgoed U.S.A.
Paramito B.V.
Rescit I BV
Storeria B.V.
Tuvor B.V.
Vitigudino B.V.
N.V. Balmore Vastgoed U.S.A.
Vitigudino B.V.
N.V. Balmore Vastgoed U.S.A.

Westward Capital II B.V.
ING Valores (Venezuela) C.A.
ING Vastgoed B B.V.
ING Real Estate (BHS) B.V.
ING Real Estate International Development B.V.
Holland Park Sp. Zoo
ING Real Estate Iberica SL
ING Real Estate International Development (Liege) B.V.
ING Real Estate Sp. Zoo
ING Real Estate Vasco Da Gama B.V.
London & Amsterdam Properties Ltd
London and Amsterdam Development Ltd.
London & Amsterdam Properties Ltd
MBO Camargo SA
Inmolor SA
MBO La Farga SA
Hospitalet Center, SL
MBO Morisson Ltd
Warsaw I B.V.
1300 Connecticut Avenue Joint Venture Ltd
ING Real Estate International Investment II B.V.
ING Real Estate International Investment III B.V.
ING Vastgoed Financiering N.V.
Bedrijfsgebouw MBO - Riho C.V.
Groeneveld MBO C.V.
M.B.O. Vastgoed Lease B.V.
Lindenburgh C.V.
Maria Hove C.V.
MBO Brova C.V.
MBO North America Finance B.V.
Residential Financial Development LLC
ING Vastgoed Fondsen B.V.
Winkelfonds Nederland Management B.V.
ING Vastgoed Ontwikkeling B.V.
Amsterdamse Poort Holding IV B.V.
Amsterdamse Poort IV B.V.
Grondpoort IV B.V.
Amsterdamse Poort II B.V.
BV Bedrijvenpark G.P.
CV Bedrijvenpark G.P.
Grondpoort II B.V.
Gulogulo B.V.
Antibes Holding B.V.
ING Vastgoed Arena B.V.
Muller Bouwparticipatie B.V.
V.O.F. Winkelcentrum Markt Noorderpromenade Drachten
MBO - Ruijters B.V.
Holding 'T Loon B.V.
Vastgoed 'T Loon B.V.
Wolfstreet Holding B.V.
Wolfstreet B.V.

Wolfstreet Grond B.V.
MBO Brinkstraat Holding B.V.
MBO Brinkstraat B.V.
MBO Brinkstraat Grond B.V.
MBO Catharijnesingel Holding B.V.
MBO Catharijnesingel B.V.
MBO Catharijnesingel Grond B.V.
MBO De Centrale Holding B.V.
MBO De Centrale B.V.
MBO De Centrale Grond B.V.
MBO Dommelstaete Holding B.V.
MBO Dommestaete B.V.
MBO Emmasingel Holding B.V.
MBO Emmasingel B.V.
MBO Emmasingel Grond B.V.
MBO Guyotplein Holding B.V.
MBO Guyotplein B.V.
MBO Guyotplein Grond B.V.
MBO Kousteensedijk Holding B.V.
MBO Kousteensedijk B.V.
MBO Kousteensedijk Grond B.V.
MBO Kruseman Van Eltenweg Holding B.V.
MBO Kruseman Van Eltenweg B.V.
MBO Kruseman Van Eltenweg Grond B.V.
MBO Marienburg B.V.
Marienburg V.O.F.
MBO Martinetsingel Holding B.V.
MBO Martinetsingel B.V.
MBO Martinetsingel Grond B.V.
MBO Oranjerie Holding B.V.
MBO Oranjerie B.V.
MBO Oranjerie Grond B.V.
MBO Pleintoren Holding b.V.
MBO Pleintoren BV
MBO Pleintoren Grond BV
MBO Via Catarina B.V.
Via Catarina "Empredimentos Imobiliarios" SA
MBO Walburg Holding B.V.
MBO Walburg B.V.
MBO Walburg Grond B.V.
MBO Willem II Singel Holding B.V.
MBO Willem II Singel B.V.
MBO Willem II Singel Grond B.V.
Q-Park Bovenmaas I B.V.
Q-Park N.V.
Q-Park Nederland B.V.
Q-Park Exploitatie B.V.
Q-Park De Bijenkorf B.V.
Q-Park Beheer B.V.
Q-Park Brabant B.V.
Q-Park Reserve I B.V.

Q-Park Byzantium B.V.
Q-Park City Holding B.V.
Q-Park City B.V.
Q-Park Schouwburg B.V.
Q-Park De Klomp B.V.
Q-Park Raadhuis B.V.
Q-Park Reserve II B.V.
Stadsherstel Historisch Rotterdam N.V.
Supermarkt Krouwel B.V.
V.O.F. Winkelcentrum Markt Noorderpromenade Drachten
Vastgoed De Brink Holding B.V.
Vastgoed De Brink B.V.
Wilhelminahof MBO B.V.
Zuidplein Beheer BV
ING Verwaltung (Deutschland) GMBH A.G.
Allgemeine Deutsche Direktbank AG
BNL Beteiligungsgesellschaft Neue Laender GMBH & Co. KG
Liquiditats-Konsortialbank GMBH
ING-North East Asia Bank
INIB N.V.
Locura Belegging B.V.
Luteola B.V.
Melifluo B.V.
Middenbank Curacao N.V.
Advisory Company Luxembourg
Altasec N.V.
Corporacion Financiera ING (Colombia) S.A.
Aralco N.V.
Atlas Venture Fund I, L.P.
Banco Latino-Americano De Exportaciones S.A.
Cayman Islands Funds N.V.
Corporacion Financiera ING (Colombia) S.A.
Datasegur S.R.L.
Fiseco N.V.
Granity Shipping N.V.
Institucion Financiera Externa Middenbank Curacao N.V. (Uruguay)
ING Bank (Chile) S.A.
Edibank S.A.
Sociedad Interbancaria De Depositor De Valores S.A.
ING Barings Ecuador Casa De Valores S.A.
ING Compania De Inversiones Y Servicios Limitada
Bolsa Electronica De Chile, Bolsa De Valores S.A.
CISL Aruba A.E.C.
ING Inversiones, Ltda.
Corporacion Financiera ING (Colombia) S.A.
ING Sociedad De Bolsa (Argentina), S.A.
Mercado De Valores De Buenos Aires S.A.
Kamadora Investments N.V.
Corporacion Financiera ING (Colombia) S.A.
Lerac Investment S.A.
Red Rose Investments N.V.

Unilarse
Zermatt N.V.
Miopia B.V.
Multiaccess B.V.
MKB Adviseurs B.V.
MKB Card B.V.
MKB Investments BV
De Springelberg B.V.
Het Dijkhuis B.V.
Palino B.V.
Tiberia B.V.
MKB Punt B.V.
Business Compass Holding B.V.
N.V. Instituut Voor Ziekenhuisfinanciering
Nationale-Nederlanden Financiële Diensten B.V.
B.V. Financieringsmaatschappij Vola
B.V. Kredietmaatschappij Vola
Dealer Cash Plan B.V.
Cash Plan B.V.
Finantel B.V.
Sentax Assurantie B.V.
G. J. Van Geet Beheer B.V.
Alegro Krediet B.V.
Gelderse Discount Maatschappij B.V.
Sentax Beheer B.V.
Finam Krediet B.V.
Sentax Lease B.V.
Vola Geldleningen B.V.
Nederlandse Bouwbank N.V.
Nederlandse Financieringsmaatschappij Voor Ontwikkelingslanden N.V.
Nedermex Limited N.V.
Netherlands Caribbean Bank N.V.
Networks Integrated Project Consultancy B.V.
Nofegol Beheer B.V.
NCM Holding N.V.
NMB Equity Participations N.V.
NMB-Heller Holding N.V.
Handlowy-Heller SA
Heller GMBH
Heller Bank A.G.
International Credit Service S.A.S.
Heller Finanz GMBH
Info-Und Beratungsunternehmen GMBH
NMB-Heller Ltd.
NMB-Heller N.V.
Agpo Participatiemaatschappij B.V.
Felix Tigris B.V.
Inter Credit B.V.
International Credit Service S.A.S.
International Credit Service S.A.S.
NMB-Heller Zweigniederlassung Neuss

Zamenbrink B.V.
Zamenterp B.V.
OB Heller AS
Okalia N.V.
Olivacea B.V.
Ontwikkelingsmaatschappij Noordrand B.V.
Orcinus B.V.
Oscar Smit's Bank N.V.
Bouwmaatschappij Mecklenburgplein B.V.
Kenau B.V.
P.T. ING Indonesia Bank
Parmola B.V.
Paronyme B.V.
Pendola B.V.
Perotis B.V.
Policy Extra Holdings Limited
Postbank N.V.
Amsterdam Exchanges N.V.
Interpartes Incasso B.V.
Postbank Aandelenfonds N.V.
Postbank Beleggingsfonds N.V.
Postbank Beleggingsfondsen Beheer B.V..
Postbank Beleggingsfondsen Bewaar B.V.
Postbank Chipper Beheer B.V.
Postbank Euro Aandelen Fonds N.V.
Postbank Groen N.V.
Postbank I.T. Fonds N.V.
Postbank Interfinance B.V.
Postbank Nederlandfonds N.V.
Postbank Obligatie Fonds N.V.
Postbank Obligatiefonds Beheer B.V.
Postbank Vastgoedfonds N.V.
Postbank Vermogensgroefonds N.V.
Postbank Wereldmerkenfonds N.V.
Postkantoren B.V.
Prena Belegging B.V.
T Oye Deventer B.V.
A. Van Der Molen Herenmode B.V.
A. Van Der Pol Beleggingsmaatschappij Amsterdam B.V.
A. Van Venrooy Beleggingen B.V.
A. Van Weringh Beleggingen B.V.
A.C.M. Nienhuis Houdstermaatschappij B.V.
B.V. Raadgevend Bureau Nienhuis Consultans
A.H. Blok Holding B.V.
A.H.M. Habets Beheer B.V.
A.J. Vos Makelaardij Onroerende Goederen B.V.
Abades B.V.
Abrocoma B.V.
Ad Barnhard Holding B.V.
Albranis B.V.
Almenzor B.V.

Altimira B.V.
Ambito N.V.
Aralar B.V.
Atitlan B.V.
B.V. Beheersmaatschappij Nuyt En Heikens
B.V. Odripi
B.V. Varen ABC
B.V. Vulca Beleggingsmaatschappij
Barbatus B.V.
Barbuda B.V.
Bebida B.V.
Beheermaatschappij Van Der Reijnst B.V.
Beheermaatschappij Van Het Beleggingsfonds Van De 7 B.V.
Beheermaatschappij Darius B.V.
Beheermaatschappij Stouwe B.V.
Beheermaatschappij Van Putten B.V.
Beheersmaatschappij Elma Schrijen B.V.
Beheersmaatschappij K.G. Tjia B.V.
Beheersmaatschappij Luco Zuidlaren B.V.
Beheersmij A.J. Konst B.V.
Belagua B.V.
Bergara B.V.
Bermillio B.V.
Betulina B.V.
Bidasoa B.V.
Biporus B.V.
Blarina B.V.
Brasas B.V.
Bravura B.V.
Bremer-Van Mierlo Beleggingsmaatschappij B.V.
Bustia B.V.
C. J. Buyzen Beheer B.V.
C. J. H. - En J. J. Heimeriks Holding B.V.
Calando Belegging B.V.
Camilo B.V.
Castroverde B.V.
Cationer B.V.
Cermanita B.V.
Cicania B.V.
Clacri B.V.
Colocar B.V.
OCB Beheer B.V.
Concolor B.V.
Cortada B.V.
Cotranco B.V.
Crescentes Prins B.V.
Cumbras B.V.
Cupula B.V.
D'Eijk B.V.
De Groninger Lederwaren Industrie B.V.
Delta Nederland Beheer B.V.

Dorsalis B.V.
Dr. De Grood Beheer B.V.
DKP Beheer B.V.
Dick Kooiman Publication/Productions B.V.
DSBV-Enserink B.V.
DSBV-Ploeger B.V.
E. Romar Beheer B.V.
Omnium B.V.
Empluma B.V.
Entorno B.V.
Epic Investments B.V.
Ernsatus B.V.
Esvice B.V.
Exel Beheer B.V.
Exploitatie En Beleggingsmaatschappij Alja Eindhoven B.V.
F. R. Hoffschlag Beleggingen B.V.
Familiale Investerings Maatschappij F.I.M.
Farlita B.V.
Flantua Beheer B.V.
Fregenda B.V.
Funjob Investments B.V.
G. Laterveer Beheer B.V.
Garlito B.V.
Gebrema Beheer B.V.
Gekrabeheer B.V.
Germs Beleggingen B.V.
Glabana B.V.
Golpejas B.V.
H. Van Duinen Beheer B.V.
H. Mekenkamp Holding B.V.
Mekenkamp Beheer B.V.
H. Weterings Holding B.V.
H. D. En L.B. Meijer Beheer B.V.
H. G. Van Der Most Beheer B.V.
Handelsonderneming E. Spee B.V.
Hepec Beheer B.V.
Hilschip BV
Hispidus B.V.
Hof En Frieling Beheer B.V.
Hof & Frieling Onroerend Goed B.V.
Holding Hoveling Beheer B.v.
Holding J.W.G. Huijbregts B.V.
Holding Schildersbedrijf West-Friesland B.V.
Holding Schuiling B.V.
Holding Th. A. Wellink B.V.
Hotel-Restaurant Boerhave B.V.
Huaco B.V.
Humada B.V.
Ignaro B.V.
Imbricata B.V.
Incoloro B.V.

Indonea B.V.
Allshoes Schoengroothandel B.V.
ING Bank Spaardividend Fonds Beheer B.V.
J & A Holding B.V.
J. B. Van Den Brink Beleggingsmaatschappij B.V.
J. G. Mekenkamp Holding B.V.
Mekenkamp Beheer B.V.
J. H. Moes Holding B.V.
J. P. Korenwinder Beheer B.V.
J. W. Th. M. Kohlen Beheer B.V.
Jemaas Beheer B.V.
Jongert Beheer B.V.
K & M Beheer B.V.
Kalliope B.V.
Bacolac B.V.
Kapellenberg B.V.
Kijkgroep B.V.
Koehorst Promotion Beheer B.V.
KBM Maarssen B.V.
L. Martens Beheer B.V.
La Douce Vie Network B.V.
Lagotis B.V.
Larino B.V.
Latourette B.V.
Leaver B.V.
Ledanca B.V.
Lektura Tiel Beheer B.V.
Licorera B.V.
Liecene B.V.
Lin Beheer B.V.
Lomajoma Holdings B.V.
Lorkendreef Beheer N.V.
Lustroso B.V.
M. B. Van Der Vlerk B.V.
Madrigal B.V.
Marres B.V.
Masegoso B.V.
Matthew Holding B.V.
Mazairac Belegging B.V.
Minnaar Holding B.V.
Mirabilis B.V.
Molenwiede B.V.
Muguet B.V.
Multicover B.V.
Pulido B.V.
Mustang B.V.
Olseria B.V.
Arend Broekhuis B.V.
P. Nienhuis Houdstermaatschappij
P. J. Heinrici Beheer B.V.
Pastrana B.V.

Pedralva B.V.
Pemac B.V.
Penuria B.V.
Perola Belegging B.V.
Pertusa B.V.
Peter Trompalphen Aan Den Rijn Beheer B.V.
Phobos Beleggingen
Pinicola B.V.
Pluijmen Holding B.V.
Portelas B.V.
Postigo B.V.
Prestamo B.V.
Pruis Elburg Beheer B.V.
Puebla B.V.
Pulido B.V.
Rayhold Management En Deelneming B.V.
Rescoldo B.V.
Ressel B.v.
Retrasos B.V.
Rodeba Deurne B.v.
Roelcene B.V.
Rowanda B.V.
Rudloff & Peter Herenmode En Confectie B.V.
Sabra Holding B.V.
Valpacos B.V.
Sacobel Beheer B.V.
Schnieders Beheer B.V.
Simonis Beheer B.V.
Simonis Beleggingsmaatschappij B.V.
Sipororo B.V.
Spaleta B.V.
Spatgens Beheer B.V.
Stampida B.V.
Stamveld B.V.
Steendam Beleggingsmaatschappij Drachten B.V.
Storm Beheer B.V.
Beheermaatschappij Baarlo B.V.
Strokkur B.V.
Sunrise Investments B.V.
Sustento B.V.
Svalbard Beheer B.V.
T. A. Lie Beheer B.V.
T. M. D. Beheer B.V.
Beheermaatschappij Baarlo B.V.
Tadavia B.V.
Beleggings - En Beheer Maatschappij Solina B.V.
Refina B.V.
Talboom Beheer B.V.
Tapius B.V.
Tarsius B.V.
Technisch Advies Bureau Jaba B.V.

Ter Linden En Heijer Holding B.V.
Tessara Zaanlandia B.V.
Thecoar B.V.
Theo Kentie Holding B.V.
 Theo Kentie Design B.V.
Traslado B.V.
 Trasgo B.V.
Treetop B.V.
Trituris B.V.
Truckstar Holding B.V.
Tucupido B.V.
Tricor B.V.
U. Ringsma Beheer B.V.
Unitres Holding B.V.
Vaanhoud & Van Zon Holding B.V.
Van Den Heuvel Beheer B.V.
Van Loon Beheer B.V.
Van Roij Holding B.V.
Van Zwamen Holding B.V.
Vebe Olst B.V.
Vegem Beheer B.V.
Venidero B.V.
Vette Consultants B.V.
Vicar B.V.
Vidriales B.V.
W. Van Den Berg B.V.
W. N. Van Twist Holding B.V.
Wabemij B.V.
Wiancini B.V.
Rentista B.V.
Reoco Limited
Rutilus B.V.
RL & T (International) N.V.
Securo De Depositos S.A.
Siam City Asset Management Co., Ltd
Slivast B.V.
Societe Financiere Du Libans. A.L.
Society for Worldwide Interbank Financial Telecommunication S.C.
Stichting Administratiekantoor ING Bank Global Custody
Tablero B.V.
Tolinea B.V.
Tripudio B.V.
Tunnel Onder De Noord B.V.
 C. V. Exploitatiemaatschappij Tunnel Onder De Noord
Unidanmark A/S
Verenigde Bankbedrijven N. V.
Westland Utrecht Hypotheekbank N.V.
 Amstgeld Management AG
 Amstgeld N.V.
 Amstgeld Trust AG
Bouw En Exploitatiemaatschappij Deska XXIII B.V.

Charterhouse Vermogensbeheer B.V.
Hypothecair Belang Gaasperdam I N.V.
Assorti Beheer Amsterdam B.V.
Muidergracht Onroerend Goed B.V.
Amstel Gaasperdam B. V.
Bouw-, Exploitatie En Administratie Maatschappij Amer IV B.V.
N.V. Zeker Vast Gaasperdam
Rijn Gaasperdam B.V.
Juza Onroerend Goed B.V.
Hazo Immobilia B.V.
Kort Ambacht Maatschappij Tot Exploitatie Van Onroerende Goederen B.V.
Utrechtse Financierings Bank N.V.
Utrechtse Hypotheekbank N.V.
Algemeene Waarborgmaatschappij N.V.
Hypotheekbank Voor Nederland II N.V.
Hypotheekbank Voor Nederland N.V.
Standard Hypotheekbank N.V.
ING Bank Hypotheken N.V.
Nationale Hypotheekbank N.V.
Hollandsche Hypotheekbank N.V.
Zuid Nederlandsche Hypotheekbank N.V.
Vermogensplanning N.B.I. B.V.
W.U.H. Finanz A.G.
Westland/Utrecht Leasing B.V.
Berchem Onroerend Goed B.V.
Berkelse Poort B.V.
Beuke Poort B.V.
Brasemer Poort B.V.
Bruine Poort B.V.
Denne Poort B.V.
Doetichem Immobilia B.V.
Dommelse Poort B.V.
Drechtse Poort B.V.
Eike Poort B.V.
Esse Poort B.V.
Frabu Immobilia B.V.
Friese Poort B.V.
Gelderse Poort B.V.
Gele Poort B.V.
Grijze Poort B.V.
Groninger Poort B.V.
Helo Immobilia B.V.
Holendrecht Gemeenschappelijk Beheer B.V.
Holendrecht Parking B.V.
Hollandse Poort B.V.
Iepe Poort B.V.
Kager Poort B.V.
Kilse Poort B.V.
Lekse Poort B.V.
Limburgse Waterpoort B.V.
Lingese Poort B.V.

Markse Poort B.V.
Oranje Poort B.V.
Paarse Poort B.V.
Reggese Poort B.V.
Roerse Poort B.V.
Schepa Immobilia B.V.
Sparre Poort B.V.
Spoolde B.V.
Spuise Poort B.V.
Thames Poort B.V.
Utrechtse Poort B.V.
Vechtse Poort B.V.
Vlietse Poort B.V.
Westland/Utrecht Bouwonderneming Wubo VI B.V.
Westland/Utrecht Bouwonderonderneming Wubo IV B.V.
Wilge Poort B.V.
Zeeuwse Poort B.V.
Westland/Utrecht Verzekeringen B.V.
Westlandsche Hypotheekbank N.V.
Algemeene Hypotheekbank N.V.
Hypotheekbank Maatschappij Voor Hypothecaire Crediet N.V.
Groningsche Hypotheekbank N.V.
Vaderlandsche Hypotheekbank N.V.
Zeeuwsche Hypotheekbank N.V.
Zuid-Hollandsche Hypotheekbank N.V.
Zugut B.V.
ING Verzekeringen N.V.
ING Insurance International B.V.
Nationale-Nederlanden Intervest II B.V.
ING North America Real Estate Holdings Inc.
ING Financial Services International (Asia) Ltd.
Nationale-Nederlanden Intervest XIII B.V.
Nationale-Nederlanden Intertrust B.V.
N.N. US Realty Corp
B.V. Nederlandsche Flatbouwmaatschappij
NN Korea
ING Continental Europe Holdings B.V.
De Vaderlandsche N.V.
Nationale Omnium N.V.
De Vaderlandsche Spaarbank N.V.
RVS Financial Services N.V.
Fiducure N.V.
Sodefina S.A.
SA De Vaderlandsche Luxemburg
Immo "De Hertoghe" NV
Westland/Utrecht Hypotheekmaatschappij N.V.
Intermediair Services N.V.
RVS Verzekeringen N.V.
Gefinac N.V.
Proodos General Insurances S.A.
NN Mutual Fund Management Co.

The Seven Provinces International B.V.
Nationale-Nederlanden Magyarorszagi Biztosito Rt
NN Mutual Fund Services and Consulting Ltd.
ING Management Services s.r.o.
Prumy Penzijni fond a.s.
Nationale-Nederlanden Polska S.A.
Nationale-Nederlanden Poist'ovna S.A.
ING Management Services Slovensko spol s.r.o.
Nationale-Nederlanden Agencia de Valores S.A.
NN Romania Asigurari de Viata S.A.
Sviluppo Finanziaria
ING Investment Management Italy
NN Vida Compania de Seguros y Raeseguros S.A.
NN Generales Compania e Seguros y Raeseguros
Nationale-Nederlanden Pojistovna
ING Latin American Holdings
ING Insurance Chile Holdings Limitada
ING Seguros de Vida S.A.
NNOFIC
Nationale-Nederlanden (UK) Ltd.
NN (UK General) Ltd.
The Orion Insurance
ING Australia Limited
Mercantile Mutual Holdings Ltd.
Mercantile Mutual Funds Management
Mercantile Mutual Global Ltd.
Athelas
Mercantile Mutual Insurance (Australia) Ltd.
M.A.F.G. Ltd.
Mercantile Equities Ltd.
Greater Pacific (Leasing) Ltd.
Amfas Australia Pty Ltd.
Australian General Insurance Co. Ltd.
"The Seven Provinces" Insurance Underwriters
MM Investment Management Ltd.
The Mercantile Mutual Life Insurance Co. Ltd.
MML Properties Pty Ltd.
Mercantile Mutual Deposits Ltd.
Union Investment Co. Ltd.
Mercantile Mutual Securities Ltd.
Tazak Pty Ltd.
Mercantile Mutual Custodians Pty. Ltd.
Mercantile Mutual Casualty Insurance Ltd.
Australian Brokers Holdings Ltd.
Australian Brokers Ltd.
Australian Community Insurance Ltd.
Mercantile Mutual Insurance (Workers Compensation) Ltd.
Mercantile Mutual Insurance (N.S.W. Workers Compensation) Ltd.
Prosafe Investments Ltd.
Dinafore Pty Ltd.
Tongkang Pty Ltd.

MM Investment Management
ING Canada Holdings Inc.
AFP Financial Services
ING Canada Inc.
The Halifax Insurance Company
Western Union Insurance Company
Wellington Insurance Company
La Compagnie d'Assurances Belair
The Commerce Group Insurance La Compagnie d'Assurances
NN Life Insurance Company of Canada
NN Funds Limited
NN Capital Management
NN Maple Leaf
ING America Insurance Holdings Inc.
Ameribest Life Insurance Company
CyberLink Development, Inc.
Equitable of Iowa Companies, Inc.
Directed Services, Inc.
Equitable Investment Services, Inc.
Equitable Life Insurance Company of Iowa
Equitable American Insurance Company
Equitable Creative Services, Ltd.
Equitable Companies
CLC, Ltd.
Equitable American Marketing Services, Inc.
Equitable Marketing Services, Inc.
Youngers Insurance & Investments, Ltd.
USG Annuity & Life Company
USGL Service Corporation
Equitable of Iowa Companies Capital Trust
Equitable of Iowa Companies Capital Trust II
ING Funds Distributor, Inc.
Golden American Life Insurance Company
First Golden American Life Insurance Company of New York
ING Advisors Network, Inc.
ING Insurance Agency, Inc.
Investors Financial Group, Inc.
Carnegie Financial Corporation
Carnegie Securities Corporation
IFG Brokerage Corp.
IFG Insurance Services, Inc.
Compulife, Inc.
IFG Advisory, Inc.
IFG Advisory Services, Inc.
National Alliance of Independent Portfolio Managers, Inc.
IFG Agency, Inc.
IFG Insurance Agency of Massachusetts, Inc.
IFG Insurance Services of Alabama, Inc.
IFG Network, Inc.
IFG Services, Inc.
Investors Financial Planning Inc.

Compulife Investor Services, Inc.
IFG Network Securities, Inc.
Comprehensive Financial Services, Inc.
Pennington, Bass & Associates, Inc.
Planned Investment Resources, Inc.
Planned Investments, Inc.
Locust Street Securities, Inc.
Shiloh Farming Company
Tower Locust, Ltd.
United Life & Annuity Insurance Company
United Variable Services, Inc.
ING America Life Corporation
Georgia US Capital Inc.
Life Insurance Company of Georgia
Powers Ferry Properties, L.P.
Springstreet Associates, Inc.
Life of Georgia Agency, Inc.
Southland Life Insurance Company
Security Life of Denver Insurance Company
First ING Life Insurance Company of New York
First Secured Mortgage Deposit Corporation
ING America Equities
Midwestern United Life Insurance Company
Wilderness Associates
Afore Bital ING, S.A. de C.V.
First Columbine Life Insurance Company
ING Funds Service Co., Inc.
ING Investment Management LLC
ING Mutual Funds Management Company, LLC
ING North America Insurance Corporation
ING Seguros Sociedad Anonima de Capital Variable
ING Payroll Management, Inc.
Lion Custom Investments LLC
Lion Custom Investments II LLC
MIA Office Americas, Inc.
Multi-Financial Group, Inc.
Multi-Financial Securities Corporation
Multi-Financial Securities Corporation Massachusetts
Multi-Financial Securities Corporation of Ohio
Multi-Financial Securities Corporation of Texas
Orange Investment Enterprises, Inc.
Quichote, Inc.
QuickQuote Systems, Inc.
QuickQuote Financial, Inc.
Security Life Assignment Corp.
ING Seguros S.A. de C.V.
United Protective Company
Security Life of Denver International Ltd.
SLR Management (Bermuda) Ltd.
UC Mortgage Corp.
United Life & Annuity Insurance Company

United Variable Services, Inc.
VESTAX Capital Corporation, Inc.
VESTAX Securities Corp.
VTX Agency Inc.
PMG Agency, Inc.
VTX Agency of Michigan, Inc.
ING US P&C Corporation
Diversified Settlements, Inc.
Peerless Insurance Company
The Netherlands Insurance Company
America First Insurance Company
Alabama First Insurance Company
Excelsior Insurance Company
Indiana Insurance
Consolidated Insurance Company
Cooling-Grumme-Mumford Company, Inc.
Blue Cross Medical Consultancy (Singapore) Pte. Ltd.
ING Indonesia Insurance P.T.
ING Life Insurance Japan
Nederlandse Reassurantie Groep Holding N.V.
Nederlandse Reassurantie Groep N.V.
NRG London Levensherverzekering
Algemene Levensherverzekering Maatschappij N.V.
Vereenigde Assurantie Bedrijven "Nederland" N.V.
Reassurantie Holding Nederland N.V.
Internationale Reassurantie Maatschappij Nederland N.V.
Reassurantie Maatschappij Nederland N.V.
Ruckversicherungs-Clearing A.G.
Reinsurers Marketing B.V.
N.V. Beleggingsmaatschappij NRG
Reassurantie Beleggingen N.V.
NRG Woningbouw B.V.
BMA Beleggingsmaatschappij "Alliance" B.V.
"Traviata" Onroerend Goed B.V.
The Victory Reinsurance Corporation of the Netherlands N.V.
NRG Victory Holdings Ltd.
NRG London Reinsurance Company Ltd.
NRG Fenchurch Insurance Company Ltd.
NRG Victory Australia Holdings Ltd.
NRG Victory Australia Ltd.
NRG Victory Reinsurance Corporation Ltd.
The Victory Health Reinsurance Corporation Ltd.
NRG Victory Management Ltd.
European Life Marketing & Actuarial Consultancy Ltd.
European Life Marketing & Actuarial Consultancy 92 Ltd.
Medical Expenses Development and Insurance Consultancy Services Ltd.
NRG Victory Management Services Ltd.
General Reinsurance Syndicate Ltd.
General Reinsurance Syndicate Ltd. (Trustee)
London Reinsurance Comp. Ltd.
NRG Victory Life and Health Services Ltd.

NRG Victory Canada Management Ltd.
NRG Victory Management (Hong Kong) Ltd.
NRG America Holding Company
Philadelphia Reinsurance Corporation
NRG America Life Reassurance Corporation
NRG American Management Corporation
Market Run Off Services Ltd.
NRG Antillean Holding N.V.
NRG Antillean Reinsurance Company N.V.
NRG Victory International Ltd.
NRG Victory Management (Bermuda) Ltd.
SRO Run-Off Ltd. Bermuda
ING Life Insurance Co. (Phillippines)
ING Penta Life Insurance Indonesia P.T.
ING Insurance Consultants (HK) Ltd.
ING Reinsurance International Holding Co. Ltd.
ING Reinsurance International
Nationale-Nederlanden Nederland B.V.
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.
H. van Veeren B.V.
Nationale-Nederlanden Greek General Insurance Company S.A.
Nationale-Nederlanden Levensverzekering Maatschappij N.V.
B.V. Beleggingsmaatschappij Berendaal
Consortium Scheveningen B.V.
RVS Beroeps-en Bedrijfsfinanciering B.V.
De Bossche Poort B.V.
ING Vastgoed V B.V.
ING Vastgoed Belegging B.V.
B.V. Beleggingsmaatschappij Vinkendaal
Muggenburg Beheer B.V.
Muggenburg C.V.
ING REI Investment U.K. B.V.
Nationale-Nederlanden Real Estate Ltd.
ING Vastgoed Beheer Maatschappij I B.V.
ING Vastgoed Bewaar Maatschappij I B.V.
Nationale-Nederlanden Intervest 52 B.V.
Bouwfonds Nationale-Nederlanden B.V.
Nationale-Nederlanden Bouwfonds 1975 B.V.
Bouwfonds AVG B.V.
Bouwfonds Nemavo B.V.
Bouwfonds Anklaar-Apeldoorn 1967 B.V.
Bouwfonds Bilthoven 1969 B.V.
Bouwfonds Roveso B.V.
RVS Bouwfonds B.V.
Bouwfonds Utrecht 1967 B.V.
Amersfoort Premiewoningen B.V.
Bouwfonds Valken Staete B.V.
Nationale-Nederlanden Bouwfonds 1976 B.V.
ING Real Estate International Investment I B.V.
ING REI Investment U.K. B.V.
ING Vastgoed Fondsbelegging BV

Jetta Vastgoed B.V.
B.V. Algemene Beleggingsmaatschappij "Lapeg"
ING Insurance Argentina
Nationale-Nederlanden Greek Life Insurance Company S.A.
RVS Levensverzekering N.V.
RVS Schadeverzekering N.V.
Tiel Utrecht Levensverzekering N.V.
Tiel Utrecht Schadeverzekering N.V.
Utrechtsche Algemeene Brandverzekering Maatschappij N.V.
Assurantiekantoor A Brugmans B.V.
Algemene Zeeuwse Verzekering Maatschappij N.V.
Apollonia Levensverzekering N.V.
N.V. Nationale Borg-Maatschappij
N.V. Belegging- en Beheer Maatschappij Keizersgracht
Antilliaanse Borg-Maatschappij N.V.
Amfas Exploitatie Maatschappij B.V.
AVG Exploitatie en Beheer B.V.
Amfas Hypotheken N.V.
Noordwester Hypotheken N.V.
Amfinex II B.V.
Westermij B.V.
Amfico B.V.
AVG Exploitatie I B.V.
ING Bewaar Maatschappij IV B.V.
S.C.P. AVG Investissement
Assurantiemaatschappij "De Zeven Provinciën" N.V.
"Transatlantica" Herverzekering Maatschappij N.V.
"The Seven Provinces" Insurance Underwriters Ltd.
Ramus Insurance Ltd.
Tiel Utrecht Verzekerd Sparen N.V.
B.V. Algemene Beleggings Maatschappij Reigerdaal
Oostermij B.V.
Nationale-Nederlanden Pensioendiensten B.V.
Nationale-Nederlanden Zorgverzekering N.V.
B.V. Algemene Beleggingsmaatschappij "Kievietsdaal"
NeSBIC-Postbank B.V.
Nitido B.V.
Podocarpus Beheer B.V.
Parcom Ventures B.V.
Parcom Beheer BV
Parcom CV
Parcom Services BV
Postbank Schadeverzekering N.V.
Maatschappij tot Exploitatie van Onroerende Goederen "Gevers Deynootplein" BV
Maatschappij tot Exploitatie van Onroerende Goederen "Kurhaus" B.V.
Postbank Levensverzekering N.V.
RVS Beleggingen N.V.
Netherlands Life Insurance Company Ltd.
AO Artsen-Verzekeringen N.V.
Grabenstrasse Staete B.V.
ING Life Insurance International N.V.

Nationale-Nederlanden Internationale Schadeverzekering N.V.
 Fatum Vermogensbeheer
 N.V. Surinaamse Verzekeringsagenturen Maatschappij
 Seguros Norman Moron N.V.
 N.V. Arubaanse Verzekeringsagenturen Maatschappij
 Nationale-Nederlanden Herverzekering Maatschappij N.V.
 AVG Exploitatie IX B.V.
 Jahnstrasse Gebaude B.V.
 Maatschappij tot Exploitatie van Onroerende Goederen "Palace" B.V.
 Nationale-Nederlanden Interfinance B.V.
 Maatschappij tot Exploitatie van Onroerende Goederen "Grand Hotel" B.V.
 N.V. Haagsche Herverzekering Maatschappij van 1836
 Baring Central European Investments B.V.
 Baring Asian Flagship Investments B.V.
 ING Fund Management B.V.
 Wijkertunnel Beheer I B.V.
 Nationale-Nederlanden Beleggingsrekening N.V.
 Nationale-Nederlanden CSFR Real Estate v.o.s.
 ING Bewaar Maatschappij I B.V.
 ING Vastgoed B.V.
 ING Real Estate (Asia) PTE Ltd.
 ING Real Estate North America Corporation
 Nationale-Nederlanden Intervest XII B.V.
 B.V. Algemene Beleggingsmaatschappij Van Markenlaan
 Kantoorgebouw Johan de Wittlaan B.V.
 Nationale-Nederlanden Holdinvest B.V.
 Nationale-Nederlanden International Investment Advisors B.V.
 B.V. Algemene Beleggingsmaatschappij Fazantendaal
 Maatschappij Stadhouderslaan B.V.
 DESKA LII B.V.
 J.H. Alta en Co. B.V.
 Westland/Utrecht Projektontwikkeling B.V.
 Bouwonderneming Amer LII B.V.
 ING Real Estate Colombo B.V.
 Loeffpleingarage B.V.
 B.V. Maatschappij tot Exploitatie van Onroerende Goederen Smeetsland
 B.V. Vastgoedmaatschappij "Combuta"
 B.V. Vastgoed Maatschappij "Promes"
 Beheer- en Exploitatiemaatschappij "De Vestingwachter" B.V.
 Nationale-Nederlanden Hypotheekbank N.V.
 N.V. Arnheemsche Hypotheekbank voor Nederland
 Nationale-Nederlanden Financiering Maatschappij B.V.
 B.V. Betaalzegelbedrijf "De Voorzorg" J. van Ouwel
 Nationale-Nederlanden Finance Corporation (Curacao) I.L.
 Nationale-Nederlanden Vermogensbeheer B.V.
 NeSBIC Nationale-Nederlanden B.V.
 BOZ B.V.
 ABV Staete B.V.
 B.V. "De Administratie" Maatschappij tot Exploitatie van Onroerende Goederen
 Amersfoort-Staete B.V.
 Arnhem Staete B.V.

Belart Staete B.V.
Belart S.A.
N.V. Square Montgomery
Steenstaete S.A.
Berkel-Staete I B.V.
Berkel-Staete II B.V.
Blijenhoek Staete B.V.
S.N.C. Blijenhoek Staete et Cie
SNC Peau Bearn
Brussel Staete B.V.
Grote Markt Staete B.V.
Hoogoorddreef I B.V.
SNC Haven
Trompenburg Parking B.V.
Lena Vastgoed B.V.
S.A. du 59 Avenue d'lena
SNC le Murier
Kleber Vastgoed B.V.
S.A. du 42 Avenue Kleber
B.V. De Oude Aa-Stroom
Portefeuille Staete B.V.
S.C.I. le Portefeuille
S.C.I. le Michelet
S.C.I. Roissy Bureaux International
S.C.I. Square d'Asnieres
SNC Le Dome
B.V. Amiloh
ING Vastgoed N.V.
Immo Management Service S.A.
S.A. Regent-Bruxelles
Nationale-Nederlanden/Immobilier S.A.R.L.
Immogérance S.A.R.L.
Nationale-Nederlanden Intervest IV B.V.
SAS Espace Daumesnil
Nationale-Nederlanden V B.V.
Nationale-Nederlanden VII B.V.
ING Real Estate Espace Daumesnil B.V.
ING Real Estate Parking Daumesnil Viaduc B.V.
SAS Parking Daumesnil Viaduc
Cadran Invest S.A.
ING Bewaar Maatschappij II B.V.
ING Bewaar Maatschappij III B.V.
ING REI Investment Spain B.V.
ING Inmeubles S.A.
ING Bewaar Maatschappij V B.V.
ING Asset Management B.V.
Postbank Verzekeringen Beheer Maatschappij B.V.
Postbank Verzekeringen Bewaar Maatschappij B.V.
ING Vastergoed B.V.
Nationale-Nederlanden Intervest IX B.V.
Nationale-Nederlanden CSFR Intervest S.R.O.

ING Real Estate Praha Housing a.s.
Nationale-Nederlanden Praha Real Estate V.O.S.
Nationale-Nederlanden Intervest XI B.V.
Nationale-Nederlanden Hungary Real Estate KFT
ING Investment Management (Hungary) Rt.
ING Investment Management (Asia Pacific) Limited
ING Investment Management (Czech Republic) S.A.
IIM India (India) Private Ltd.

THE GCG TRUST

CODE OF ETHICS

WHEREAS, The GCG Trust (the "Trust") intends to engage in business as an open-end management investment company and is registered as such under the Investment Company Act of 1940, as amended (the "Act"); and

WHEREAS, Rule 17j-1 under the Act (1) contains a general anti-fraud provision with regard to trading by an affiliated person of or principal underwriter for a registered investment company in securities held or to be acquired, as defined in the Rule, by such registered investment company, and (2) requires that every registered investment company and each investment adviser of or principal underwriter for such investment company (i) adopt a written code of ethics containing provisions reasonably necessary to prevent its Access Persons (as defined below) from engaging in any act, practice, or course of business prohibited by such Rule and (ii) use reasonable diligence, and institute procedures reasonably necessary, to prevent violations of such code of ethics; and

WHEREAS, Rule 17j-1 further requires that every Access Person report to such investment company, investment adviser (portfolio manager) or principal underwriter certain information with respect to such person's transactions in certain securities;

NOW, THEREFORE, the Trust hereby adopts this as its written Code of Ethics (the "Code") in accordance with Rule 17j-1 under the Act (the "Rule"):

A. Important General Prohibitions

The specific provisions and reporting requirements of this Code are concerned with certain investment activities of "Access Persons," as herein defined, which may benefit by, or interfere with, the purchase and sale of portfolio securities by a Series of the Trust. Both the Rule and this Code, however, prohibit any officer or trustee of the Trust as well as any affiliate of the Trust, including the Manager or any Portfolio Manager or Sub-Adviser thereof, from using information concerning the investments or investment intentions of the Trust, or from using their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the

Trust. Specifically, the Rule makes it "unlawful" and it shall be a violation of this Code for any such person, directly or indirectly in connection with the purchase or sale of a "security held or to be acquire" by a Series of the Trust;

- (i) to employ any device, scheme or artifice to defraud the Trust;
- (ii) to make to the Trust (or its agents or affiliates) any untrue statement of a material fact or omit to state to the Trust (or its agents or affiliates) a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- (iii) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the Trust; or
- (iv) to engage in any manipulative practice with respect to the Trust.

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B. Definitions

1. Access Person. Any director, trustee, officer, general partner or advisory person (as defined) of the Trust, the Manager, or any Portfolio Manager or Sub-adviser thereof.

However, a Portfolio Manager/Sub-adviser Access Person (as that term is defined in paragraph 7 of this Section B) may be excepted from the definition of "Access Person," contained herein, if the Board of Trustees of the Trust (1) has adopted the code of ethics of that Portfolio Manager or Sub-adviser for use in connection with the Series of the Trust advised by the Portfolio Manager or Sub-adviser, and (2) has appointed an officer of that Portfolio Manager or Sub-adviser as a compliance officer of the Trust, solely for monitoring, reporting on and otherwise ensuring compliance with the Portfolio Manager's or Sub-adviser's code of ethics by Portfolio Manager/Sub-adviser Access Persons who would, but for the exception contained in this paragraph of this Code, otherwise be considered access persons of the Trust. The Trust's Board may consider for adoption with respect to a Series of the Trust any such code of ethics for an individual Series of the Trust in lieu of the Trust's Code only if the code of ethics under consideration by the Trust's Board as a substitute complies with the Act and the Rules thereunder.

2. Advisory Person. (a) Any employee of the Trust, the Manager, or any Portfolio Manager, or Sub-Adviser thereof (or of any company

in a control relationship to the Trust, the Manager, or any Portfolio Manager or Sub-Adviser thereof), who in connection with his or her regular functions or duties, makes, participates in, or obtains information regarding the purchase or sale of a security (as defined in this Code) by a Series of the Trust, or whose functions relate to the making of any recommendations with respect to such purchases or sales; and (b) any natural person in a control relation to the Trust, the Manager, or any Portfolio Manager or Sub-Adviser thereof who obtains information concerning recommendations made to the Trust with regard to the purchases or sale of a security.

3. Investment Personnel. (i) Any employee of the Trust, the Manager or any Portfolio Manager, or Sub-Adviser thereof (or of any company in a control relationship to the Trust Manager, or any Portfolio Manager, or Sub-Adviser) who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Trust; or (ii) any natural person who controls the Trust or investment adviser and who obtains information concerning recommendations made to the Trust regarding the purchase or sale of securities by the Trust.
4. Affiliate. Any officer, director, trustee or employee of the Trust, the Manager, any Portfolio Manager, or Sub-Adviser thereof, as well as any persons whom directly or indirectly "control" their activities.
5. Disinterested Trustee. A trustee of the Trust who is not an "interested person" of the Trust within the meaning of Section 2(a)(19) of the Act.
6. Manager. Directed Services, Inc.
7. Portfolio Manager. An entity or person designated by the Trust (and/or its shareholders) as investment adviser to a Series of the Trust.
8. Portfolio Manager/Sub-Adviser Access Person. Any director, trustee, officer, or general partner of a Portfolio Manager or Sub-Adviser, or any advisory person (as defined) of the Trust who is an access person of the Trust solely by reason of such person's position with or relationship to such Portfolio Manager or Sub-Adviser.

9. Security. Any "security" within the meaning of Section 2(a)(36) of the Act, except shares of registered open-end investment companies, securities issued or guaranteed by the Government of the United States, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and all other money market

instruments.

10. Sub-Adviser. An entity or person designated by the Trust (and /or its shareholders) and a Portfolio Manager as sub-investment adviser to a Series of the Trust.

B. Scope of this Code of Ethics

1. Beneficial Ownership. This Code applies to any security in which an Access Person has a direct or indirect beneficial ownership interest. "Beneficial ownership" by an Access Person includes ownership in an account of a spouse, minor child and relative resident in the access person's home, as well as in an account of another in which the Access Person has any interest, by reason of any contract, understanding, relationship, agreement or other arrangement substantially equivalent to that ownership.

2. Exempt Transactions.

(a) This Code shall not apply to:

- (i) Transactions in securities that are not eligible for purchase by the Trust or, with respect to Portfolio Manager/Sub-Adviser Access Persons, transactions in securities which are not eligible for purchase by a Series advised by the pertinent Portfolio Manager or Sub-Adviser.
- (ii) Transactions in an account over which the Access Person has no direct or indirect influence or control;
- (iii) Purchases or sales which are non-volitional on the part of either the Access Person or the Trust; or
- (iv) Purchases which are part of an automatic dividend reinvestment plan.

(b) This prohibition set forth in Section D of this Code shall not apply to:

- (i) Transactions which have received the prior approval of the Trust's Compliance Officer on the basis that they involve only a remote potential for harm to the Trust or would be very unlikely to affect a highly institutional market, or clearly are not related economically to the securities to be purchased, sold or held by the Trust; or
- (ii) Purchases effected upon exercise of rights acquired from and issued by an issuer pro rata to all holders of a class of its securities, and sales of such rights so acquired.

C. Prohibited Purchases and Sales

No Access Person shall purchase or sell, directly or indirectly, any security (as defined in this Code) (i) in which he or she has, or by reason of such transaction would acquire, any direct or indirect beneficial ownership and (ii) which, to his or her actual knowledge at the time of such purchase or sale, (a) is being purchased or sold by a Series of the Trust, or (b) which the Manager or a Portfolio Manager (including a Sub-Adviser) is actively considering for purchase or for sale by a Series of the Trust. This prohibition shall continue until at least 15 days after the time that the Manager or the Portfolio Manager (or Sub-Adviser) has decided not to recommend such purchase or sale, or, if such recommendation is made, until at least 15 days after the time that the Trust has completed, or decided not to enter into, the recommended

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purchase or sale. This prohibition also shall apply to any related security such as an option, warrant or security convertible into a security described in the first sentence of this paragraph. For good reason, the Compliance Officer may exempt certain Access Persons from the requirements of this section of this Code.

In addition, no security or related security may be acquired in an initial public offering or private placement for any Investment Personnel without prior written approval from the Trust's Compliance Officer. All such request must include (1) a certification that the IPO or private placement did not arise as a result of the Investment Personnel's activities on behalf of the Trust; and (2) a certification that the security in question is not an appropriate investment for the Trust and the reason(s) why not. Approval may be withheld if the Trust might have interest in purchasing the security at any future date.

D. Initial, Quarterly and Annual Reporting Requirements

1. Access Persons (Other than Disinterested Trustees). Each Access Person, other than a disinterested trustee, shall file with the Trust's Compliance Officer initial, quarterly and annual reports in such form as the Compliance Officer may prescribe, setting forth every transaction in a security (as defined in this Code) in which he or she has, or by reason of such transaction acquires, any direct or indirect beneficial ownership interest; provided, that an Access Person shall not be required to report with respect to a transaction by or for any account over which such person does not have any direct or indirect influence.
2. Disinterested Trustees. A disinterest trustee of the Trust shall file with the Trust's Compliance Officer initial, quarterly and annual reports required of other Access Persons with respect to a

transaction only where, at the time of the transaction the trustee knows, or in the ordinary course of fulfilling his or her official duties as trustee of the Trust should have known, that the security (as defined) is or was purchased or sold by the Trust, or such purchase or sale is or was considered by a Manger or Portfolio Manager or sub-adviser thereof for the Trust, during the 15-day period immediately preceding or following the date of the transaction by the trustee.

3. Form of Report.

Quarterly Reports

All transactions during a calendar quarter to be reported should be listed on the form attached as Schedule A, and filed within ten calendar (10) days after the end of the calendar quarter.

Initial Holdings Report

All securities beneficially held by an Access Person must be listed on the form attached as Schedule B, and filed within ten calendar (10) days after becoming an Access Person.

Annual Holdings Report

All securities beneficially held by an Access Person must be reported annually on the form attached as Schedule C, and must be current as of a date no more than 30 calendar days before the report is submitted.

In each case above, copies of confirmation statements may be attached to an Access Person's signed report in lieu of the listing of transactions or holdings. The report may contain a statement declaring that the reporting of any such transaction or securities holdings shall not be construed as an admission by the person making such report that he or she has any direct or indirect beneficial ownership interest in the security to which the report relates.

E. Sanctions

No code of ethics can cover every possible circumstance, and an individual's conduct must depend ultimately upon his or her sense of fiduciary obligation to the Trust and its shareholders. Nevertheless, this Code sets forth the Trust's policy regarding conduct in those situations in which conflicts of interest are most likely to develop. Because the standards in this Code are minimal, careful adherence to the Code is essential.

Upon discovering a material violation of this Code, the

Compliance Officer of the Trust shall report to the Board of Trustees, who may impose such sanctions as it deems appropriate under the circumstances, which may include giving up any profit or other benefit realized from any transaction in violation of this Code. In addition, conduct inconsistent with this Code may result in a letter of censure or suspension or a request for termination of the employment of the violator.

F. Administration and Construction

- (a) The administration of this Code shall be the responsibility of a person nominated by the Manager and approved by the Disinterested Trustees of the Trust as the Trust's Compliance Officer of this Code.
- (b) The duties of such Compliance Officer will include:
 - (i) Continuous maintenance of a current list of the names of all Access Persons with an appropriate description of their title of employment:
 - (ii) Furnishing to each such Access Person a copy of this Code and informing them of their duties and obligations thereunder, including certifying receipt of the Code and recognition that he or she is subject to its terms;
 - (iii) Maintaining or supervising the maintenance of all records required by this Code; including Investment Personnel pre-clearance requests and records noting responses to such requests and certifications that each Series' Sub-Advisor has adequate procedures in place to reasonably prevent violations of its codes of ethics.
 - (iv) Preparing listings of all transactions effected by any Access Person, as reported on Schedules A, B, or C within fifteen (15) days of the date on which the same security was held, purchased or sold by the Trust;
 - (v) Determining whether any particular securities transactions would be exempted pursuant to the provisions of Paragraph 2(b)(i) in Section C of this Code;
 - (vi) Issuing either personally or with the assistance of Counsel, as may be appropriate, of any interpretation of this Code which may appear consistent with the objectives of Rule 17j-1 and this Code;
 - (vii) Conducting such inspections or investigations, including scrutiny of the listings referred to in the preceding subparagraph, as shall reasonably be required to detect and report, with his recommendations, any apparent

material violations of this Code to the Manager and to the Trustees of the Trust or any Committee appointed by them to deal with such information;

(viii) Submitting a written quarterly report to the Board of Trustees of the Trust containing a description of any material violation and the sanction imposed; transactions which suggest the possibility of a material violation; interpretations of any exemptions found appropriate by the Trust's Compliance Officer; a brief description of and the reasons for any exemption granted in section D of this Code; and any other significant information concerning the appropriateness of this Code.

(ix) To the extent not covered by G (b) (viii) above, no less frequently than annually, the Manager, and Portfolio Manager, or Sub-Advisor, to each Series, including the principal underwriter, as applicable, must furnish to the Trustees, and the Trustees must consider, a written report that

1. Describes any issues arising under the Code, or in lieu of the Code, the codes of ethics of the Series' Sub-Adviser adopted by the Trustees for the Series (the "codes"), or procedures since the last report to the Board of Trustees, including, but not limited to, information about material violations of the Code or of any of the codes or procedures and sanctions imposed in response to the material violations; and

2. Certifies that the Series' Manager and each Series' Portfolio Manager or Sub-Advisers or principal underwriter, as applicable, has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

3. Certifies that each Series' and each Series' Portfolio Manager or Sub-Advisor or principal underwriter, as applicable, has received and will maintain the reports required by E.3

G. Required Records

The Trust's Compliance Officer shall maintain and cause to be maintained in an easily accessible place, the following records:

(a) A copy of any Code of Ethics adopted pursuant to the Rule which has been in effect during the past five (5) years;

(b) A record of any material violation of any such Code of Ethics and of any action taken as a result of such violation;

(c) A copies of Initial, Quarterly and Annual Transaction Reports, made by an Access Person as required in Section E of this Code within

two (2) years from the end of the fiscal year of the Trust in which such report is made or issued and for an additional three (3) years in a place which need not be easily accessible;

(d) A copy of each listing prepared as required by paragraph (b) (iv) in Section G of this Code together with a copy of each report made by the Trust's Compliance Officer within two (2) years from the end of the fiscal year of the Trust in which such report or interpretation is made or issued and for an additional three (3) years in a place which need not be easily accessible; and

(e) A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to the Rule 17j-1 and this Code and those responsible for reviewing those reports.

J. Amendments and Modifications

This Code may not be amended or modified except in a written form, which is specifically approved by majority vote of the Disinterested Trustees of the Trust.

SCHEDULE A

THE GCG TRUST

QUARTERLY REPORT OF SECURITIES TRANSACTIONS

For Calendar Quarter Ending _____, 19__

| AMOUNT AND NAME DATE | NAME OF BROKER | CHECK | TYPE OF ACCOUNT | APPROVED BY: |
|-------------------------------|----------------|-------|-----------------|----------------|
| OF SECURITY:BOUGHT | SOLD | PRICE | DEALER OR BANK | PERS. IMMED. F |
| AM. FIDUCIARY (IF APPLICABLE) | | | | |

The above is a record of every transaction in a security in which I had or by reason of which I acquired any direct or indirect beneficial ownership (as defined in the Trust's Code of Ethics).

This report shall not be construed as an admission by me that I have

acquired any direct or indirect beneficial ownership in the securities involved in the transactions reported. Such transactions are reported solely to meet the standards imposed by Rule 17j-1 under the Investment Company Act of 1940.

Date Submitted: _____

Signature:

Name:

(Please Print)

Note 1. If the transaction is other than a sale or purchase, please explain the transaction below.

Note 2. Copies of confirmation statements may be attached to this signed report in lieu of the list of securities.

SCHEDULE B

THE GCG TRUST

INITIAL REPORT OF SECURITIES HELD

For Calendar Quarter Ending _____, 19__

| AMOUNT AND NAME | DATE | NAME OF BROKER | CHECK | TYPE OF ACCOUNT | APPROVED BY: |
|-----------------|-----------------|----------------|-------|---------------------|--------------|
| OF SECURITY: | BOUGHT | SOLD | PRICE | DEALER OR BANKPERS. | IMMED. F |
| AM. FIDUCIARY | (IF APPLICABLE) | | | | |

The above is a record of every transaction in a security in which I had or by reason of which I acquired any direct or indirect beneficial ownership (as defined in the Trust's Code of Ethics).

This report shall not be construed as an admission by me that I have acquired any direct or indirect beneficial ownership in the securities involved in the transactions reported. Such transactions are reported solely to meet the standards imposed by Rule 17j-1 under the Investment Company Act of 1940.

Date: _____

Signature:

Name:

(Please Print)

Note 1. If the transaction is other than a sale or purchase, please explain the transaction below.

Note 2. Copies of confirmation statements may be attached to this signed report in lieu of the list of securities.

SCHEDULE C

THE GCG TRUST

ANNUAL REPORT OF SECURITIES HELD

For The Calendar Year Ending _____, 19__

AMOUNT AND NAME DATE NAME OF BROKERCHECK TYPE OF ACCOUNTAPPROVED
BY:
OF SECURITY:BOUGHT SOLD PRICE DEALER OR BANKPERS. IMMED. F
AM. FIDUCIARY (IF APPLICABLE)

The above is a record of every transaction in a security in which I had or by reason of which I acquired any direct or indirect beneficial ownership (as defined in the Trust's Code of Ethics).

This report shall not be construed as an admission by me that I have acquired any direct or indirect beneficial ownership in the securities involved in the transactions reported. Such transactions are reported solely to meet the standards imposed by Rule 17j-1 under the Investment Company Act of 1940.

Date: _____

Signature:

Name:

(Please Print)

Note 1. If the transaction is other than a sale or purchase, please explain the transaction below.

Note 2. Copies of confirmation statements may be attached to this signed report in lieu of the list of securities.

APPENDIX A

The following persons are Access Persons of the Trust as of _____, 19__.

FIDELITY INVESTMENTS'

CODE OF ETHICS FOR PERSONAL INVESTING

JANUARY 1, 2000

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CODE OF ETHICS FOR PERSONAL INVESTING

This document constitutes the Code of Ethics adopted by the Fidelity Funds (the "Funds"), the subsidiaries of FMR Corp. that serve as investment advisors or principal underwriters and their affiliated companies (collectively, the "Fidelity Companies") pursuant to the provisions of Rule 17j-1 under the Investment Company Act of 1940 and of Rules 204-2(a)(12) and 204-2(a)(13) under the Investment Advisers Act of 1940 (collectively, the "Rules").

I. PURPOSE AND SCOPE OF THIS CODE

A. PERSONAL SECURITIES TRANSACTIONS

This Code focuses on personal transactions in securities by persons associated with the various Fidelity Companies. Accordingly, the Code does not attempt to address all areas of potential liability under applicable laws. For example, provisions of the Investment Company Act of 1940 prohibit various transactions between a fund and affiliated persons, including the knowing sale or purchase of property to or from a fund on a principal basis and joint transactions between a fund and an affiliated person. This Code does not address these other areas of potential violation. Accordingly, persons covered by this Code are advised to seek advice from the Ethics Officer, or his or her designee (collectively, the "Ethics Office"), before engaging in any transaction other than the normal purchase or sale of fund

shares or the regular performance of their business duties if the transaction directly or indirectly involves themselves and one or more of the Funds.

B. GUIDING PRINCIPLES

The Code is based on the principle that the officers, directors, partners and employees of the Fidelity Companies owe a fiduciary duty to, among others, the shareholders of the Funds to place the interests of the Fund shareholders above their own and to conduct their personal securities transactions in a manner which does not interfere with Fund transactions, create an actual or potential conflict of interest with a Fund or otherwise take unfair advantage of their relationship to the Funds. Persons covered by this Code must adhere to this general principle as well as comply with the Code's specific provisions. It bears emphasis that technical compliance with the Code's procedures will not automatically insulate from scrutiny trades which show a pattern of abuse of the individual's fiduciary duties to the Fidelity Funds in general or a specific Fund in particular. For officers and employees of Fidelity Management & Research Company ("FMR") and its affiliates, the fiduciary responsibility applies to all of the investment companies advised by FMR or any of its affiliates as well as any account holding the assets of third parties for which FMR or any of its affiliates acts in an investment advisory capacity (both types of portfolios hereinafter referred to as the "Fidelity Funds" or "Funds").

Recognizing that certain requirements are imposed on investment companies and their advisers by virtue of the Investment Company Act of 1940 and the Investment Advisers Act of 1940, considerable thought has been given to devising a code of ethics designed to provide legal protection to accounts for which a fiduciary relationship exists and at the same time maintain an atmosphere within which conscientious professionals may develop and maintain investment skills. It is the combined judgment of the Fidelity Companies and the Boards of the Funds that as a matter of policy a code of ethics should not inhibit responsible personal investment by professional investment personnel, within boundaries reasonably necessary to insure that appropriate safeguards exist to

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protect the Funds.

This policy is based on the belief that personal investment experience can over time lead to better performance of the

individual's professional investment responsibilities. The logical extension of this line of reasoning is that such personal investment experience may, and conceivably should, involve securities which are suitable for the Funds in question. This policy quite obviously increases the possibility of overlapping transactions. The provisions of this Code, therefore, are designed to foster personal investments while minimizing conflicts under these circumstances and establishing safeguards against overreaching.

II. PERSONS (AND ACCOUNTS) TO WHOM THIS CODE APPLIES

Unless otherwise specified, each provision of this Code applies to all members of the Board of the Funds, and all officers, directors, partners and employees of every Fidelity Company. In addition, the provisions apply to any individual designated and so notified in writing by the Ethics Office. Where the applicability of a particular provision is more limited, the provision will so state. For example, particular provisions may state they are limited to:

A. ACCESS PERSONS

This category includes Investment Professionals, Senior Executives and certain other employees specified in paragraph II. A. 2. below.

1. INVESTMENT PROFESSIONALS are (i) portfolio managers, research analysts and traders employed by FMR; (ii) employees seconded to FMR from Fidelity International Limited ("FIL") performing similar functions; (iii) all employees of the Capital Markets Division of Fidelity Investment Institutional Brokerage Group ("FIIBG"); (iv) officers (vice-president and above) and members of the Boards of Directors of FMR; and (v) such other employees as the Ethics Office may designate and so notify in writing.
2. SENIOR EXECUTIVES are (i) officers (vice-president and above) and members of the Boards of Directors of FMR Corp.; (ii) attorneys within Administrative and Government Affairs' ("AGA") Legal Department; (iii) employees of the Fund Treasurer's Department, the FMR Investment & Advisor Compliance Department and the Compliance Systems Technology Group; and (iv) such other employees as the Ethics Office may designate and so notify in writing.
3. OTHER ACCESS PERSONS are all other employees who, in connection with their regular duties, make, participate in, or obtain timely information regarding the purchase or sale of a security by a Fund or of any investment recommendation to a Fund. This includes (i) employees of FMR, Fidelity Management Trust Company

("FMTC"), and Fidelity Pricing and Cash Management Services ("FPCMS"); (ii) other employees seconded from FIL to the foregoing companies; (iii) all employees with access to the BOS E (AS400 trading machine), BOS H (AS400 development machine), INVIEW, BONDVIEW or OVERVIEW systems or any other system containing timely information about the Funds' activities or investment recommendations made to the Funds; (iv) all employees within AGA's Operations Audit and Analysis Department, and (v) such other employees as the Ethics Office may designate and so notify in writing.

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Although the Ethics Office seeks to notify Access Persons of their status as such, you are required to comply with all provisions applicable to Access Persons if you are within the above definitions even if the Ethics Office does not notify you of your status. Please contact the Ethics Office if you believe you are an Access Person or if you are unsure of your status under the Code.

B. NON-ACCESS TRUSTEES

1. Trustees of the Fidelity Group of Funds will generally be deemed Access Persons; however, Trustees who fulfill both of the following conditions will be deemed "Non-Access Trustees" and treated as a separate category:

- a) The Trustee is not an "interested person" (as defined in Section 2(a)(19) of the Investment Company Act of 1940) of any Fidelity Fund; and
- b) The Trustee elects not to receive the Daily Directors' Report and further elects not to have access to the INVIEW, BONDVIEW, or OVERVIEW systems; provided that this condition shall only be considered fulfilled as of the fifteenth day after the Trustee has notified the Ethics Office of such election.

C. PORTFOLIO MANAGERS.

This category includes employees whose assigned duties are to manage any Fund, or portion thereof, and who have the power and authority to make investment decisions on behalf of such Fund or portion thereof.

D. FIDELITY EMPLOYEES.

This category includes all employees of the Fidelity Companies, including employees seconded to any Fidelity Company by FIL.

E. OTHER PERSONS.

These are persons as specified in a particular provision of the Code or as designated by the Ethics Office.

F. COVERED ACCOUNTS (BENEFICIAL OWNERSHIP).

It bears emphasis that the provisions of the Code apply to transactions in reportable securities for any account "beneficially owned" by any person covered by the Code. The term "beneficial ownership" is more encompassing than one might expect. For example, an individual may be deemed to have beneficial ownership of securities held in the name of a spouse, minor children, or relatives sharing his or her home, or under other circumstances indicating a sharing of financial interest. See the Appendix to this Code for a more comprehensive explanation of beneficial ownership. Please contact the Ethics Office if you are unsure as to whether you have beneficial ownership of particular securities or accounts.

III. PROVISIONS APPLICABLE TO FIDELITY EMPLOYEES AND THEIR ACCOUNTS

A. PROCEDURAL REQUIREMENTS

1. REPORTS ON REPORTABLE SECURITIES. Fidelity has established certain procedures to monitor individual transactions in reportable securities (as defined below) for compliance with this Code, and to avoid situations which have the potential for conflicts of interest with the Funds. You and

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all persons subject to this Code are required to comply with the procedures described below. Failure to follow these procedures or the filing of a false, misleading or materially incomplete report will itself constitute a violation of this Code.

Reports required under Section III.A.5. are necessary only for transactions in reportable securities. If an investment is made in an entity substantially all of whose assets are shares of another entity or entities, the security purchased should be reported and the underlying security or securities identified. Furthermore, if an investment is made in a private placement, this transaction must be reported. (See Exhibit B.)

"REPORTABLE SECURITIES" are ALL securities except:

- a) U.S. Treasury Notes, Bills and Bonds;
 - b) money market instruments such as certificates of deposit, banker's acceptances and commercial paper;
 - c) shares of registered open-end investment companies;
 - d) securities issued by FMR Corp.;
 - e) any obligations of agencies and instrumentalities of the U.S. government if the remaining maturity is one year or less; and
 - f) commodities and options and futures on commodities provided that the purchase of these instruments may not be utilized to indirectly acquire interests or securities which could not be acquired directly or which could not be acquired without reporting or pre-clearance. See Section III.B.4.
2. ACKNOWLEDGMENT. Each new Fidelity employee will be given a copy of this Code of Ethics upon commencement of employment. Within 7 days thereafter, you must file an acknowledgment (Exhibit A.) stating that you have read and understand the provisions of the Code of Ethics, and provide a written list to the Ethics Office of all brokerage accounts in which you are a beneficial owner of any securities in the account (Exhibit E.). Additionally, your acknowledgment accords Fidelity the authority to access at any time records for any beneficially owned brokerage account for the period of time you were employed by Fidelity.
3. ANNUAL UPDATE. Each year, on or before January 31, you must file an annual update stating that you have reviewed the provisions of the Code of Ethics, understand the provisions of the Code and that the Code applies to you, and believe that your personal transactions in reportable securities for the previous calendar year, and those of your family members which are deemed to be beneficially owned by you, have been reported as required under the Code and were consistent with its provisions (Exhibit A.).
4. USE OF BROKERS.
- a) All Fidelity employees must conduct all personal and beneficially owned transactions in reportable securities through a brokerage account at Fidelity Brokerage Services, Inc. (FBSI), or with an approved broker outside the U.S. (See Exhibit G.). By opening an account with FBSI you agree to allow FBSI to forward to the Ethics Office reports of your account transactions and to allow the Ethics Office access to all account information. Upon opening

such an account you are required to notify FBSI of your status as an employee.

- b) **Hardship Exception:** Under circumstances evidencing special hardship and then only with the express written approval of the Ethics Office, you may be granted a waiver to establish accounts for trading reportable securities with brokers other than FBSI or those approved for the region. (See Section VIII.). If you maintain an account with an external broker pursuant to permission from the Ethics Office, you must ensure duplicate reporting as specified in "Transaction Reporting." (See Section III. A. 5.).

5. **TRANSACTION REPORTING.** Each employee must report personal transactions in reportable securities to the Ethics Office. Failure to file a report will be treated as the equivalent of a report indicating that there were no transactions in reportable securities. This reporting obligation may be met as follows:

- a) **FBSI Accounts:** The Ethics Office will assume responsibility for obtaining trade information from FBSI for accounts in your name and all other related FBSI accounts that have been disclosed to the Ethics Office by you.
- b) **Non-FBSI (External) Accounts:** If any transactions in reportable securities are not being conducted through a FBSI account (including those conducted through an approved broker outside the U.S. or another external broker pursuant to permission from the Ethics Office), you are responsible for ensuring that the institution where the account is maintained agrees to, and promptly provides, regular copies of confirmations and statements directly to the Ethics Office. These confirmations and statements must include the trade date, security description, number of shares or principal amount of each security, the nature of the transaction (e.g., purchase or sale), the total price and the name of the institution that effected the transactions. If transactions cannot or are not reported by the external institution in this fashion, permission to open the account will not be granted or will be revoked by the Ethics Office.
- c) **Failure to Report by External Brokers.** As noted above, employees are responsible for ensuring their transactions in reportable securities not conducted through a FBSI account are reported to the Ethics Office. If you have executed transactions through an external broker and the broker does not report the transactions as specified in paragraph b) above, you must promptly forward the necessary information to the Ethics Office. If account statements

with the necessary information are not available, you must complete the Report of Securities Transactions (Exhibit B) with the information and forward it to the Ethics Office.

B. PROHIBITED ACTIVITIES

1. ACTIVITIES FOR PERSONAL BENEFIT. Inducing or causing a Fund to take action, or to fail to take action, for personal benefit rather than for the benefit of the Fund is prohibited. For example, you would violate this Code by causing a Fund to purchase a security you owned

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for the purpose of supporting or increasing the price of that security. Causing a Fund to refrain from selling a security in an attempt to protect a personal investment, such as an option on that security, also would violate this Code.

2. PROFITING FROM KNOWLEDGE OF FUND TRANSACTIONS. Using your knowledge of Fund transactions to profit by the market effect of such transactions is prohibited.
3. VIOLATIONS OF THE ANTIFRAUD LAWS AND REGULATIONS. Violations of the antifraud provisions of the federal securities laws and the rules and regulations promulgated thereunder, including the antifraud provision of Rule 17j-1 under the Investment Company Act of 1940, are prohibited. In that Rule, the Securities and Exchange Commission specifically makes it unlawful for any person affiliated with a Fund, investment adviser or principal underwriter of a Fund in connection with the purchase or sale, directly or indirectly, by such person of a "security held or to be acquired" by such Fund:

"(1) To employ any device, scheme or artifice to defraud the Fund;

(2) To make any untrue statement of a material fact to the Fund or omit to state a material fact necessary in order to make the statements made to the Fund, in light of the circumstances under which they are made, not misleading;

(3) To engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Fund; or

(4) To engage in any manipulative practice with respect to the Fund."

Rule 17j-1 defines "security held or to be acquired"

very broadly to include any security (other securities that are not reportable securities) that, "within the most recent 15 days, (i) is or has been held by such company, or (ii) is being or has been considered by such company or its investment adviser for purchase by such company, and (iii) any option to purchase or sell, and any security convertible into or exchangeable for" a reportable security. Thus the antifraud provisions of Rule 17j-1 may apply to transactions in securities even if not recently traded by a Fund. Under Rule 17j-1, a sufficient nexus exists if a fraud is effected in connection with a security held for a long period in a portfolio or merely considered for inclusion in a portfolio. In addition, the receipt of compensation in the form of an opportunity to purchase a security that is intended to induce a Fund to purchase other securities must be reported under this Rule, whether or not the compensation is in the form of an opportunity to purchase a security "held or to be acquired" by a Fund. Moreover, the general antifraud provisions of the Securities Exchange Act of 1934 and other federal securities statutes make unlawful fraud in connection with the purchase or sale of securities, even if such securities do not fall within the scope of Rule 17j-1.

4. USE OF DERIVATIVES. Derivatives, including futures and options, and other arrangements may not be used to evade the restrictions of this Code. Accordingly, you may not use derivatives or other arrangements with similar effects to take positions in securities that the Code would prohibit if the positions were taken directly. For purposes of this section, "futures" are futures on securities or securities indexes; "options" are options (puts or calls) on securities or securities indexes, or options on futures on

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securities or securities indexes. Options and futures on commodities are not "reportable securities" except as specified in Section III. A. 1. f).

5. GIFTS AND HOSPITALITIES. The Fidelity Companies generally prohibit employees from receiving gifts, gratuities, and other from any person or entity that does business with the Funds or with any Fidelity Company or from any entity which is a potential portfolio investment for the Funds. Fidelity's Gifts and Gratuities Policy, which is separate from this Code, sets forth the specific policies, restrictions and procedures to be observed

by employees with respect to business-related gifts and related matters.

6. RESTRICTED SECURITIES. From time to time, the Ethics Office may place a security on a restricted list. Certain employees, as designated on a case-by-case basis by the Ethics Office, may not effect transactions in securities on the restricted list.
7. INVESTMENTS IN HEDGE FUNDS AND INVESTMENT CLUBS. You may not invest in hedge funds or investment clubs because such funds or clubs cannot normally be expected to comply with the provisions of this Code.

C. RESTRICTED ACTIVITIES

The following are restricted by this Code of Ethics:

1. SHORT SALE ACTIVITIES. Purchasing puts to open, selling calls to open or selling a security short where there is no corresponding long position in the underlying security is prohibited; short sales against the box are permitted. This prohibition includes purchasing puts and selling calls on all market indexes with the exception of the following indexes: S&P 100, S&P Mid Cap 400, S&P 500, Morgan Stanley Consumer Index, FTSE 100 and Nikkei 225. Short sales of the Fidelity Select Portfolios are also prohibited.
2. PUBLIC OFFERINGS FOR WHICH NO PUBLIC MARKET PREVIOUSLY EXISTED. The purchase of an initial public offering of securities for which no public market in the same or similar securities of that issuer has previously existed is prohibited except as noted below. This prohibition includes "secondary" public offerings (where the securities are offered publicly by a substantial shareholder and not from the company's treasury) and so-called "free stock offers" through the Internet, and applies both to equity and debt securities.

EXCEPTIONS. Exceptions from this prohibition may be granted in special circumstances with the written permission of the Ethics Office (e.g., receipt of securities or their subsequent sale by an insurance policyholder or depositor of a company converting from mutual to stock form).

3. EXCESSIVE TRADING. While active personal trading does not in and of itself raise issues under Rule 17j-1, the Fidelity Companies and Boards of the Funds believe that a very high volume of personal trading can be time consuming and can increase the possibility of actual or apparent conflicts with portfolio transactions. Accordingly, an unusually high level of personal trading activity is strongly discouraged and may be monitored by the Ethics Office to the

extent appropriate for the category of person, and a pattern of excessive trading may lead to the taking of appropriate action under the Code.

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4. DISCRETIONARY AUTHORIZATION. You may not exercise investment discretion over accounts in which you have no beneficial interest. If you wish to do so, you must contact the Ethics Office for approval.

IV. ADDITIONAL REQUIREMENTS APPLICABLE TO ACCESS PERSONS

Because of their access to information about Fund investments and/or investment recommendations, Access Persons are necessarily subject to somewhat greater restrictions and closer scrutiny than are other persons subject to the Code. Accordingly, in addition to complying with the provisions detailed in Section III of this Code, Access Persons are required to comply with the provisions of this section.

A. DISCLOSURE OF PERSONAL SECURITIES HOLDINGS.

Access Persons must disclose in writing all personal securities holdings owned directly or otherwise beneficially owned. (See Exhibit F.)

1. INITIAL REPORT. Each new Access Person must file a holdings disclosure within 7 days of the commencement of employment or of being designation an Access Person.
2. ANNUAL REPORT. Each Access Person must file a holdings report containing current information as of a date no more than 30 days before the report is submitted.

B. ALL PERSONAL TRADES IN REPORTABLE SECURITIES MUST BE CLEARED IN ADVANCE BY THE APPROPRIATE PRE-CLEARANCE DESK.

One of the most important objectives of this Code is to prevent Access Persons from making personal trades on the basis of information about portfolio transactions made by the Funds. Trading on such information for personal benefit not only constitutes a violation of this Code, but also may influence the market in the security traded and thus prevent transactions for the Funds from being conducted at the most favorable price. To further reduce the possibility that Fund transactions will be affected by such trades, Access Persons must comply with the following procedures before effecting a personal transaction in any

securities which are "reportable securities":

1. PRE-CLEARANCE PROCEDURES.

- a) On any day that you plan to trade a reportable security, you must first contact the appropriate pre-clearance desk for approval. (See Exhibit H.) (Please note that pre-clearance communications may be recorded for the protection of Fidelity and its employees.) By seeking pre-clearance, you will be deemed to be advising the Ethics Office that you (i) do not possess any material, nonpublic information relating to the security; (ii) are not using knowledge of any proposed trade or investment program relating to the Funds for personal benefit; (iii) believe the proposed trade is available to any market participant on the same terms; and (iv) will provide any other relevant information requested by the Ethics Office. The pre-clearance desk will consider approval of the trade for execution only upon the day the request is made. Generally, a pre-clearance request will not be approved if the pre-clearance desk determines that the trade will have a material influence on the market for that security or will take advantage of, or hinder, trading by the Funds. Additionally, the pre-clearance desk will evaluate a pre-clearance request for a transaction to determine if

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you are in compliance with the other provisions of the Code relevant to such transaction. Securities and transaction types that do not require pre-clearance include the following: currency warrants; rights subscriptions; gifting of securities; automatic dividend reinvestments; and options on the following indexes: S&P 100, S&P Mid Cap 400, S&P 500, Morgan Stanley Consumer Index, FTSE 100 and Nikkei 225.

- b) Transactions in accounts beneficially owned by an employee where investment discretion has been provided to a third party in a written document and for which the employee provides no input regarding investment decision making will not be subject to pre-clearance. Transactions in reportable securities in such accounts, however, still must be reported under this Code.
- c) In addition to any other sanctions provided for under the Code (see Section IX. D.), failure to pre-clear a transaction as required above may result in a requirement to surrender any profits realized in connection with the transaction.

C. GOOD-TILL-CANCELED ORDERS.

Access Persons may not place good-till-canceled orders. Good-till-canceled orders may inadvertently cause an employee to violate the pre-clearance provisions of this Code.

D. PURCHASE OF CLOSED-END FUNDS.

The purchase of closed-end funds for which a Fidelity Company performs the pricing and bookkeeping services is prohibited without prior approval by the Ethics Office.

V. ADDITIONAL REQUIREMENTS APPLICABLE TO INVESTMENT PROFESSIONALS AND SENIOR EXECUTIVES

In addition to complying with the provisions detailed in Sections III and IV of this Code, Investment Professionals and Senior Executives are required to comply with the provisions of this section.

A. PRIVATE PLACEMENTS.

Private placements are in many cases not suitable investments for the Funds. However, in various circumstances, they may be suitable investments. In order to avoid even the appearance of a conflict of interest between their personal investment activities and their fiduciary responsibility to the Funds' shareholders, Investment Professionals and Senior Executives must follow the procedures outlined below to participate in a private placement.

1. PRIOR APPROVAL TO PARTICIPATE.

You must receive written approval from your Division or Department Head and the Ethics Office, utilizing Exhibit C, prior to any purchase of a privately placed security. If you are a Division or Department Head, then approval shall be received from the President of FMR. (See Exhibit C.)

2. TRANSACTION REPORTING.

If approved, you must report the purchase to the Ethics Office within 10 days of the end of the month in which the purchase occurred, using the Report of Securities Transactions form (Exhibit B.).

3. IN THE EVENT OF SUBSEQUENT INVESTMENT BY A FUND OR FUNDS.

After approval is granted, if you have any material role in subsequent consideration by any Fund of an investment in the same or an affiliated issuer, you must disclose your interest in the private placement investment to the person(s) making the investment decision. Notwithstanding such a disclosure, any decision by any Fund to purchase the securities of the issuer, or an affiliated issuer, must be subject to an independent review by your Division or Department Head.

B. SURRENDER OF SHORT-TERM TRADING PROFITS.

Short-term trading can be both time consuming and can increase the possibility of actual or apparent conflicts with Fund transactions. To reduce instances of short-term trading, the Fidelity Companies and the Boards of the Funds have determined that Investment Professionals and Senior Executives will be required to surrender short-term trading profits.

Short-term trading profits are profits generated from the purchase and sale of the same (or equivalent) security within 60 calendar days. Transactions will be matched with any opposite transaction within the most recent 60 calendar days. Options on the following indexes are not subject to this provision: S&P 100, S&P Mid Cap 400, S&P 500, Morgan Stanley Consumer Index, FTSE 100 and Nikkei 225. Exhibit D contains further information and examples concerning application of this policy.

C. PURCHASE OF SECURITIES OF CERTAIN BROKER-DEALERS.

Investment Professionals and Senior Executives, unless specifically excluded by the Ethics Office, may not purchase securities of certain broker-dealers or parent companies as identified from time to time by the Ethics Office based upon the level and nature of services provided to the Funds.

D. RESEARCH NOTES.

Investment Professionals and Senior Executives specifically designated by the Ethics Office must wait two business days after the day on which a research note is issued prior to trading for their beneficially owned accounts in the

securities of the issuer(s) that is the subject of the note.

E. AFFIRMATIVE DUTY TO RECOMMEND SUITABLE SECURITIES.

A portfolio manager or a research analyst may not fail to timely recommend a suitable security to, or purchase or sell a suitable security for, a Fund in order to avoid an actual or apparent conflict with a personal transaction in that security. Before trading any security, a portfolio manager or research analyst has an affirmative duty to provide to Fidelity any material, public information that comes from the company about such security in his or her possession. As a result, portfolio managers or research analysts should (a) confirm that a Research Note regarding such information on such security is on file prior to trading in the security, or (b) if not, should either contact the Director of Research or publish such information in their possession and wait two business days prior to trading in the security.

F. AFFIRMATIVE DUTY TO DISCLOSE.

Investment Professionals and Senior Executives who own a security, or who have decided to effect a personal transaction in a security, have an affirmative duty to disclose this information in the course of any communication about that security when the purpose or reasonable consequence of such communication is

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to influence a portfolio to buy, hold or sell that security. The disclosure of ownership should be part of the initial communication but need not be repeated in the case of continuing communications directed to a specific person.

G. SERVICE AS A DIRECTOR OR TRUSTEE.

Service on a board of directors or Trustees poses several forms of potential conflicts for employees. These include potentially conflicting fiduciary duties to the company and a Fund, receipt of possibly material, nonpublic information and conflicting demands on the time of the employee. Accordingly, service by any Investment Professional or Senior Executive on a board of directors of a non-Fidelity publicly-traded or privately-held company likely to issue shares is prohibited absent prior authorization. Approval will be based upon a determination that the board service

would be in the best interests of the Funds and their shareholders. Requests for approval of board service should be submitted in writing to the Ethics Office.

VI. PROHIBITION ON CERTAIN TRADES BY PORTFOLIO MANAGERS

Portfolio managers are the people most familiar with the investment decisions they are making for the Funds they manage. Even the appearance of a portfolio manager trading the same securities for his or her personal account on or about the same time as he or she is trading for the Fund is not in the best interest of the Funds. Accordingly, as a portfolio manager, you may not buy or sell a security your Fund has traded within 7 calendar days on either side of the Fund's trade date (i.e., date of execution, not the settlement date). For example, assuming the day your Fund trades a security is day 0, day 8 is the first day you may trade that security for your own account. This prohibition is in addition to the restrictions that apply generally to all persons subject to this Code and those applicable to Access Persons. If application of this rule would work to the disadvantage of a Fund (e.g., you sold a security on day 0 and on day 3, after new events had occurred, determined that the Fund should buy the same security) you must apply to the Ethics Officer for an exception (see Section VIII. below). In addition to any other sanction provided for under the Code of Ethics (see Section IX. D.), any profit realized from a transaction within the prescribed period may be required to be surrendered to FMR. Transactions in accounts beneficially owned by you where investment discretion has been provided to a third party in a written document and for which you provide no input regarding investment decision making will not be subject to this 7 day provision.

VII. NON-ACCESS TRUSTEES

Pursuant to Rule 17j-1, a Non-Access Trustee need not file reports of his or her transactions in reportable securities unless at the time of the transaction the Board member knew, or in the ordinary course of fulfilling his or her duties as a Fidelity Fund Board member should have known: (a) that one or more of the Funds had purchased or sold or was actively considering the purchase or sale of that security within the 15-day period preceding the Board member's transaction, or (b) that one or more Funds would be purchasing, selling or actively considering the purchase or sale of that security within the 15 days following the Board member's transaction. The knowledge in question is the Board member's knowledge at the time of the Board member's transaction, not knowledge subsequently acquired. Although a Non-Access Trustee is not required to report transactions unless the above conditions are met, the Boards of Trustees of the Funds have adopted a policy that requires a Non-

Access Trustee to report personal securities transactions on at least a quarterly basis.

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VIII. WAIVERS AND EXCEPTIONS

A. REQUESTS TO WAIVER A PROVISION OF THE CODE OF ETHICS.

An employee may request in writing to the Ethics Office a waiver of any Code of Ethics provision. If appropriate, the Ethics Office will consult with the Ethics Oversight Committee (a committee which consists of representatives from senior management) in considering such request. The Ethics Office will inform you in writing whether or not the waiver has been granted. If you are granted a waiver to any Code of Ethics provision, you will be expected to comply with all other provisions of the Code. You may contact the Ethics Office for specific requirements.

B. EXCEPTIONS.

Special approval to make any trade prohibited by this Code may be sought from the Ethics Office. Special approvals will be considered on a case-by-case basis. The decision to grant special approval will be based on whether the trade is consistent with the general principles of this Code and whether the trade is consistent with the interest of the relevant Fund(s). The Ethics Office will maintain a written record of exceptions, if any, that are permitted.

IX. ENFORCEMENT

The Rules adopted by the SEC require that a code of ethics must not only be adopted but must also be enforced with reasonable diligence. Records of any violation of the Code and of the actions taken as a result of such violations will be kept.

A. REVIEW

The Ethics Office will review on a regular basis the reports filed pursuant to this Code. In this regard, the Ethics Office will give special attention to evidence, if any, of potential violations of the antifraud provisions of the federal securities laws or the procedural requirements or ethical standards set forth in this Code and the Statement of Policies and Procedures with Respect to the Flow and Use of Material Nonpublic (Inside) Information ("Insider Trading Policy Statement" to follow).

The policies and procedures described in this Code do not create any obligations to any person or entity other than the Fidelity Companies and the Funds. This Code is not a promise or contract, and it may be modified at any time. The Fidelity Companies and the Funds retain the discretion to decide whether this Code applies to a specific situation, and how it should be interpreted.

B. BOARD REPORTING.

The Ethics Office will provide to the Boards of Trustees of the Funds no less frequently than annually a summary of significant sanctions imposed for material violations of this Code or the Insider Trading Policy Statement.

C. VIOLATIONS.

When potential violations of the Code of Ethics or the Insider Trading Policy Statement come to the attention of the Ethics Office, the Ethics Office may investigate the matter. This investigation may include a meeting with the employee. Upon completion of the investigation, if necessary, the matter will be reviewed with senior management or other appropriate parties, and a determination will be made as to whether any sanction should be imposed as detailed below. The employee will be informed of any sanction determined to be appropriate.

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D. SANCTIONS.

Since violations of the Code or the Insider Trading Policy Statement will not necessarily constitute violations of federal securities laws, the sanctions for violations of the Code or the Insider Trading Policy Statement will vary. Sanctions may be issued by (i) the appropriate Board(s) of Trustees of the Fund(s) or Fidelity Company, (ii) senior management, (iii) the Ethics Office, or (iv) other appropriate entity. Sanctions may include, but are not limited to, (i) warning, (ii) fine or other monetary penalty, (iii) personal trading ban, (iv) dismissal, and (v) referral to civil or criminal authorities. Additionally, other legal remedies may be pursued.

E. APPEALS PROCEDURES.

If you feel that you are aggrieved by any action rendered with respect to a violation of the Code of Ethics or a

waiver request, you may appeal the determination by providing the Ethics Office with a written explanation within 30 days of being informed of such determination. The Ethics Office will arrange for a review by senior management or other appropriate party and will advise you whether the action will be imposed, modified or withdrawn. During the review process, you will have an opportunity to submit a written statement. In addition, you may elect to be represented by counsel of your own choosing.

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APPENDIX -- BENEFICIAL OWNERSHIP

As used in the Code of Ethics, beneficial ownership will be interpreted using Section 16 of the Securities Exchange Act of 1934 ("1934 Act") as a general guideline, except that the determination of such ownership will apply to all securities, including debt and equity securities. For purposes of Section 16, a beneficial owner means:

Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares a direct or indirect pecuniary interest in the securities.

In general, "pecuniary interest" means the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the subject securities.

Using the above-described definition as a broad outline, the ultimate determination of beneficial ownership will be made in light of the facts of the particular case. Key factors to be considered are the ability of the person to benefit from the proceeds of the security, and the degree of the person's ability to exercise control over the security.

1. SECURITIES HELD BY FAMILY MEMBERS. As a general rule, a person is regarded as having an indirect pecuniary interest in, and therefore is the beneficial owner of, securities held by any child, stepchild, grandchild, parent, step-parent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (collectively, "immediate family") sharing the same household. Adoptive relationships are included for purposes of determining whether securities are held by a member of a person's immediate family.
2. SECURITIES HELD BY A CORPORATION OR SIMILAR ENTITY. A person

shall not be regarded as having a direct or indirect pecuniary interest in, and therefore shall not be the beneficial owner of, portfolio securities held by a corporation or similar entity in which the person owns securities provided that (i) the person is not a controlling shareholder of the entity or (ii) the person does not have or share investment control over the entity's portfolio securities. "Portfolio securities" means all securities owned by an entity other than securities issued by the entity. Business trusts are treated as corporations for these purposes. In addition, the 1934 Act makes no distinction between public and private corporations for purposes of determining beneficial ownership.

3. SECURITIES HELD IN TRUST. In general, a person's interest in a trust will amount to an indirect pecuniary interest in the securities held by that trust. However, the following persons shall generally not be deemed beneficial owners of the securities held by a trust:
- a) Beneficiaries, unless (i) the beneficiary has or shares investment control with the trustees with respect to transactions in the trust's securities, (ii) the beneficiary has investment control without consultation with the trustee, or (iii) if the trustee does not exercise exclusive investment control, the beneficiary will be the beneficial owner to the extent of his or her pro rata interest in the trust.
 - b) Trustees, unless the trustee has a pecuniary interest in any holding or transaction in the securities held by the trust. A trustee will be deemed to have a pecuniary interest in the trust's holdings if at least one beneficiary of the trust is a member of the trustee's immediate family.
 - c) Settlers, unless a settlor reserves the right to revoke the trust without the consent of another person; provided, however, that if the settlor does not exercise or share investment control over the issuer's securities held by the trust the settlor will not be deemed to be the beneficial owner of those securities.

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Indirect pecuniary interest for purposes of Section 16 also includes a general partner's proportionate interest in the portfolio securities held by a general or limited partnership.

Finally, beneficial ownership is not deemed to be conferred by virtue of an interest in:

- a) portfolio securities held by any holding company registered under the Public Utility Holding Company Act of 1935;
- b) portfolio securities held by any investment company registered under the Investment Company Act of 1940; or
- c) securities comprising part of a broad-based publicly-traded

EXAMPLES OF BENEFICIAL OWNERSHIP

1. Securities Held by Family Members

(a) Example 1-A:

X and Y are married. Although Y has an independent source of income from a family inheritance and segregates her funds from those of her husband, Y contributes to the maintenance of the family home. X and Y have engaged in joint estate planning and have the same financial adviser. Since X and Y's resources are clearly significantly directed towards their common property, they will be deemed to be beneficial owners of each other's securities.

(b) Example 1-B:

X and Y are separated and have filed for divorce. Neither party contributes to the support of the other. X has no control over the financial affairs of his wife and his wife has no control over his financial affairs. Neither X nor Y is a beneficial owner of the other's securities.

(c) Example 1-C:

X's adult son Z lives in X's home. Z is self-supporting and contributes to household expenses. X is a beneficial owner of Z's securities.

(d) Example 1-D:

X's mother A lives alone and is financially independent. X has power of attorney over his mother's estate, pays all her bills and manages her investment affairs. X borrows freely from A without being required to pay back funds with interest, if at all. X takes out personal loans from A's bank in A's name, the interest from such loans being paid from A's account. X is a significant heir of A's estate. X is a beneficial owner of A's securities.

2. Securities Held by a Company

(a) Example 2-A:

O is a holding company with 5 shareholders. X owns 30% of the shares in the company. X will be presumed to have beneficial ownership of the securities owned by O.

3. Securities Held in Trust

(a) Example 3-A:

X is trustee of a trust created for his two minor children. When both of X's children reach 21, each will receive an equal share of the corpus of the trust. X is a beneficial owner of the securities in the trust.

(b) Example 3-B:

X is trustee of an irrevocable trust for his daughter. X is a director of the issuer of the equity securities held by the trust. The daughter is entitled to the income of the trust until she is 25 years old, and is then entitled to the corpus. If the daughter dies before reaching 25, X is entitled to the corpus. X should report the holdings and transactions of the trust as his own.

[JANUS LOGO]

JANUS ETHICS RULES

"ACT IN THE BEST INTEREST OF OUR INVESTORS EARN THEIR
CONFIDENCE WITH EVERY ACTION"

CODE OF ETHICS
INSIDER TRADING POLICY
GIFT POLICY
OUTSIDE EMPLOYMENT POLICY

LAST REVISED MARCH 1, 2000

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JANUS ETHICS RULES

"ACT IN THE BEST INTEREST OF OUR INVESTORS - EARN THEIR CONFIDENCE
WITH EVERY ACTION"

DEFINITIONS

The following definitions are used throughout this document. You are responsible for reading and being familiar with each definition.

1. "Access Person" shall mean:

- 1) Any trustee, director, officer or Advisory Person of the Janus Funds or JCC;
- 2) Any director or officer of JDI who in the ordinary course of his or her business makes, participates in or obtains information regarding the purchase or sale of securities for the Janus Funds or for the advisory clients or whose functions or duties as part of the ordinary course of his or her business relate to the making of any recommendation to the Janus Funds or advisory clients regarding the purchase or sale of securities; and

- 3) Any other persons designated by the Ethics Committee as having access to current trading information.
2. "Advisory Person" shall mean:
 - 1) Any employee of the Janus Funds or JCC (or of any company in a control relationship to the Janus Funds or JCC) who in connection with his or her regular functions or duties, makes, participates in or obtains information regarding the purchase or sale of a security by the Funds or for the account of advisory clients, or whose functions relate to the making of any recommendations with respect to such purchases and sales; and
 - 2) Any natural person in a control relationship to the Funds or JCC who obtains information concerning recommendations made to the Funds or for the account of Clients with regard to the purchase or sale of a security.
 3. "Beneficial Ownership" shall be interpreted in the same manner as it would be under Rule 16a-1(a) (2) under the Securities Exchange Act of 1934 in determining whether a person is subject to the provisions of Section 16 except that the determination of direct or indirect Beneficial Ownership shall apply to all Covered Securities which an Access Person has or acquires. For example, in addition to a person's own accounts the term "Beneficial Ownership" encompasses securities held in the name of a spouse or equivalent domestic partnership, minor children, a relative sharing your home, or certain trusts under which you or a related party is a beneficiary, or held under other arrangements indicating a sharing of financial interest.
 4. "Company Stock" is any stock or option issued by Janus, Stilwell Financial, Inc. ("Stilwell") or Kansas City Southern Industries, Inc. ("KCSI").
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5. "Control" shall have the same meaning as that set forth in Section 2(a) (9) of the 1940 Act.
 6. "Covered Persons" are all Directors, Trustees, officers, and full-time, part-time or temporary employees of Janus, and persons working at Janus on a contract basis.
 7. "Covered Securities" generally include all securities (including Company Stock), whether publicly or privately traded, and any option, future, forward contract or other obligation involving a security or index thereof, including an instrument whose value is derived or based on any of the above (a "derivative"). The term Covered Security includes any separate security, which is convertible into or exchangeable for, or which confers a right to purchase such security.

The following investments are not Covered Securities:

- * shares of registered open-end investment companies (e.g., mutual funds);
- * direct obligations of the U.S. government (e.g., Treasury securities), or any derivative thereof;
- * securities representing a limited partnership interest in a real estate limited partnership;
- * high-quality money market instruments, such as certificates of deposit, bankers acceptances, repurchase agreements, commercial paper, and U.S. government agency obligations;
- * insurance contracts, including life insurance or annuity contracts;
- * direct investments in real estate, business franchises or similar ventures; and
- * physical commodities (including foreign currencies), or any derivatives thereof.

8. "Designated Compliance Representatives" are David Kowalski and Ernie Overholt or their designee(s).
9. "Designated Legal Representatives" are Bonnie Howe and Heidi Walter or their designee(s).
10. "Designated Trading Operations Representatives" are Lesa Finney, John Porro, and Mark Farrell.
11. "Directors" are directors of JCC.
12. "Executive Committee" is comprised of Thomas Bailey, Jim Craig, Thomas Early, Steve Goodbarn, Margie Hurd, and Mark Whiston.
13. "Executive Investment Committee" is comprised of Jim Craig, Jim Goff, Helen Hayes, Warren Lammert, and Scott Schoelzel.
14. "Ethics Committee" is comprised of Thomas Early, Steve Goodbarn, David Kowalski and Ernie Overholt.
15. "Initial Public Offering" means an offering of securities registered under the Securities Act of 1933, the issuer of which, immediately before the registration, was not subject to the reporting requirements of sections 13 or 15(d) of the Securities Exchange Act of 1934.
16. "Inside Trustees and Directors" are Trustees and Directors who

are also employed by Janus.

17. "Investment Personnel" shall mean (i) a person who makes decisions regarding the purchase or sale of securities by or on behalf of the Janus Funds or advisory clients and any person such as an analyst or trader who directly assists in the process, and (ii) any natural person who controls the Janus Funds or JCC and who obtains information concerning recommendations made to the Funds regarding the purchase or sale of Covered Securities by the Funds.
18. "Janus" is Janus Investment Fund, Janus Aspen Series, Janus Capital Corporation, Janus Service Corporation, Janus Distributors, Inc., Janus Capital International Ltd., Janus International (UK) Ltd., Janus Capital Trust Manager Ltd., Janus Universal Funds, and Janus World Funds Plc.
19. "Janus Funds" are Janus Investment Fund, Janus Aspen Series, Janus Universal Funds, and Janus World Funds Plc.
20. "JCC" is Janus Capital Corporation, Janus Capital International Ltd., Janus International (UK) Ltd. and Janus Capital Trust Manager Ltd.
21. "JDI" is Janus Distributors, Inc.
22. "JDI's Operations Manager" is Dana Stephens and/or her designee(s).
23. "Limited Offering" means an offering that is exempt from registration under the Securities Act of 1933 pursuant to section 4(2) or section 4(6) or pursuant to rule 504, rule 505 or rule 506 thereunder.
24. "NASD" is the National Association of Securities Dealers, Inc.
25. "Non-Access Person" is any person that is not an Access Person.
26. "Outside Directors" are Directors who are not employed by Janus.
27. "Outside Trustees" are Trustees who are not "interested persons" of the Janus Funds within the meaning of Section 2(a)(9) of the 1940 Act.
28. "Registered Persons" are persons registered with the NASD by JDI.
29. "Security Held or to be Acquired" means any Covered Security which, within the most recent 15 days (i) is or has been held by the Janus Funds; or (ii) is being or has been considered by the Janus

Funds or JCC for purchase.

30. "SEC" is Securities and Exchange Commission.

31. "Trustees" are trustees of Janus Investment Fund and Janus Aspen Series.

These definitions may be updated from time to time to reflect changes in personnel.

INTRODUCTION

These Ethics Rules ("Rules") apply to all Covered Persons. The Rules apply to transactions for your personal accounts and any other accounts you Beneficially Own. You may be deemed the beneficial owner of any account in which you have a direct or indirect financial interest. Such accounts include, among others, accounts held in the name of your spouse or equivalent domestic partnership, your minor children, a relative sharing your home, or certain trusts under which you or such persons are a beneficiary.

The Rules are intended to ensure that you (i) at all times place first the interests of the Janus Funds, investment companies for which Janus serves as subadviser, and other advisory clients ("Clients"); (ii) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of your position of trust and responsibility; and (iii) not use any material nonpublic information in securities trading. The Rules also establish policies regarding other matters, such as outside employment and the giving or receiving of gifts.

You are required to read and retain these Rules and to sign and return the attached Acknowledgment of Receipt Form to Compliance upon commencement of employment or other services. On an annual basis thereafter, you will be required to complete an Annual Certification Form. The Annual Certification Form confirms that (i) you have received, read and asked any questions necessary to understand the Rules; (ii) you agree to conduct yourself in accordance with the Rules; and (iii) you have complied with the Rules during such time as you have been associated with Janus. Depending on your status, you may be required to submit additional reports and/or obtain clearances as discussed more fully below.

Unless otherwise defined, all capitalized terms shall have the same meaning as set forth in the Definitions section.

CAUTION REGARDING PERSONAL TRADING ACTIVITIES

Certain personal trading activities may be risky not only because of the

nature of the transactions, but also because action necessary to close out a position may become prohibited for some Covered Persons while the position remains open. For example, you may not be able to close out short sales and transactions in derivatives. Furthermore, if JCC becomes aware of material nonpublic information, or if a Client is active in a given security, some Covered Persons may find themselves "frozen" in a position. JCC will not bear any losses in personal accounts resulting from the application of these Rules.

COMMUNICATIONS WITH OUTSIDE TRUSTEES/DIRECTORS

As a regular business practice, JCC attempts to keep Directors and Trustees informed with respect to its investment activities through reports and other information provided to them in connection with board meetings and other events. In addition, Janus personnel are encouraged to respond to inquiries from Directors and Trustees, particularly as they relate to general strategy considerations or economic or market conditions affecting Janus. However, it is JCC's policy not to communicate specific trading information and/or advice on specific issues to Outside Directors and Outside Trustees (i.e., no information should be given on securities for which current activity is being considered for Clients). Any pattern of repeated requests by such Directors or Trustees should be reported to the Chief Compliance Officer or the Compliance Manager.

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CODE OF ETHICS

OVERVIEW

In general, it is unlawful for persons affiliated with investment companies, their principal underwriters or their investment advisers to engage in personal transactions in securities held or to be acquired by a registered investment company, if such personal transactions are made in contravention of rules which the SEC has adopted to prevent fraudulent, deceptive and manipulative practices. Such rules require each registered investment company, investment adviser and principal underwriter to adopt its own written code of ethics containing provisions reasonably necessary to prevent its employees from engaging in such conduct, and to maintain records, use reasonable diligence, and institute such procedures as are reasonably necessary to prevent violations of such code. This Code of Ethics ("Code") and information reported hereunder will enable Janus to fulfill these requirements.

GENERAL PROHIBITIONS

The following activities are prohibited for applicable Covered Persons (remember, if you work at Janus full-time, part-time, temporarily or on a contract basis, or you are a Trustee or Director, you are a Covered Person). Persons who violate any prohibition may be required to disgorge any profits realized in connection with such violation to a charitable organization

selected by the Ethics Committee and may be subject to other sanctions imposed by the Ethics Committee, as outlined in the Penalty Guidelines.

1. Covered Persons may not cause a Client to take action, or to fail to take action, for personal benefit, rather than to benefit such Client. For example, a Covered Person would violate this Code by causing a Client to purchase a security owned by the Covered Person for the purpose of supporting or increasing the price of that security or by causing a Client to refrain from selling a security in an attempt to protect a personal investment, such as an option on that security.
2. Covered Persons may not use knowledge of portfolio transactions made or contemplated for Clients to profit, or cause others to profit, by the market effect of such transactions.
3. Covered Persons may not disclose current portfolio transactions made or contemplated for Clients as well as any other nonpublic information to anyone outside of Janus.
4. Covered Persons may not engage in fraudulent conduct in connection with the purchase or sale of a Security Held or to be Acquired by a Client, including without limitation:
 - 1) Employing any device, scheme or artifice to defraud any Client;
 - 2) Making to any Client any untrue statement of material fact or omitting to state to any Client a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
 - 3) Engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any Client;
 - 4) Engaging in any manipulative practice with respect to any Client; or
- 5) Investing in derivatives to evade the restrictions of this Code. Accordingly, individuals may not use derivatives to take positions in securities that would be otherwise prohibited by the Code if the positions were taken directly.
5. Investment Personnel may not serve on the board of directors of a publicly traded company without prior written authorization from the Ethics Committee. No such service shall be approved without a finding by the Ethics Committee that the board service would not be inconsistent with the interests of Clients. If board service is authorized by the Ethics Committee, the Investment Personnel serving as director normally should be isolated from those making investment decisions with respect to the company involved through "Chinese Walls" or other procedures.

TRADING RESTRICTIONS

The trading restrictions of the Code apply to all direct or indirect acquisitions or dispositions of Covered Securities, whether by purchase, sale, tender offers, stock purchase plan, gift, inheritance, or otherwise. Unless otherwise noted, the following trading restrictions are applicable to any transaction in a Covered Security Beneficially Owned by a Covered Person. Outside Directors and Outside Trustees are exempt from certain trading restrictions because of their limited access to current information regarding Client investments.

Any disgorgement of profits required under any of the following provisions shall be donated to a charitable organization selected by the Ethics Committee, as outlined in the Penalty Guidelines. However, if disgorgement is required as a result of trades by a portfolio manager that conflicted with that manager's own Clients, disgorgement proceeds shall be paid directly to such Clients. If disgorgement is required under more than one provision, the Ethics Committee shall determine in its sole discretion the provision that shall control.^/1/

EXCLUDED TRANSACTIONS

Some or all of the trading restrictions listed below do not apply to the following transactions; however, these transactions must still be reported to Compliance (see Reporting Requirements):

* Tender offer transactions are exempt from all trading restrictions except preclearance.

/1/Unless otherwise noted, restrictions on personal transactions apply to transactions involving Covered Securities, including any derivative thereof. When determining the amount of disgorgement required with respect to a derivative, consideration will be given to price differences in both the derivative and the underlying securities, with the lesser amount being used for purposes of computing disgorgement. For example, in determining whether reimbursement is required when the applicable personal trade is in a derivative and the Client transaction is in the underlying security, the amount shall be calculated using the lesser of (a) the difference between the price paid or received for the derivative and the closing bid or ask price (as appropriate) for the derivative on the date of the Client transaction, or (b) the difference between the last sale price, or the last bid or ask price (as appropriate) of the underlying security on the date of the derivative transaction, and the price received or paid by the Client for the underlying security. Neither preclearance nor disgorgement shall be required if such person's transaction is to close, sell or exercise a derivative within five days of its expiration.

* The acquisition of securities through stock purchase plans are exempt from

all trading restrictions except preclearance, the trading ban on portfolio managers and assistant portfolio managers, and the seven day rule. (Note: the sales of securities acquired through a stock purchase plan are subject to all of the trading restrictions of the Code).

- * The acquisition of securities through stock dividends, automatic dividend reinvestment plans, stock splits, reverse stock splits, mergers, consolidations, spin-offs, or other similar corporate reorganizations or distributions generally applicable to all holders of the same class of such securities are exempt from all trading restrictions. The acquisition of securities through the exercise of rights issued by an issuer pro rata to all holders of a class of securities, to the extent the rights were acquired in the issue are exempt from all trading restrictions.
- * Non-discretionary transactions in Company Stock (e.g., the acquisition of securities through Stilwell or KCSI's Employee Stock Purchase Plan ("ESPP") or the receipt of options in Company Stock as part of a compensation or benefit plan) are exempt from all trading restrictions. Discretionary transactions in Company Stock issued by JCC are exempt from all trading restrictions. Discretionary transactions in Company Stock issued by Stilwell or KCSI (e.g., exercising options or selling ESPP Stock) are exempt from all trading restrictions except preclearance (See procedures for Preclearance of Company Stock).
- * The acquisition of securities by gift or inheritance is exempt from all trading restrictions. (Note: the sales of securities acquired by gift or inheritance are subject to all trading restrictions of the Code).
- * Transactions in options on and securities based on the following indexes are exempt from all trading restrictions: S&P 500 Index, S&P MidCap 400 Index, S&P 100 Index, FTSE 100 Index or Nikkei 225 Index.

DISCLOSURE OF CONFLICTS

If an Investment Person is planning to invest or make a recommendation to invest in a security for a Client, and such person has a material interest in the security, such person must first disclose such interest to his or her manager or the Chief Investment Officer. The manager or Chief Investment Office shall conduct an independent review of the recommendation to purchase the security for Clients. The manager or Chief Investment Officer may review the recommendation only if he or she has no material interest in the security. A material interest is Beneficial Ownership of any security (including derivatives, options, warrants or rights), offices, directorships, significant contracts, or interests or relationships that are likely to affect such person's judgment.

PRECLEARANCE

Access Persons (except Outside Directors and Outside Trustees) must obtain preclearance prior to engaging in any personal transaction in Covered Securities. (See Preclearance Procedures below).

TRADING BAN ON PORTFOLIO MANAGERS AND ASSISTANT PORTFOLIO MANAGERS

Portfolio managers and their assistants are prohibited from trading personally in Covered Securities. However, the following types of transactions are exempt from this policy, but are subject to all applicable provisions of the Rules, including preclearance:

- * Purchases or sales of Company Stock;
- * The sale of any security that is not held by any Client; and
- * The sale of any security in order to raise capital to fund a significant life event. For example, purchasing a home or automobile, or paying medical or education expenses.

BAN ON IPOs AND HOT ISSUES

Covered Persons (except Outside Directors and Outside Trustees) may not purchase securities in an initial public offering or in a secondary offering that constitutes a "hot issue" as defined in NASD rules. Such securities may be purchased or received, however, where the individual has an existing right to purchase the security based on his or her status as an investor, policyholder or depositor of the issuer. In addition, securities issued in reorganizations are also outside the scope of this prohibition if the transaction involves no investment decision on the part of the Covered Person except in connection with a shareholder vote.

60 DAY RULE

Access Persons (except Outside Directors and Outside Trustees) shall disgorge any profits realized in the purchase and sale, or sale and purchase, of the same or equivalent Covered Securities within sixty (60) calendar days if a Client held or traded the security during the sixty (60) calendar day period.

BLACKOUT PERIOD

No Access Person may engage in a transaction in a Covered Security when such person knows or should have known at the time there to be pending, on behalf of any Client, a "buy" or "sell" order in that same security. The existence of pending orders will be checked by Compliance as part of the Preclearance process. Preclearance may be given when any pending Client order is completely executed or withdrawn.

FIFTEEN DAY RULE

Any Access Person (except Outside Directors and Outside Trustees) who buys

or sells a Covered Security within fifteen calendar days before such security is bought or sold on behalf of any Client must disgorge any price advantage realized. The price advantage shall be the favorable spread, if any, between the price paid or received by such person and the least favorable price paid or received by a Client during such period.^/2/ The Ethics Committee has the authority by unanimous action to exempt any person from the fifteen-day rule if such person is selling a security to raise capital to fund a significant life event. For example, purchasing a home or automobile, or paying medical or education expenses. In order for the Ethics Committee

/2/Personal purchases are matched only against subsequent Client purchases and personal sales are matched only against subsequent Client sales for purposes of this restriction.

to consider such exemption, the life event must occur within thirty (30) calendar days of the security transaction, and the person must provide written confirmation of the event.

SEVEN DAY RULE

Any portfolio manager or assistant portfolio manager who buys or sells a Covered Security within seven calendar days before or after he or she trades in that security on behalf of a Client shall disgorge any profits realized on such transaction.

SHORT SALES

Any Access Person who sells short a Covered Security that such person knows or should have known is held long by any Client shall disgorge any profit realized on such transaction. This prohibition shall not apply, however, to securities indices or derivatives thereof (such as futures contracts on the S&P 500 index). Client ownership of Covered Securities will be checked as part of the Preclearance process.

HEDGE FUNDS, INVESTMENT CLUBS, AND OTHER INVESTMENTS

No Access Person (except Outside Directors and Outside Trustees) may participate in hedge funds, partnerships, investment clubs, or similar investment vehicles, unless such person does not have any direct or indirect influence or control over the trading. Covered Persons wishing to rely upon this provision must submit a Certification of Non-Influence and Non-Control Form to the Compliance Manager for approval. (See Non-Influence and Non-Control Accounts section below.)

PRECLEARANCE PROCEDURES

Access Persons must obtain preclearance for all applicable transactions in Covered Securities in which such person has a Beneficial Interest. A

Preclearance Form must be completed and forwarded to Compliance. Compliance shall promptly notify the person of approval or denial of the transaction. Notification of approval or denial of the transaction may be given verbally; however, it shall be confirmed in writing within seventy-two (72) hours of verbal notification. When preclearance has been approved, the person then has four business days from and including the day of first notification to execute the trade.

GENERAL PRECLEARANCE

General preclearance shall be obtained from an authorized person from each of the following three groups:

- * A DESIGNATED LEGAL OR COMPLIANCE REPRESENTATIVE, who will present the personal investment to the attendees of the weekly investment meeting, whereupon an opportunity will be given to orally object. An attendee of the weekly investment meeting shall object to such clearance if such person knows of a conflict with a pending Client transaction or a transaction known by such attendee to be under consideration for a Client. Objections to such clearance should also take into account, among other factors, whether the investment opportunity should be reserved for a Client. If no objections are raised, the Designated Legal or Compliance Representative shall so indicate by signing the Preclearance Form. Such approval shall not be required for sales of securities not held by any Clients.

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In place of this authorization, Investment Personnel are required to obtain approvals from all Executive Investment Committee members as noted in the section below entitled Preclearance Requirements for Investment Personnel.

- * A DESIGNATED TRADING OPERATIONS REPRESENTATIVE, who may provide clearance if such Representative knows at the time of the request of no pending "buy" or "sell" order in the security on behalf of a Client and no such trades are known by such person to be under consideration.
- * The COMPLIANCE MANAGER, OR A DESIGNATED LEGAL OR COMPLIANCE REPRESENTATIVE IF THE COMPLIANCE MANAGER IS NOT AVAILABLE, who may provide clearance if no legal prohibitions are known by such person to exist with respect to the proposed trade. Approvals for such clearance should take into account, among other factors, the existence of any Watch List or Restricted List and, to the extent reasonably practicable, recent trading activity and holdings of Clients.

No authorized person may preclear a transaction in which such person has a Beneficial Interest.

PRECLEARANCE REQUIREMENTS FOR INVESTMENT PERSONNEL

Trades by Investment Personnel may not be precleared by presentation at the weekly investment meeting. Instead, Investment Personnel must obtain the

following management approvals. However, such approvals shall not be required for sales of securities not held by any Clients:

* TRADES IN EQUITY SECURITIES require prior written approval from all members of the Executive Investment Committee, Investment Person's manager and either Ron Speaker or Sandy Rufenacht;

* TRADES IN DEBT SECURITIES require prior written approval from all senior fixed income portfolio managers, either Jim Craig or two other Executive Investment Committee members, and Investment Person's manager.

A portfolio manager may not preclear his or her own transaction.

PRECLEARANCE OF COMPANY STOCK

Officers of Janus and certain persons designated by Compliance who wish to make discretionary transactions in Stilwell or KCSI securities, or derivatives thereon, must preclear such transactions. A Company Stock Preclearance Form must be completed and forwarded to Compliance. Compliance shall promptly notify the person of approval or denial for the transaction. Notification of approval or denial for the transaction may be given verbally; however, it shall be confirmed in writing within seventy-two (72) hours of verbal notification. When preclearance has been approved, the person then has four business days from and including the day of first notification to execute the trade.

If such persons are subject to the provisions of Section 16(b) of the Securities Exchange Act of 1934, trading will generally be allowed only in the ten (10) business day period beginning seventy-two (72) hours after Stilwell or KCSI files its quarterly results with the SEC (e.g., 10Q or 10K filing, not earnings release). To preclear the trade, the Compliance Manager or such other Representative shall discuss the transaction with Janus's General Counsel or Chief Financial Officer.

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PRECLEARANCE OF TENDER OFFERS AND STOCK PURCHASE PLANS

Access Persons (other than Outside Directors and Outside Trustees) who wish to participate in a tender offer or stock purchase plan must preclear such trades only with the Compliance Manager prior to submitting notice to participate in such tender offer or notice of participation in such stock purchase plan to the applicable company. To preclear the trade, the Compliance Manager shall consider all material factors relevant to a potential conflict of interest between the Access Person and Clients. In addition, any increase of \$100 or more to a pre-existing stock purchase plan must be precleared.

FOUR DAY EFFECTIVE PERIOD

Clearances to trade will be in effect for only four trading/business days from and including the date of the last Authorized Person's signature (which may not be provided more than one day after the first Authorized Person's

signature). For tender offers, stock purchase plans, exercise of Company Stock and similar transactions, the date the request is submitted to the company processing the transaction will be considered the trade date for purposes of this requirement. Open orders, including stop loss orders, will generally not be allowed unless such order is expected to be completed within the four day effective period. It is necessary to re-preclear transactions not executed within the four day effective period.

REPORTING REQUIREMENTS

ACCOUNT STATEMENTS

ACCESS PERSONS (other than Outside Trustees) and REGISTERED PERSONS must notify Compliance of each brokerage account in which they have a Beneficial Interest and must arrange for their brokers or financial institutions to provide to Compliance, on a timely basis, duplicate account statements and confirmations showing all transactions in brokerage or commodities accounts in which they have a Beneficial Interest. A Personal Brokerage Account Disclosure Form should be completed for this purpose.

PLEASE NOTE THAT, EVEN IF SUCH PERSON DOES NOT TRADE COVERED SECURITIES IN A PARTICULAR BROKERAGE OR COMMODITIES ACCOUNT (E.G., TRADING MUTUAL FUNDS IN A SCHWAB ACCOUNT), THE REPORTING OF DUPLICATE ACCOUNT STATEMENTS AND CONFIRMATIONS IS STILL REQUIRED. HOWEVER, IF SUCH PERSON ONLY USES A PARTICULAR BROKERAGE ACCOUNT FOR CHECKING ACCOUNT PURPOSES, AND NOT INVESTMENT PURPOSES, HE OR SHE MAY IN LIEU OF REPORTING DUPLICATE ACCOUNT STATEMENTS, REPORT DUPLICATE TRADE CONFIRMATIONS AND MAKE A QUARTERLY REPRESENTATION TO COMPLIANCE INDICATING THAT NO INVESTMENT TRANSACTIONS OCCURRED IN THE ACCOUNT DURING THE CALENDAR QUARTER. Reporting of accounts that do not allow any trading in Covered Securities (e.g., a mutual fund account held directly with the fund sponsor) is not required.

Covered Persons must notify Compliance of each reportable account at the time it is opened, and annually thereafter, including the name of the firm and the name under which the account is carried. A Personal Brokerage Account Disclosure Form should be completed for this purpose.

Certain transactions might not be reported through a brokerage account, such as private placements, inheritances or gifts. In these instances, Access Persons must report these transactions within ten (10) calendar days using a Personal Securities Transaction Report as noted below.

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| Registered Persons are reminded that they must also inform any brokerage |
| firm with which they open an account, at the time the account is opened, |
| that they are registered with JDI. |
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NON-ACCESS PERSONS who engage in an aggregate of \$25,000 or more of transactions in Covered Securities within a calendar year must provide Compliance with an

Annual Transaction Report listing all such transactions in all accounts in which such person has a Beneficial Interest. Compliance will request this information annually and will spot check all or a portion of such transactions or accounts.

HOLDINGS REPORTS

ACCESS PERSONS (other than Outside Trustees) must, within ten (10) calendar days after becoming an Access Person, provide Compliance with a Holdings Report which lists all Covered Securities beneficially held and any brokerage accounts through which such securities are maintained. In addition, such persons must provide a brief description of any positions held (e.g., director, officer, other) with for-profit entities other than Janus. The report must contain information current as of no more than thirty (30) calendar days from the time the report is submitted.

PERSONAL SECURITIES TRANSACTION REPORTS

ACCESS PERSONS (other than Outside Trustees) must provide a Personal Securities Transaction Report within ten (10) calendar days after any month end showing all transactions in Covered Securities for which confirmations are known by such person to not have been timely provided to Janus, and all such transactions that are not effected in brokerage or commodities accounts, including without limitation non-brokered private placements, and transactions in securities that are in certificate form, which may include gifts, inheritances, and other transactions in Covered Securities.

OUTSIDE TRUSTEES need only report a transaction in a Covered Security if such person, at the time of that transaction, knew or, in the ordinary course of fulfilling his or her official duties as a Trustee should have known, that, during the fifteen-day period immediately preceding the date of his or her personal transaction, such security was purchased or sold by, or was being considered for purchase or sale on behalf of, any Janus Fund for which such person acts as Trustee.

SUCH PERSONS MUST PROMPTLY COMPLY WITH ANY REQUEST OF THE COMPLIANCE MANAGER TO PROVIDE TRANSACTION REPORTS REGARDLESS OF WHETHER THEIR BROKER HAS BEEN INSTRUCTED TO PROVIDE DUPLICATE CONFIRMATIONS. SUCH REPORTS MAY BE REQUESTED, FOR EXAMPLE, TO CHECK THAT ALL APPLICABLE CONFIRMATIONS ARE BEING RECEIVED OR TO SUPPLEMENT THE REQUESTED CONFIRMATIONS WHERE A BROKER IS DIFFICULT TO WORK WITH OR OTHERWISE FAILS TO PROVIDE DUPLICATE CONFIRMATIONS ON A TIMELY BASIS.

NON-INFLUENCE AND NON-CONTROL ACCOUNTS

The Rules shall not apply to any account, partnership, or similar investment vehicle over which a Covered Person has no direct or indirect influence or control. Covered Persons wishing to rely upon this provision are required to receive approval from the Ethics Committee. In order to request such approval, a Certification of Non-Influence and Non-Control Form must be submitted to the Compliance Manager.

Any account beneficially owned by a Covered Person that is managed by JCC in a

discretionary capacity is not covered by these Rules so long as such person has no direct or indirect influence or control over the account. The employment relationship between the account-holder and the individual managing the

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account, in the absence of other facts indicating control, will not be deemed to give such account-holder influence or control over the account.

OTHER REQUIRED FORMS

In addition to the Preclearance Form, Preclearance Form for Company Stock, Personal Brokerage Account Disclosure Form, Holdings Report, Report of Personal Securities Transactions, Annual Transaction Report, and Certification of Non-Influence and Non-Control Form discussed above, the following forms (available through Lotus Notes) must be completed if applicable to you:

ACKNOWLEDGMENT OF RECEIPT FORM

Each Covered Person must provide Compliance with an Acknowledgment of Receipt Form within ten (10) calendar days of commencement of employment or other services certifying that he or she has received a current copy of the Rules and acknowledges, as a condition of employment, that he or she will comply with the Rules in their entirety.

ANNUAL CERTIFICATION FORM

Each Covered Person must provide Compliance annually within thirty (30) calendar days from date of request with an Annual Certification Form certifying that he or she:

- 1) Has received, read and understands the Rules;
- 2) Has complied with the requirements of the Rules; and
- 3) Has disclosed or reported all open brokerage and commodities accounts, personal holdings and personal securities transactions required to be disclosed or reported pursuant to the requirements of the Rules.

OUTSIDE DIRECTOR/TRUSTEE REPRESENTATION FORM

All Outside Directors and Outside Trustees must, upon commencement of services and annually thereafter, provide Compliance with an Outside Director/Trustee Representation Form. The Form declares that such persons agree to refrain from trading in any securities when they are in possession of any information regarding trading recommendations made or proposed to be made to any Client by Janus or its officers or employees.

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INSIDER TRADING POLICY

BACKGROUND INFORMATION

The term "insider trading" is not defined in the federal securities statutes, but generally is used to refer to the use of material nonpublic information to trade in securities (whether or not one is an "insider") or to communications of material nonpublic information to others.

While the law concerning insider trading can be complex and unclear, you should assume that the law prohibits:

- * Trading by an insider, while in possession of material nonpublic information,
- * Trading by a non-insider, while in possession of material nonpublic information, where the information was disclosed to the non-insider (either directly or through one or more intermediaries) in violation of an insider's duty to keep it confidential,
- * Communicating material nonpublic information to others in breach of a duty not to disclose such information, and
- * Misappropriating confidential information for securities trading purposes, in breach of a duty owed to the source of the information to keep the information confidential.

Trading based on material nonpublic information about an issuer does not violate this policy unless the trader (i) is an "insider" with respect to an issuer; (ii) receives the information from an insider or from someone that the trader knows received the information from an insider, either directly or indirectly, or (iii) misappropriates the nonpublic information or obtains or misuses it in breach of a duty of trust and confidence owed to the source of the information. Accordingly, trading based on material nonpublic information about an issuer can be, but is not necessarily, a violation of this Policy. Trading while in possession of material nonpublic information relating to a tender offer is prohibited under this Policy regardless of how such information was obtained.

Application of the law of insider trading to particular transactions can be difficult, particularly if it involves a determination about trading based on material nonpublic information. You legitimately may be uncertain about the application of this Policy in particular circumstances. If you have any questions regarding the application of the Policy or you have any reason to believe that a violation of the Policy has occurred or is about to occur, you should contact the Chief Compliance Officer or the Compliance Manager.

The following discussion is intended to help you understand the principal concepts involved in insider trading.

WHO IS AN INSIDER?

The concept of "insider" is broad. It includes officers, directors and employees of a company. In addition, a person can be a "temporary insider" if he or she enters into a special confidential relationship in the conduct of a company's affairs and as a result is given access to information solely for the company's purposes. A temporary insider can include, among others, a company's attorneys, accountants, consultants, bank lending officers, and the employees of such organizations. In addition, one or more of the Janus entities may become a temporary insider of a company it advises or for which it performs other services. To be considered an insider, the company must expect the outsider to keep the disclosed nonpublic information confidential and/or the relationship must at least imply such a duty.

WHEN IS INFORMATION NONPUBLIC?

Information remains nonpublic until it has been made public. Information becomes public when it has been effectively communicated to the marketplace, such as by a public filing with the SEC or other governmental agency, inclusion in the Dow Jones "tape" or publication in The Wall Street Journal or another publication of general circulation. Moreover, sufficient time must have passed so that the information has been disseminated widely.

WHAT IS MATERIAL INFORMATION?

Trading on inside information is not a basis for liability unless the information is material. "Material information" generally means information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a substantial effect on the price of a company's securities. Information that should be considered material includes, but is not limited to: dividend changes, earnings estimates, changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems, and extraordinary management developments.

Material information may also relate to the market for a company's securities. Information about a significant order to purchase or sell securities may, in some contexts, be deemed material. Similarly, prepublication information regarding reports in the financial press also may be deemed material. For example, the Supreme Court upheld the criminal convictions of insider trading defendants who capitalized on prepublication information about The Wall Street Journal's "Heard on the Street" column.

WHEN IS INFORMATION MISAPPROPRIATED?

The misappropriation theory prohibits trading on the basis of non-public information by a corporate "outsider" in breach of a duty owed not to a trading party, but to the source of confidential information. Misappropriation of

information occurs when a person obtains the non-public information through deception or in breach of a duty of trust and loyalty to the source of the information.

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PENALTIES FOR INSIDER TRADING

Penalties for trading on or communicating material nonpublic information are severe, both for individuals involved in such unlawful conduct and their employers or other controlling persons. A person can be subject to some or all of the penalties below even if he or she does not personally benefit from the violation. Penalties include:

- * Civil injunctions
- * Treble damages
- * Disgorgement of profits
- * Jail sentences for up to 10 years
- * Fines up to \$1,000,000 (or \$2,500,000 for corporations and other entities)
- * Civil penalties for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited, and
- * Civil penalties for the employer or other controlling person of up to the greater of \$1,000,000 or three times the amount of the profit gained or loss avoided.

In addition, any violation of the law may result in serious sanctions by Janus, including termination of employment.

WHO IS A CONTROLLING PERSON?

Included as controlling persons are Janus and its Directors, Trustees and officers. If you are a Director, Trustee or officer, you have a duty to act to prevent insider trading. Failure to fulfill such a duty may result in penalties as described above.

PROCEDURES TO IMPLEMENT POLICY

The following procedures have been established to aid the Directors, Trustees, officers and employees of Janus in avoiding insider trading, and to aid Janus in preventing, detecting and imposing sanctions against insider trading.

IDENTIFYING MATERIAL INSIDE INFORMATION

Before trading for yourself or others, including the Janus Funds or other Clients, in the securities of a company about which you may have potential inside information, ask yourself the following questions:

- * To whom has this information been provided? Has the information been effectively communicated to the marketplace?
- * Has this information been obtained from either the issuer or from another source in breach of a duty to that source to keep the information confidential?

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- * Is the information material? Is this information that an investor would consider important in making his or her investment decisions? Is this information that would affect the market price of the securities if generally disclosed?

Special caution should be taken with respect to potential inside information regarding JCC. Although JCC's shares are not publicly traded, JCC's parent, KCSI, is a publicly traded company. KCSI owns 82% of the stock of JCC. As a result, potential inside information regarding JCC may affect trading in KCSI stock and should be reported pursuant to the procedures set forth below. The following is a non-exclusive list of situations that Investment Personnel should report immediately pursuant to the procedures below: (i) participation in private placements; (ii) the receipt of any information from an issuer pursuant to a confidentiality agreement; (iii) participation on or receipt of information from a bankruptcy committee of an issuer; and (iv) receipt of information regarding earnings or sales figures in advance of the public release of those numbers.

REPORTING INSIDE INFORMATION

If, after consideration of the above, you believe that the information is material and nonpublic, or if you have questions as to whether the information is material and nonpublic, you should take the following steps:

- * Do not purchase or sell the securities on behalf of yourself or others, including Clients.
- * Do not communicate the information inside or outside of Janus, other than to the Chief Compliance Officer or the Compliance Manager.
- * Immediately advise the Chief Compliance Officer or Compliance Manager of the nature and source of such information. The Chief Compliance Officer or Compliance Manager will review the information with the Ethics Committee.
- * Depending upon the determination made by the Ethics Committee, or by the Chief Compliance Officer until the Committee can be convened, you may be instructed to continue the prohibition against trading and communication and

the Compliance Manager will place the security on a Restricted List or Watch List, as described below. Alternatively, if it is determined that the information obtained is not material nonpublic information, you may be allowed to trade and communicate the information.

WATCH AND RESTRICTED LISTS

Whenever the Ethics Committee or the Chief Compliance Officer determines that a Director, Trustee, officer or employee of Janus is in possession of material nonpublic information with respect to a company (regardless of whether it is currently owned by any Client) such company will either be placed on a Watch List or on a Restricted List.

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WATCH LIST

If the security is placed on a Watch List, the flow of the information to other Janus personnel will be restricted in order to allow such persons to continue their ordinary investment activities. This procedure is commonly referred to as a "Chinese Wall."

RESTRICTED LIST

If the Ethics Committee or the Chief Compliance Officer determines that material nonpublic information is in the possession of a Director, Trustee, officer, or employee of Janus and cannot be adequately isolated through the use of a Chinese Wall, the company will be placed on the Restricted List. While a company is on the Restricted List, no Investment Person shall initiate or recommend any transaction in any Client account, and no Access Person shall be precleared to transact in any account in which he or she has a beneficial interest, with respect to the securities of such company. The Ethics Committee or the Chief Compliance Officer will also have the discretion of placing a company on the Restricted List even though no "break in the Chinese Wall" has or is expected to occur with respect to the material nonpublic information about the company. Such action may be taken by such persons for the purpose of avoiding any appearance of the misuse of material nonpublic information.

The Ethics Committee or the Chief Compliance Officer will be responsible for determining whether to remove a particular company from the Watch List or Restricted List. The only persons who will have access to the Watch List or Restricted List are members of the Ethics Committee, Designated Legal or Compliance Representatives and such persons who are affected by the information. The Watch List and Restricted List are highly confidential and should, under no circumstances, be discussed with or disseminated to anyone other than the persons noted above.

PROTECTING INFORMATION

Directors, Trustees, officers and employees of Janus shall not disclose any nonpublic information (whether or not it is material) relating to Janus or

its securities transactions to any person outside Janus (unless such disclosure has been authorized by the Chief Compliance Officer). Material nonpublic information may not be communicated to anyone, including any Director, Trustee, officer or employee of Janus, except as provided in this Policy. Access to such information must be restricted. For example, access to files containing material nonpublic information and computer files containing such information should be restricted, and conversations containing such information, if appropriate at all, should be conducted in private.

To insure the integrity of the Chinese Wall and to avoid unintended disclosures, it is important that all employees take the following steps with respect to confidential or nonpublic information:

- * Do not discuss confidential information in public places such as elevators, hallways or social gatherings.
- * To the extent practical, limit access to the areas of the firm where confidential information could be observed or overheard to employees with a business need for being in the area.
- * Avoid use of speakerphones in areas where unauthorized persons may overhear conversations.

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- * Avoid use of wireless and cellular phones, or other means of communication, which may be intercepted.
- * Where appropriate, maintain the confidentiality of Client identities by using code names or numbers for confidential projects.
- * Exercise care to avoid placing documents containing confidential information in areas where they may be read by unauthorized persons and to store such documents in secure locations when they are not in use.
- * Destroy copies of confidential documents no longer needed for a project unless required to be saved pursuant to applicable record keeping policies or requirements.

RESPONSIBILITY TO MONITOR TRANSACTIONS

Compliance will monitor transactions of Clients and employees for which reports are received to detect the existence of any unusual trading activities with respect to companies on the Watch and Restricted Lists. Compliance will immediately report any unusual trading activity directly to the Compliance Manager, and in his or her absence, the Chief Compliance Officer, who will be responsible for determining what, if any, action should be taken.

RECORD RETENTION

Compliance shall maintain copies of the Watch List and Restricted List for

a minimum of six years.

TENDER OFFERS

Tender offers represent a particular concern in the law of insider trading for two reasons. First, tender offer activity often produces extraordinary fluctuations in the price of the target company's securities. Trading during this time period is more likely to attract regulatory attention (and produces a disproportionate percentage of insider trading cases). Second, the SEC has adopted a rule which expressly forbids trading and "tipping" while in possession of material nonpublic information regarding a tender offer received from the tender offeror, the target company or anyone acting on behalf of either. Janus employees and others subject to this Policy should exercise particular caution any time they become aware of nonpublic information relating to a tender offer.

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GIFT POLICY

Gifts may be given (or accepted) only if they are in accordance with normally accepted business practices and do not raise any question of impropriety. A question of impropriety may be raised if a gift influences or gives the appearance of influencing the recipient. The following outlines Janus's policy on giving and receiving gifts to help us maintain those standards and is applicable to all Inside Directors and Inside Trustees, officers and employees of Janus.

GIFT GIVING

Neither you nor members of your immediate family may give any gift, series of gifts, or other thing of value, including cash, loans, personal services, or special discounts ("Gifts") in excess of \$100 per year to any Client or any one person or entity that does or seeks to do business with or on behalf of Janus or any Client (collectively referred to herein as "Business Relationships").

GIFT RECEIVING

Neither you nor members of your immediate family may receive any Gift of material value from any single Business Relationship. A Gift will be considered material in value if it influences or gives the appearance of influencing the recipient.

In the event the aggregate fair market value of all Gifts received by you from any single Business Relationship is estimated to exceed \$250 in any 12-month period, you must immediately notify your manager. Managers that receive such notification must report this information to the Compliance Manager if it appears that such Gifts may have improperly influenced the receiver. If the Gift is made in connection with the sale or distribution of registered investment company or variable contract securities, the aggregate

fair market value of all such Gifts received by you from any single Business Relationship may never exceed \$100 in any 12-month period.

Occasionally, Janus employees are invited to attend or participate in conferences, tour a company's facilities, or meet with representatives of a company. Such invitations may involve traveling and may require overnight lodging. Generally, Janus must pay for all travel and lodging expenses provided in connection with such activities. However, if appropriate, and with prior approval from your manager, you may accept travel related amenities if the costs are considered insubstantial and are not readily ascertainable.

The solicitation of a Gift is prohibited (i.e., you may not request a Gift, such as tickets to a sporting event, be given to you).

CUSTOMARY BUSINESS AMENITIES

Customary business amenities are not considered Gifts so long as such amenities are business related (e.g., if you are accepting tickets to a sporting event, the offerer must go with you), reasonable in cost, appropriate as to time and place, and neither so frequent nor so costly as to raise any question of impropriety. Customary business amenities which you and, if appropriate, your guests, may accept (or give) include an occasional meal, a ticket to a sporting event or the theater, greens fees, an invitation to a reception or cocktail party, or comparable entertainment.

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OUTSIDE EMPLOYMENT POLICY

No Inside Director, Inside Trustee, officer or employee of Janus shall accept employment or compensation as a result of any business activity (other than a passive investment), outside the scope of his relationship with Janus unless such person has provided prompt written notice of such employment or compensation to the Chief Compliance Officer (or, for Registered Persons, to JDI's Operations Manager), and, in the case of securities-related employment or compensation, has received the prior written approval of the Ethics Committee. Registered Persons are reminded to update and submit their Outside Business Activity Disclosure forms as appropriate pursuant to JDI's Written Supervisory Procedures and applicable NASD rules.

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PENALTY GUIDELINES

OVERVIEW

Covered Persons who violate any of the requirements, restrictions, or prohibitions of the Rules may be subject to sanctions imposed by the Ethics Committee. The following guidelines shall be used by the Compliance Manager for recommending remedial actions for Covered Persons who violate prohibitions or disregard requirements of the Rules. Deviations from the Fifteen-Day Rule are not considered to be violations under the Rules and, therefore, are not subject to the penalty guidelines.

Upon learning of a potential deviation from, or violation of the Rules, the Compliance Manager will provide a written recommendation of remedial action to the Ethics Committee. The Ethics Committee has full discretion to approve such recommendation or impose other sanctions it deems appropriate. The Ethics Committee will take into consideration, among other things, whether the violation was a technical violation of the Rules or inadvertent oversight (i.e., ill-gotten profits versus general oversight). The guidelines are designed to promote consistency and uniformity in the imposition of sanctions and disciplinary matters.

PENALTY GUIDELINES

Outlined below are the guidelines for the sanctions that may be imposed on Covered Persons who fail to comply with the Rules:

- * 1st violation- Compliance will send a memorandum of reprimand to the person, copying his or her supervisor. The memorandum will generally reinforce the person's responsibilities under the Rules, educate the person on the severity of personal trading violations and inform the person of the possible penalties for future violations of the Rules;
- * 2nd violation- Janus's Chief Investment Officer, James Craig, will meet with the person to discuss the violations in detail and will reinforce the importance of complying with the Rules;
- * 3rd violation- Janus's Chairman of the Board, Thomas Bailey, will meet with the person to discuss the violations in detail and will reinforce the importance of complying with the Rules;
- * 4th violation- The Executive Committee will impose such sanctions as it deems appropriate, including without limitation, a letter of censure, fines, withholding of bonus payments, or suspension or termination of employment or personal trading privileges.

In addition to the above disciplinary sanctions, such persons may be required to disgorge any profits realized in connection with such violation. All disgorgement proceeds collected will be donated to a charitable organization selected by the Ethics Committee. The Ethics Committee may determine to impose any of the sanctions set forth in item 4 above, including termination, immediately and without notice if it determines that the severity of any violation or violations warrants such action. All sanctions imposed will be documented in such person's personal trading file maintained by Janus, and will be reported to the Executive Committee.

SUPERVISORY AND COMPLIANCE PROCEDURES

The Chief Compliance Officer and Compliance Manager are responsible for implementing supervisory and compliance review procedures. Supervisory procedures can be divided into two classifications: prevention of violations and detection of violations. Compliance review procedures include preparation of special and annual reports, record maintenance and review, and confidentiality preservation.

SUPERVISORY PROCEDURES

PREVENTION OF VIOLATIONS

To prevent violations of the Rules, the Compliance Manager should, in addition to enforcing the procedures outlined in the Rules:

1. Review and update the Rules as necessary, at least once annually, including but not limited to a review of the Code by the Chief Compliance Officer, the Ethics Committee and/or counsel;
2. Answer questions regarding the Rules, or refer the same to the Chief Compliance Officer;
3. Request from all persons upon commencement of services, and annually thereafter, any applicable forms and reports as required by the Rules;
4. Identify all Access Persons and notify them of their responsibilities and reporting requirements;
5. Write letters to the securities firms requesting duplicate confirmations and account statements where necessary; and
6. With such assistance from the Human Resources Department as may be appropriate, maintain a continuing education program consisting of the following:
 - 1) Orienting Covered Persons who are new to Janus to the Rules, and
 - 2) Further educating Covered Persons by distributing memos or other materials that may be issued by outside organizations such as the Investment Company Institute discussing the issue of insider trading and other issues raised by the Rules.

DETECTION OF VIOLATIONS

To detect violations of these Rules, the Compliance Manager should, in

addition to enforcing the procedures outlined in the Rules:

- * Implement procedures to review holding and transaction reports, confirmations, forms and statements relative to applicable restrictions, as provided under the Code; and
- * Implement procedures to review the Restricted and Watch Lists relative to applicable personal and Client trading activity, as provided under the Policy.

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Spot checks of certain information are permitted as noted under the Code.

COMPLIANCE PROCEDURES

REPORTS OF POTENTIAL DEVIATIONS OR VIOLATIONS

Upon learning of a potential deviation from, or violation of the Rules, the Compliance Manager shall report such violation to the Chief Compliance Officer, together with all documents relating to the matter. The Chief Compliance Officer shall either present the information at the next regular meeting of the Ethics Committee, or conduct a special meeting. The Ethics Committee shall thereafter take such action as it deems appropriate (see Penalty Guidelines).

ANNUAL REPORTS

The Compliance Manager shall prepare a written report to the Ethics Committee and the Trustees at least annually. The written report to the Trustees shall include any certification required by Rule 17j-1. This report shall set forth the following information, and shall be confidential:

- * Copies of the Rules, as revised, including a summary of any changes made since the last report;
- * Identification of any material issues arising under the Rules including material violations requiring significant remedial action since the last report;
- * Identification of any material conflicts that arose since the last report; and
- * Recommendations, if any, regarding changes in existing restrictions or procedures based upon Janus's experience under these Rules, evolving industry practices, or developments in applicable laws or regulations.

The Trustees must initially approve these Rules within the time frame required by Rule 17-1. Any material changes to these Rules must be approved within six months.

RECORDS

Compliance shall maintain the following records on behalf of each Janus entity:

- * A copy of this Code and any amendment thereof which is or at any time within the past five years has been in effect.
- * A record of any violation of this Code, or any amendment thereof, and of any action taken as a result of such violation.
- * Files for personal securities transaction confirmations and account statements, all reports and other forms submitted by Covered Persons pursuant to these Rules and any other pertinent information.
- * A list of all persons who are, or have been, required to make reports pursuant to these Rules.

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- * A list of persons who are, or within the last five years have been responsible for, reviewing transaction and holdings reports.
- * A copy of each report made to the Trustees pursuant to this Code.

INSPECTION

The records and reports maintained by Compliance pursuant to the Rules shall at all times be available for inspection, without prior notice, by any member of the Ethics Committee.

CONFIDENTIALITY

All procedures, reports and records monitored, prepared or maintained pursuant to these Rules shall be considered confidential and proprietary to Janus and shall be maintained and protected accordingly. Except as otherwise required by law or this Policy, such matters shall not be disclosed to anyone other than to members of the Ethics Committee, as requested.

FILING OF REPORTS

To the extent that any report, form acknowledgment or other document is required to be in writing and signed, such documents may be submitted in by e-mail or other electronic form approved by Compliance. Any report filed with the Chief Compliance Officer or Compliance Manager of JCC shall be deemed filed with the Janus Funds.

THE ETHICS COMMITTEE

The purpose of this Section is to describe the Ethics Committee. The Ethics Committee is created to provide an effective mechanism for monitoring compliance with the standards and procedures contained in the Rules and to take

appropriate action at such times as violations or potential violations are discovered.

MEMBERSHIP OF THE COMMITTEE

The Committee consists of Thomas A. Early, Vice President and General Counsel; Steven R. Goodbarn, Vice President of Finance, Treasurer and Chief Financial Officer; David Kowalski, Vice President and Chief Compliance Officer; and Ernie C. Overholt, Compliance Manager. The Compliance Manager currently serves as the Chairman of the Committee. The composition of the Committee may be changed from time to time.

COMMITTEE MEETINGS

The Committee shall generally meet every four months or as often as necessary to review operation of the compliance program and to consider technical deviations from operational procedures, inadvertent oversights, or any other potential violation of the Rules. Deviations alternatively may be addressed by including them in the employee's personnel records maintained by Janus. Committee meetings are primarily intended for consideration of the general operation of the compliance program and substantive or serious departures from standards and procedures in the Rules.

Such other persons may attend a Committee meeting, at the discretion of the Committee, as the Committee shall deem appropriate. Any individual whose conduct has given rise to the meeting also may be called upon, but shall not have the right, to appear before the Committee.

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It is not required that minutes of Committee meetings be maintained; in lieu of minutes the Committee may issue a report describing any action taken. The report shall be included in the confidential file maintained by the Compliance Manager with respect to the particular employee or employees whose conduct has been the subject of the meeting.

SPECIAL DISCRETION

The Committee shall have the authority by unanimous action to exempt any person or class of persons or transaction or class of transactions from all or a portion of the Rules, provided that:

- * The Committee determines, on advice of counsel, that the particular application of all or a portion of the Rules is not legally required;
- * The Committee determines that the likelihood of any abuse of the Rules by such exempted person(s) or as a result of such exempted transaction is remote;
- * The terms or conditions upon which any such exemption is granted is evidenced in writing; and

* The exempted person(s) agrees to execute and deliver to the Compliance Manager, at least annually, a signed Acknowledgment Form, which Acknowledgment shall, by operation of this provision, include such exemptions and the terms and conditions upon which it was granted.

The Committee shall also have the authority by unanimous action to impose such additional requirements or restrictions as it, in its sole discretion, determines appropriate or necessary, as outlined in the Penalty Guidelines.

Any exemption, and any additional requirement or restriction, may be withdrawn by the Committee at any time (such withdrawal action is not required to be unanimous).

GENERAL INFORMATION ABOUT THE ETHICS RULES

DESIGNEES

The Compliance Manager and the Chief Compliance Officer may appoint designees to carry out their functions pursuant to these Rules.

ENFORCEMENT

In addition to the penalties described in the Penalty Guidelines and elsewhere in the Rules, upon discovering a violation of the Rules, the Janus entity with which you are associated may impose such sanctions as it deems appropriate, including without limitation, a letter of censure or suspension or termination of employment or personal trading privileges of the violator. All material violations of the Rules and any sanctions imposed with respect thereto shall be reported periodically to the Directors and Trustees and the directors of any other Janus entity which has been directly affected by the violation.

INTERNAL USE

The Rules are intended solely for internal use by Janus and do not constitute an admission, by or on behalf of such companies, their controlling persons or persons they control, as to any fact, circumstance or legal conclusion. The Rules are not intended to evidence, describe or define any relationship of control between or among any persons. Further, the Rules are not intended to form the basis for describing or defining any conduct by a person that should result in such person being liable to any other person, except insofar as the conduct of such person in violation of the Rules may constitute sufficient cause for Janus to terminate or otherwise adversely affect such person's relationship with Janus.

